Dear Members,

Your Directors have pleasure in presenting their Twenty Sixth Annual Report together with the Audited Financial Statements for the Financial Year ended 31st March, 2018.

1. Performance highlights

The financial and operating highlights for the year under review, compared with the previous Financial Year, are given below:

Financial highlights

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Standalone for year ended 31st March</th>
<th>Consolidated for year ended 31st March</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROSS REVENUE</td>
<td>2,395,837</td>
<td>2,517,747</td>
</tr>
<tr>
<td>Profit before Interest, Depreciation,</td>
<td>2,304,087</td>
<td>2,417,506</td>
</tr>
<tr>
<td>Exceptional Items &amp; Tax</td>
<td>69,581</td>
<td>74,514</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>84,286</td>
<td>84,894</td>
</tr>
<tr>
<td>Profit/(Loss) before Depreciation,</td>
<td>(14,705)</td>
<td>(10,380)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>62,057</td>
<td>62,114</td>
</tr>
<tr>
<td>Profit/(Loss) before Exceptional Items &amp; Tax</td>
<td>(76,762)</td>
<td>(72,494)</td>
</tr>
<tr>
<td>Exceptional Items (Net)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit/(Loss) before Taxation &amp; Adjustments</td>
<td>(76,762)</td>
<td>(72,494)</td>
</tr>
<tr>
<td>(Excess)/Provision for Tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Share of Profit in Associate</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit/(Loss) after Taxation</td>
<td>(76,762)</td>
<td>(63,645)</td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td>149</td>
<td>248</td>
</tr>
<tr>
<td>Loss brought forward</td>
<td>(1,016,187)</td>
<td>(1,019,225)</td>
</tr>
<tr>
<td>Amount transferred to Debenture</td>
<td>-</td>
<td>(3,495)</td>
</tr>
<tr>
<td>Redemption Reserve</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impact of Depreciation as per the Companies Act,</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amount transferred to Balance Sheet</td>
<td>(1,092,800)</td>
<td>(1,082,623)</td>
</tr>
</tbody>
</table>

Note: 1 Lakh = 100,000

Operating highlights (Consolidated)

<table>
<thead>
<tr>
<th>Operating Parameters</th>
<th>Year ended 31st March</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departures (Number)</td>
<td>234,069</td>
</tr>
<tr>
<td>Available Seat Kilometers (ASKMs) (Million)</td>
<td>58,228</td>
</tr>
<tr>
<td>Revenue Passenger Kilometers (RKMs) (Million)</td>
<td>48,664</td>
</tr>
<tr>
<td>Passenger Load Factors (%)</td>
<td>83.6</td>
</tr>
<tr>
<td>Revenue Passengers (Number)</td>
<td>29,946,998</td>
</tr>
<tr>
<td>Fleet Size</td>
<td>112</td>
</tr>
</tbody>
</table>

2. Dividend

In view of the losses, the Board of Directors have not recommended any dividend on the Equity Shares for the Financial Year ended 31st March, 2018 (Previous year: Nil per Equity Share).
3. Review of Operations

During the year, the Company reported consolidated loss after tax of ₹ 63,645 Lakhs in fiscal 2018 and standalone loss after tax of ₹ 76,762 Lakhs. Available Seat Kilometers (ASKMs) increased by 8.9% to 58,228 million compared with 53,476 million in FY17. As a result, passenger numbers also grew from 27.15 Million in FY17 to 29.95 million during FY18 resulting in increase in overall consolidated revenue from ₹ 2,417,506 Lakhs in FY17 to ₹ 2,517,747 Lakhs in FY18.

Overall cost during the year increased due to increase of close to 16% in Fuel Brent rate, alongwith increase in Maintenance and Landing and Navigation costs in the year. On a positive note, cost per ASKM excluding fuel continued to show improvement – witnessed by a reduction of 1.8% in non-fuel CASK over the last financial year.

Network and Connectivity

During the year, the Company welcomed its new Chief Executive Officer (CEO) - Mr. Vinay Dube, an accomplished aviation veteran with over three decades of industry experience. With Vinay at its helm, the Company continued to take steps to strengthen its connectivity in India by deepening its existing footprint as well as launching maiden flights connecting emerging cities such as Jaipur, Lucknow, Chandigarh, Dehradun, Udaipur and Indore with each other and with metros including Nagpur-New Delhi, Lucknow-Kolkata, Delhi-Indore and Kozhikode – Bengaluru as part of its strategy.

