Independent Auditors’ Report
To the Members of
Jet Airways (India) Limited

Report on the Standalone Ind AS Financial Statements
We have audited the accompanying Standalone Ind AS financial statements of Jet Airways (India) Limited (‘the Company’), which comprise the Balance sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Ind AS financial statements”).

Management’s Responsibility for the Standalone Ind AS Financial Statements
The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility
Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.
An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018 and its loss, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter
We draw attention to Note 52 of the standalone Ind AS financial statements regarding preparation of the Ind AS standalone financial statements on going concern basis for the reasons stated therein. The appropriateness of assumption of going concern is dependent upon realization of the various initiatives undertaken by the Company and/or the Company’s ability
Independent Auditors’ Report (Contd.)

to raise requisite finance/generate cash flows in future to meet its obligations, including financial support to its subsidiary companies.
Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the “Annexure A”, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) the Balance sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement of change in equity dealt with by this Report are in agreement with the books of account;
   (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015, as amended;
   (e) the matter described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
   (f) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
   (g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”;
   (h) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. the Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 45 to the Standalone Ind AS financial statements;
      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For B S R & CO. LLP
Chartered Accountants
(Firm’s Registration No: 101248W/W-100022)

Bhavesh Dhupelia
Partner
Membership No. 042070

Place : Mumbai
Date : 23 May 2018

FOR D T S & ASSOCIATES
Chartered Accountants
(Firm’s Registration No: 142412W)

T. P. Ostwal
Partner
Membership No. 030848

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Annexure-A to the Independent Auditors’ Report

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a programme of verification of fixed assets to cover all the items in phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. Pursuant to the program, certain asset were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) As explained to us, the inventory has been physically verified during the year by the management other than inventory lying with third parties. In our opinion, the frequency of verification is reasonable. In respect of inventory lying with third parties, we have relied on the confirmations obtained by the management from such entities. The discrepancies noticed on verification between the physical stock and the book records were not material.

(iii) In our opinion and according to information and explanations given to us the Company has granted unsecured loans to its wholly-owned subsidiary covered in the register maintained under Section 189 of the Act. In respect of such loan

(a) Terms and conditions of unsecured loan granted to wholly-owned subsidiary is not prejudicial of the interest of the Company.

(b) Loan given till 31 March 2014 is interest free and loan given thereafter is interest bearing and is repayable in the financial year 2019-2020.

(c) There is no overdue amount in excess of ₹ 1 Lakh remaining outstanding as at the year end.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees or securities granted in respect of which provisions of Section 185 and 186 of the Act are applicable to the Company. The Company has complied with the provision of section 186 of the Act in respect of the investment made.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits as per the directions issued by the Reserve Bank of India from the public in accordance with relevant provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph (v) of the Order is not applicable to the Company.

(vi) As informed to us by the management, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services/activities rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees’ State Insurance, Sales Tax, Value Added Tax, service tax, Goods and Service Tax, profession tax, income tax (tax deducted at source), duty of customs, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Value Added Tax, duty of customs, service tax, Goods and Service Tax, profession tax, income tax (tax deducted at source), duty of customs, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable except in respect of interest on service tax of ₹ 6,342 Lakhs for the period 2012-13 to 2014-15.

(b) According to the information and explanations given to us, there are no material dues of duty of excise, sales tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income Tax, Service Tax and Duty of Customs have not been deposited by the Company on account of disputes:
## Annexure-A to the Independent Auditors’ Report (Contd.)

<table>
<thead>
<tr>
<th>Name of the statute</th>
<th>Nature of dues</th>
<th>Period to which the amount relates</th>
<th>Forum where dispute is pending</th>
<th>Amount not deposited on account of demand (Rs in Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inland Air Travel and Tax Rules, 1989 (IATT)</td>
<td>Interest &amp; Penalty*</td>
<td>2003-04</td>
<td>Delhi High Court</td>
<td>321</td>
</tr>
<tr>
<td>Customs Act 1962</td>
<td>Custom Duty</td>
<td>2010-2011 to 2013-2014</td>
<td>Commissioner of Customs (Appeals)</td>
<td>9</td>
</tr>
<tr>
<td>Finance Act 1994</td>
<td>Service Tax</td>
<td>2003-2004 to 2005-2006</td>
<td>Supreme Court of India</td>
<td>361</td>
</tr>
</tbody>
</table>

*Amount paid for IATT interest and penalty ₹ 105 Lakhs, Service tax (CESTAT) ₹ 587 Lakhs, Service Tax (commissioner of central excise) ₹ 500 Lakhs, Service Tax (commissioner of central excise (Appeal) ₹ 2 Lakhs and Custom duty (CESTAT) ₹ 84 Lakhs and Commissioner of Customs (Appeals) ₹ 21,134 Lakhs.

(viii) In our opinion and according to the information and explanations given to us, there have been no defaults in the repayment of dues to financial institutions, banks and debenture holders during the year. The Company did not have dues relating to any loan or borrowing from government during the year.

(ix) In our opinion and according to the information and explanations given to us, the company has utilized the money raised by way of term loans during the year for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).

(x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit, nor have we been informed of any such case by the management.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Accounting Standards.
Annexure-A to the Independent Auditors’ Report (Contd.)

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For B S R & CO. LLP
Chartered Accountants
(Firm’s Registration No: 101248W/W-100022)

Bhavesh Dhupelia
Partner
Membership No. 042070

Place : Mumbai
Date : 23 May 2018

FOR D T S & ASSOCIATES
Chartered Accountants
(Firm’s Registration No: 142412W)

T. P. Ostwal
Partner
Membership No. 030848
Annexure-B to the Independent Auditors’ Report
(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)

We have audited the internal financial controls with reference to financial statements of Jet Airways (India) Limited (“the Company”) as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls
The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (‘the Guidance Note’) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility
Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls over with reference to financial statements
A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispossession of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.
Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, maintained an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For B S R & CO. LLP
Chartered Accountants
(Firm’s Registration No: 101248W/W-100022)

Bhavesh Dhupelia
Partner
Membership No. 042070

Place : Mumbai
Date : 23 May 2018

FOR D T S & ASSOCIATES
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(Firm’s Registration No: 142412W)

T. P. Ostwal
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