The Company continued to leverage its wide body fleet to enhance its guest experience at slot-constrained airports such as Delhi, Mumbai and Bengaluru. Earlier this year, it also announced plans to make Guwahati as its regional gateway together with a strengthened North Eastern presence, marked with the introduction of several direct as well as non-stop flights connecting Jorhat Guwahati, Aizwal, Silchar, Imphal with New Delhi and Mumbai, together with additional connectivity from/ to Pune, Patna, Raipur, Chandigarh, Amritsar, and Bengaluru.

On 29th October 2017, the Company launched its three international non-stop services between Chennai and Paris CDG (five days/week), Bengaluru – Amsterdam (daily) and Mumbai – London Heathrow (Third frequency). The new flights from Bengaluru and Chennai are especially significant as they will enable the Company to connect guests in Southern India with Europe and North America for the very first time with non-stop and one-stop flights in codeshare with KLM Royal Dutch Airlines and Delta Air Lines as well as with Air France and Delta Air Lines respectively. The Company also strengthened services from its third hub – Bengaluru with a second daily frequency to Singapore.

The Company also continued to enhance international cooperation by forging codeshare partnerships with leading airlines, including one with China Eastern Airlines for connectivity to Shanghai and Kunming in China. With this, the Company’s total number of codeshare partners has grown to 21. The Company also announced a Memorandum of Understanding with Aeromexico to outline cooperation in the areas of enabling codeshare flights and frequent flyer programs during the year.

The Company also strengthened its ongoing codeshare relationships with Air France and KLM Royal Dutch Airlines to 35 additional points in Europe and 5 on Trans-Atlantic routes. Jet Airways also expanded its codeshare with Virgin Atlantic to 9 points in the US via London Heathrow and with Delta Air Lines, 30 additional domestic US codeshare destinations were added. These were aside from a far-reaching landmark “Enhanced Cooperation Agreement” that was signed between the Company, Air France and KLM Royal Dutch Airlines. Under this first-of-its-kind partnership by an Indian carrier, the enhanced collaboration offers guests an unparalleled choice of 64 non-stop weekly flights between India and Europe.

Jet Airways Group’s domestic passenger traffic for the year under review grew by 12.3% while international passenger traffic registered an increase of 5.7%. The Company ended FY18 with a system-wide seat factor of 83.6% (Domestic seat factor of 84.4% & International seat factor of 83.0%).

During the year, it also celebrated important milestones marking the completion of a decade of operations between the Gulf and India as well as between Bangladesh and India.
In addition to growing connectivity, the Company undertook several industry-first initiatives to deliver exceptional value to guests. The Company introduced its acclaimed First Class between Delhi – Singapore and in an all-India first, redefined its classical in-flight duty free offering ‘Jet Boutique’ by taking it online, introducing a unique, pre-order facility that helps guests save time at the airport. The Company also became the first Indian airline to embrace the Government of India’s Unified Payment Interface (UPI), enabling guests to book and make payments using the latest payment initiative.

The Company also forged an industry-leading partnership with Airbnb - world’s leading community-driven hospitality company, to offer its guests from India - especially millennials, well-differentiated and global hospitality choices in order to establish a deeper bond with the new-age Indian traveller, increasingly seeking unique and interesting experiences during travel. JetScreen – the airline’s wireless streaming service, now covers 80% of its B737 fleet, providing guests with 330+ hours of entertainment on their personal devices from amongst entertainment that ranges from Hollywood, Bollywood, Regional and international genres.

Jet Airways started a unique business networking platform Jet Airways Global Linker that enables SMEs and startups enjoy the Big Business Advantage.

The loyalty and rewards programme - JetPrivilege continued to grow from strength to strength by adding new digital platforms as well as a record number of members that grew by almost 2 Mio to top 8 Mio for the financial year ended 2018. The programme introduced new benefits for our valued JetPrivilege members, welcoming 2 airline as well as 41 non-airline partners into the programme. On the digital end, more than 5 new partners were introduced on shop.jetprivilege.com, to reward members with JPMiles every time they shop online. JetPrivilege also won as many as 9 accolades in different categories at the “Customer Loyalty Awards and Customer Experience Awards” 2018. As part of guest empowerment, members are now able to select, compare and apply for any of the Jet Airways/ JetPrivilege co-brand credit cards at cards.jetprivilege.com. Recently, a new partnership category ‘Fuel’ with Indian Oil, where our members can earn & redeem JPMiles on their fuel purchase, has been introduced.

The Company signed a Memorandum of Understanding with Air France and KLM Royal Dutch Airlines on Strategic Cargo Co-operation. Key important actions implemented by Cargo, dynamic sales & marketing activities with continuous monitoring and improvement on the cargo mix, coupled with deployment of Airbus A330 aircrafts on domestic routes further enhanced capacity utilization. These have resulted in significant increase in revenue and tonnage carried in the year 2017-18 when compared to the previous year, 2016-17.

As part of guest empowerment, members are now able to select, compare and apply for any of the Jet Airways/ JetPrivilege co-brand credit cards at cards.jetprivilege.com. Recently, a new partnership category ‘Fuel’ with Indian Oil, where our members can earn & redeem JPMiles on their fuel purchase, has been introduced.

1) “Cargo Airline of the year – Domestic” for the period 2017 – 2018 received from Bangalore International Airport Limited.
2) “Top 5 Airlines by Absolute Cargo Growth” for the period 2017 received from Changi Airport Group, Singapore.

For the second consecutive year, the Company sponsored one of India’s leading sports events- the Tata Mumbai Marathon 2018 held on 21st January, 2018. The marathon saw the attendance of over 40,000 runners from across the country, including 162 members from our very own Jet Airways family. The Company was also the official Airline Partner of the Airtel Delhi Half Marathon 2017.
Board's Report (Contd.)

Fleet

As on 31st March, 2018, the Company had a fleet of 112 aircraft, comprising 10 Boeing 777-300 ER aircraft, 5 Airbus A330-200 aircraft, 4 Airbus A330-300 aircraft, 75 Next Generation Boeing 737-700/800/900/900ER aircraft, 15 modern ATR 72-500 Turboprop aircraft and 3 ATR 72-600 aircraft. The average fleet age as on 31st March, 2018 was 8.44 years. One A330-200 aircraft was sub-leased to Air Serbia as on 31st March, 2018.

The Company flies to 45 domestic destinations (includes flights operated by Jet Lite (India) Limited, the Company’s wholly owned subsidiary) and 20 International destinations.

4. Management Discussion and Analysis

As required by Regulation 34 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) entered into with the Stock Exchanges, a detailed review by the Management of the operations, performance and future outlook of the Company and its business, is presented in a separate section - Management Discussion and Analysis - forming part of this Annual Report.

5. Subsidiary / Associate Companies

a. Jet Lite (India) Limited

Jet Lite (India) Limited (‘Jet Lite’) is a wholly owned subsidiary which was acquired by the Company on 20th April, 2007.

Jet Lite is a non-material, non-listed subsidiary company.

For the Financial Year ended 31st March, 2018, Jet Lite posted a total income of `131,803 Lakhs (2016-17: `123,331 Lakhs) and a Net Loss of `32,101 Lakhs (2016-17: `5,789) Lakhs). In view of the loss, the Board of Directors of Jet Lite has not recommended a dividend on the Equity Shares for the year ended 31st March, 2018 (Previous Year : Nil). The Company continues to support the operations of Jet Lite.

The highlights of the operating performance of Jet Lite for the Financial Year ended 31st March, 2018 are as follows:

<table>
<thead>
<tr>
<th>Operating Parameters</th>
<th>Year ended 31st March</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departures (Number)</td>
<td>22,105</td>
</tr>
<tr>
<td>Available Seat Kilometers (ASKMs) (Million)</td>
<td>2,650</td>
</tr>
<tr>
<td>Revenue Passenger Kilometers (RKMs) (Million)</td>
<td>2,260</td>
</tr>
<tr>
<td>Passenger Load Factors (%)</td>
<td>85.3%</td>
</tr>
<tr>
<td>Revenue Passengers (Number)</td>
<td>2,759,275</td>
</tr>
</tbody>
</table>

As on 31st March, 2018, Jet Lite had an all-Boeing fleet of 8 aircraft, comprising 3 Boeing 737-700 and 5 Boeing 737-800 aircraft.

b. Airjet Ground Services Limited (‘AGSL’)

AGSL was incorporated as a wholly owned subsidiary of the Company on 10th March, 2017.

As at 31st March, 2018, AGSL has yet to commence operations. For the Financial Year ended 31st March, 2018, AGSL posted a total income of ` Nil and a Net Loss of ` (1) Lakh.

c. Airjet Training Services Limited (‘ATSL’)

ATSL was incorporated as a wholly owned subsidiary of the Company on 18th May, 2017.

As at 31st March, 2018, ATSL has yet to commence operations. For the Financial Period ended 31st March, 2018, ATSL posted a total income of ` Nil and a Net Loss of ` (1) Lakh.
d. Airjet Engineering Services Limited (‘AESL’)

AESL was incorporated as a wholly owned subsidiary of the Company on 18th May, 2017.

As at 31st March, 2018, AESL has yet to commence operations. For the Financial Period ended 31st March, 2018, AESL posted a total income of ₹ Nil and a Net Loss of ₹ (1) Lakh.

e. Airjet Security and Allied Services Limited (‘ASASL’)

ASASL was incorporated as a wholly owned subsidiary of the Company on 19th May, 2017.

As at 31st March, 2018, ASASL has yet to commence operations. For the Financial Period ended 31st March, 2018, ASASL posted a total income of ₹ Nil and a Net Loss of ₹ (1) Lakh.

f. Jet Privilege Private Limited (‘JPPL’)

Jet Privilege Private Limited (JPPL) was incorporated on 13th July, 2012. JPPL is an independent, loyalty and rewards Management Company. The Company holds 49.90% and Etihad Airways PJSC holds 50.10% in JPPL.

For the Financial Year ended 31st March, 2018, JPPL posted a total income of ₹ 62,224 Lakhs (2016-17: ₹ 53,752 Lakhs) and a Net Profit of ₹ 17,735 Lakhs (2017-18: ₹ 10,663 Lakhs).

The subsidiary/associate companies are managed by their respective Boards. The Company does not have any material unlisted subsidiary and hence is not required to nominate an independent director of the Company on the Board of the subsidiary companies.

6. Consolidated Financial Statements

In terms of Regulation 33 of the Listing Regulations and applicable provisions of the Companies Act, 2013 (the “Act”) read with the Rules framed thereunder, the Consolidated Financial Statements of the Company for the financial year 2017-18 have been prepared in compliance with applicable Accounting Standards and on the basis of Audited Financial Statements of the Company, its subsidiaries and associate company, as approved by their respective Board of Directors.

The Consolidated Financial Statements together with the Auditors’ Report form part of this Annual Report.

Further, as required under Section 129(3) of the Act, read with Companies (Accounts) Rules 2014, a statement containing salient features of the Financial Statements of the Subsidiaries in prescribed Form AOC-1 is attached as Annexure A.

7. Conservation of energy, technology absorption and foreign exchange earnings and outgo

Particulars, as prescribed by Section 134(3)(m) of the Act, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, to the extent applicable to the Company, are given below:

Conservation of Energy

The principal requirement of energy for the Company is that of jet fuel for aviation activities. The Company persistently strives to optimize fuel consumption in every facet of flight operation. These measures pertain to fuel consumption on ground and during the flight. The pillars of Company’s optimum energy strategy are:

(i) State of aircrafts:

State and configuration of aircrafts, which includes the airframe and the engines, impacts fuel consumption. Engine washing is done regularly to maintain engine efficiency and the airframe is maintained as per manufacturers’ recommendations to minimize aerodynamic drag.

(ii) Flight planning and processes:

Regular review of operating and flight planning processes is undertaken to optimize fuel consumption. Specific initiatives pertain to optimized routes, operating weight reduction and optimum fueling for the mission – without compromising the safety of operations. The Company utilizes latest models, techniques and systems which optimise fuel use. Deployment of the assets is done so as to optimize fuel efficiency for each flight.
Board’s Report (Contd.)

(iii) Crew training and feedback:
Sensitization of Crew through regular training and feedback on fuel optimization potential is undertaken. Opportunities to reduce fuel consumption are brainstormed.

(iv) Post flight analysis:
Post flight analysis is undertaken to verify the impact of various policies and initiatives undertaken to reduce fuel consumption and serves as dynamic feedback in the fuel optimization endeavour. Senior Management periodically monitors the progress.

(v) Technology infusion:
Technology infusion is done in areas which are found to have high potential for reduction in fuel consumption. Such areas cover all the aspects of flight operations.

Technology absorption

Training of Pilots
Simulator training for A330, B737 and B777 aircraft is conducted at the Training Centre at Bangalore under supervision of the Company’s own trainers.

Technology and e-Commerce initiatives
The year gone by witnessed a host of consumer centric initiatives in the eCommerce space aimed to further enhance our guests’ overall travel experience.

The Company launched JetUpgrade, a first-of-its-kind in Indian aviation where guests can submit a bid for an upgrade to First Class or Première or choose to upgrade instantly for a fixed amount.

To provide guests added convenience, the Company introduced JetBoutique online, a portal that enables guests pre-order duty free products and have them delivered onboard their flight.

The Company made remarkable progress with a host of technological innovations. It partnered with Airbnb, enabling guests to book homestays and accommodation, directly on jetairways.com. Additionally, the integration with Uber allows guests to book their ride directly from the Jet Airways mobile app. With voice enabled services on the rise, the Company partnered with Amazon Alexa, enabling guests to check their flight status in real-time, simply by using a voice command. In an initiative to drive further choice and convenience, the Company included the widely adopted Google Tez as an additional mode of payment.

In line with the philosophy of enhancing the overall guest experience, the Company introduced Net Promoter Score (NPS), a tool used to gauge the loyalty of the organisation’s customer relationships, based on their feedback.

Foreign Exchange earnings and outgo
The details of Foreign Exchange earnings and outgo are given under note no. 48 of the notes to accounts to the financial statements forming part of this Annual Report.

8. Environment, Health and Safety (EHS)
The Company values its employees and is committed to protecting their health, safety and well-being. It therefore continues to develop and improve its arrangement for managing environment, health and safety issues.

Our Audit Review Panel, chaired by the Chief Executive Officer/Accountable Manager is responsible for overseeing our EHS performance and reviewing our EHS Policy regularly. Panel members meet to monitor the Group’s performance in EHS and compliance with EHS policy. It coordinates overall Group policy regarding EHS issues, by monitoring the effectiveness of the Safety Management System, identifying potential areas for improvement, and establishing and reviewing EHS objectives, targets and the overall progress.
Key objectives are:

- To communicate appropriate, timely and practical workplace environment, health & safety information and advice.
- To improve compliance with EHS standards through inspection and investigation activities.
- To ensure that an effective and up-to-date health and safety at work regulatory framework is maintained.

The Company management takes its responsibilities for managing its environment, health & safety systems, policies and practices very seriously by implementing various rules and regulations laid down in Factories Act 1948 and The Environment (Protection) Act, 1986.

Key areas of work includes:

- EHS Policy
- The lost time injury rate in year 2017 is the lowest among these years. We believe the safety culture has been enhanced by more intensive safety training and greater efforts in work planning. We will continually work on improving the health and safety performance as well as reducing the impact on the environment in our operation activities in order to safeguard the well-being of employees and nature environment.
- Regular internal meetings with employees are held to ensure that we actively exchange views on EHS issues
- Our work to secure better regulations
  1. All hazardous waste are disposed through approved vendors of PCB (Pollution Control Board).
  2. Air monitoring is done in areas where chemicals & paints are used.
  3. Waste water is treated through STP before they are discharged to storm water system.
- Progress against our key performance targets
  1. Medical check-up for employees dealing with chemicals.
  2. EHS awareness program for employees.
  3. EHS audit program.
  5. Re-cycling of paper waste generated in office.
  6. Use of paper on both sides.
  7. Energy and water conservation program.

9. Public Deposits

The Company has not accepted any deposits covered under Chapter V of the Act. Accordingly, no disclosure or reporting is required in respect of details relating to deposits covered under this Chapter.

10. Issue of Non-Convertible Debentures

The Company’s Unsecured, Taxable, Redeemable, Listed and Rated Non-Convertible Debentures of a face value of ₹ 1,000,000/- (Rupees Ten Lakh Only) (‘NCDs’) each aggregating to ₹ 6,989,000,000/- (Rupees Six Hundred Ninety Eight Crore Ninety Lakhs Only) issued on a Private Placement basis to EA Partners I.B.V a Foreign Portfolio Investor are listed on the BSE Limited. The NCDs are rated BBB- by ICRA Limited. No interest remains unpaid in respect of the NCDs as at 31st March, 2018.
Board’s Report (Contd.)

11. Corporate Governance
We adhere to the principles of Corporate Governance mandated by the Securities and Exchange Board of India and have complied with all the mandatory requirements. The non-mandatory requirements have been complied with to the extent practical and applicable.

Pursuant to Regulation 34(3) of the Listing Regulations, a separate Report on Corporate Governance, alongwith Auditors’ Certificate regarding compliance of conditions of Corporate Governance as stipulated under the Listing Regulations forms an integral part of this Report.

The Chief Executive Officer’s declaration regarding compliance with the Code of Business Conduct and Ethics forms part of the Report on Corporate Governance.

12. Corporate Social Responsibility
As a good Corporate Citizen, your Company has since its inception in 1992, taken up several initiatives and activities, in its endeavour to contribute in a socially responsible manner to the communities it serves and to Indian society as a whole. Towards this end and as required under Section 135 of the Act, the Board of Directors of the Company has constituted a Corporate Social Responsibility Committee.

Your Company is committed to making a contribution to the society it serves in general, and in particular, towards the betterment, education and empowerment of the girl child. Since its early years, your Company has been running an in-flight collection program called the ‘Magic Box’ in association with a Non-Governmental Organization named Save the Children India (STCI). The funds raised through this unique initiative from our guests (flying on our domestic flights) are utilized by STCI for education and for providing healthcare for underprivileged children and education for children with special needs. The collections from the “Magic Box” are also used by STCI to fund vocational courses for women.

Furthermore, as an equal opportunities employer it has always been the airline’s endeavor to hire and promote diversity within the organization and facilitate empowerment of women. In fact 33% of our work force comprises of women and we are very proud of this diversity. To celebrate and recognize womanhood, Jet Airways organizes a special in-flight fund raising drive on the occasion of International Women’s Day, each year, across its domestic destinations. The funds collected are donated to three chosen NGOs who work primarily for the up-liftment and empowerment of underprivileged women.

Jet Airways has, over the years, partnered with NGOs such as the Wishing Factory, Save the Children India, YouWeCan, Akanksha, Mijwan, and a host of others, to educate them with specially prepared presentations about the world of aviation, by regularly organise trips to our hangars and airport terminal buildings to showcase the behind the scenes workings of an airline to young children.

The Company also organizes its annual and unique “Flight of Fantasy” event for underprivileged children, and those with special needs. This is your Company’s flagship event done annually and offers over 100 underprivileged children from select NGOs not just the chance for a joy ride, but also give them the opportunity to realize their dream to fly in an aircraft.

Jet Airways has always been in the forefront in the wake of calamities, natural disasters and other such contingencies. The Company has responded and supported the various state Governments and the Government of India’s call for rehabilitation of displaced persons, transporting emergency supplies of food, medicine, rehabilitation material, assisting & transporting doctors and stranded guests with rebated travel and carriage of free cargo for medical and relief supplies.

The airline annually organises the ‘Joy of Giving week’ across its domestic network. This special week gives a chance to all our colleagues to donate for a chosen NGO in each metro city. We are proud to state that our colleagues donate very generously both in cash and in kind and have helped many NGOs with their care and generosity over the years.

Jet Airways takes its commitment to society and the upliftment of both women and children very seriously and we do our best with the resources in hand to put smiles on the faces of those less fortunate than us.
13. Employees

Your Directors particularly acknowledge the selfless untiring efforts, whole-hearted support and co-operation of the employees at all levels. Our industrial relations continue to be cordial.

The total number of permanent employees of the Company as on 31st March, 2018, was 16,558 (as on 31st March, 2017: 16,015).

The information required pursuant to Section 197 of the Act read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees’ particulars which is available for inspection by the Members at the Registered Office of the Company between 10 A.M. and 12 Noon on any working day of the Company up to the date of the ensuing Annual General Meeting.

14. Directors’ Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Act:

- that in the preparation of the annual financial statements for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the loss of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the 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 fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- that Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were in place and were adequate and operating effectively.

15. Number of Meetings of Board

The annual calendar of Board Meetings is tentatively agreed upon at the beginning of each year. Additionally, Board Meetings are convened as and when necessary.

Four Board Meetings were held during the Financial Year 2017-18. The gap between any two Board Meetings did not exceed 120 days. The details of the attendance of Directors at the Board Meetings held during the Financial Year 2017-18 are provided in the Report on Corporate Governance which forms part of this Report.

16. Independent Directors

The definition of Independent Directors is derived from Regulation 16 of the Listing Regulations and Section 149(6) of the Act. Based on the confirmation /disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Section 149(6) of the Act and Listing Regulations as at 31st March, 2018:-

- Mr. Srinivasan Vishvanathan
- Ms. Rajshree Pathy
- Mr. Vikram Mehta
- Mr. Ranjan Mathai
17. Board Evaluation
Pursuant to the provisions of the Act and of the Listing Regulations, the Board of Directors has undertaken an evaluation of its own performance, the performance of its Committees and of all the individual Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

18. Remuneration Policy
The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Details of the Remuneration Policy are provided in the Report on Corporate Governance and also posted on the website of the Company.

19. Particulars of loans, guarantees or investments under Section 186
Details of loans, guarantees and investments covered under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31st March, 2018 are given at Note no. 53 the notes to accounts to the financial statements forming part of this Annual Report.

20. Auditors
Pursuant to the provisions of Section 139 of the Act, the Joint Statutory Auditors of the Company, M/s. B S R & Co. LLP and M/s. D T S & Associates were appointed by the Members of the Company for a period of five years (till the conclusion of the 28th Annual General Meeting to be held in 2020) and five years (till the conclusion of the 30th Annual General Meeting to be held in 2022) respectively.

The said appointment of the Joint Statutory Auditors was required to be ratified by the Members at each Annual General Meeting (AGM) in accordance with the provisions of Section 139 of the Act.

Vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi the requirement of ratification by Member at each AGM has been done away with.

The resolution of approving the remuneration of M/s. B S R & Co. LLP and M/s. D T S. & Associates as the Joint Statutory Auditors, forms part of the Notice of the 26th Annual General Meeting (AGM) in accordance with the provisions of Section 139 of the Act.

All Related Party Transactions are placed before the Audit Committee and also before the Board for approval. The policy on Related Party Transactions as approved by the Board is uploaded on the Company’s website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

22. Related Party Transactions
All related party transactions that were entered into during the Financial Year were on an arm’s length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and also before the Board for approval. The policy on Related Party Transactions as approved by the Board is uploaded on the Company’s website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC-2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Act, is appended as “Annexure B”. 
23. **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Tai-zoon M. Khumri, Practicing Company Secretary (COP No. 88) of T. M. Khumri and Co., Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as “Annexure C”.

There is no secretarial audit qualification for the year under review.

24. **Extract of Annual Return**

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as “Annexure D”.

25. **Material changes and commitments affecting the financial position of the Company**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the report.

The Board of Directors of the Company at its Meeting held on 2nd September, 2015 approved the scheme of Merger of Jet Lite (India) Limited, the wholly owned subsidiary of the Company with the Company (the ‘Scheme’) as per the provisions of Section 391 to 394 of the Companies Act, 1956, subject to receipt of requisite approvals. The Appointed Date as per the terms of the Scheme was 1st April, 2015. The Scheme was approved by the Members of the Company on 22nd April, 2016. The Hon’ble High Court of Judicature at Bombay approved the Scheme on 20th October, 2016.

As the Ministry of Civil Aviation did not approve the said Scheme, the same stands revoked, cancelled and has no effect as provided in para 18 of the Scheme. Jet Lite (India) Limited and the Company continue their respective operations as two separate legal entities with their respective Air Operator Certificate.

26. **Risk management policy and internal adequacy**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company. The Company has also voluntarily constituted a Risk Management Committee.

The Company’s internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

27. **Policy on Prevention of Sexual Harassment at Workplace**

The Company has in place a policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. A committee has been set up to redress complaints received regarding sexual harassment. All women, permanent, temporary or contractual including service providers are covered under this policy. The details of complaints received during the Financial Year 2017-18 are provided in the Business Responsibility Report.

28. **Dividend Distribution Policy**

The Company has framed and adopted Dividend Distribution Policy in compliance with Regulation 43A of the Listing Regulations. The Policy sets out the parameters and circumstances that will be taken into account by the Board of Directors to determine the distribution of dividend to shareholders. The Dividend Distribution Policy is attached as Annexure E and is available on the website of the Company at www.jetairways.com.

29. **The change in the nature of business, if any, pursuant to Section 134 of the Act, read with Rule 8(S) of the Companies (Accounts) Rules, 2014**

There is no change in the nature of business of the Company.
30. The details of directors or key managerial personnel who were appointed or have resigned during the year

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name</th>
<th>Designation</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cessation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Mr. Javed Akhtar</td>
<td>Independent Director</td>
<td>30th May, 2017</td>
</tr>
<tr>
<td>2</td>
<td>Mr. James Hogan</td>
<td>Nominee Director</td>
<td>12th September, 2017</td>
</tr>
<tr>
<td>3</td>
<td>Mr. James Rigney</td>
<td>Nominee Director</td>
<td>7th December, 2017</td>
</tr>
<tr>
<td>4</td>
<td>Mr. Dinesh Kumar Mittal</td>
<td>Independent Director</td>
<td>29th January, 2018</td>
</tr>
<tr>
<td>Appointment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Mr. Harsh Mohan</td>
<td>Nominee Director</td>
<td>12th September, 2017</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Kevin Knight</td>
<td>Nominee Director</td>
<td>7th December, 2017</td>
</tr>
<tr>
<td>3</td>
<td>Mr. Vinay Dube</td>
<td>Chief Executive Officer</td>
<td>9th August, 2017</td>
</tr>
</tbody>
</table>

31. The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year:
- Airjet Engineering Services Limited was incorporated as a wholly owned subsidiary on 18th May, 2017.
- Airjet Training Services Limited was incorporated as a wholly owned subsidiary on 18th May, 2017.
- Airjet Security and Allied Services Limited was incorporated as a wholly owned subsidiary on 19th May, 2017.

32. Significant and material orders passed by the Regulators or courts
There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

The Ministry of Civil Aviation did not approve the Scheme of Merger of Jet Lite (India) Limited, the wholly-owned subsidiary of the Company with the Company. Accordingly, the said Scheme stands revoked, cancelled and has no effect as provided in Para 18 of the Scheme. Jet Lite (India) Limited and the Company continue their respective operations as two separate legal entities with their respective Air Operator Certificates.

33. The details in respect of adequacy of internal financial controls with reference to the Financial Statements.
Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company’s internal control system is commensurate with its size, scale and complexities of its operations.

34. Secretarial Standards
The Company has complied with the applicable Standards of SS-1 Secretarial Standards on Meetings of the Board of Directors and SS-2 Secretarial Standards on General Meetings.

35. Statutory Information
The Disclosure required under Section 197(12) of the Act read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as follows:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Requirements</th>
<th>Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year</td>
<td>1:53</td>
</tr>
<tr>
<td>II</td>
<td>The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year</td>
<td>No increase has been undertaken for Wholetime Director, Chief Executive Officer, Chief Financial Officer and Company Secretary.</td>
</tr>
</tbody>
</table>
Board’s Report (Contd.)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Requirements</th>
<th>Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>iii</td>
<td>The percentage increase in the median remuneration of employees in the Financial Year</td>
<td>Median increase over the last Financial Year: 2.1%</td>
</tr>
<tr>
<td>iv</td>
<td>The number of permanent employees on the rolls of Company</td>
<td>16,558 as on 31st March, 2018</td>
</tr>
<tr>
<td>v</td>
<td>Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;</td>
<td>Employees 12.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Managerial Personnel: NIL</td>
</tr>
<tr>
<td>vi</td>
<td>Affirmation that the remuneration is as per the remuneration policy of the company</td>
<td>Yes we confirm</td>
</tr>
</tbody>
</table>

36. Acknowledgements

Your Directors place on record their appreciation of the Company’s General Sales Agents’ and other members of the travel trade for their efforts in furthering the interest of the Company.

Your Directors would like to thank the Government of India especially the Ministry of Civil Aviation, Ministry of Commerce and Industry and Ministry of Finance for having had the foresight to have introduced the historic liberalization measure permitting foreign airlines to invest in the equity of Scheduled and Non Scheduled passenger airlines in India.

Your Directors also take this opportunity to thank the Ministry of Civil Aviation, Government of India, the Directorate General of Civil Aviation, Airports Authority of India, Mumbai International Airport (Private) Limited, Delhi International Airport (Private) Limited, GMR Hyderabad International Airport Limited, Bangalore International Airport Limited, Cochin International Airport Limited and other airport companies for their support and co-operation. Your Directors are also grateful to the Reserve Bank of India, National Stock Exchange of India Limited, BSE Limited, US Exim Bank, Financial Institutions and Banks, The Boeing Company, Avion de Transport Regionale, Airbus Industrie, General Electric, CFM and Pratt and Whitney and the lessors of our aircraft and engines for their understanding and look forward to their continued support.

On behalf of the Board of Directors

Mumbai
23rd May, 2018

Naresh Goyal
Chairman