JET AIRWAYS

September 9, 2015

Ms. Pramilla D'souza
Deputy Manager- Listing Compliance
National Stock Exchange of India Limited (NSE)
Exchange Plaza
Bandra Kurla Complex
Bandra East
Mumbai- 400 051

Re: NSE Email dated 4th September, 2015 regarding Scheme of Merger of Jet Lite (India) Limited with Jet Airways (India) Limited

Dear Ms. D'souza,

We are in receipt of your email of the 4th instant with respect to the announcement submitted to the NSE on 2nd September (inadvertently mentioned in your email as 2nd August), 2015.

Our responses/clarifications to the queries raised by you are as under:

a) *Whether the transaction would fall within related party transaction? If yes, whether the same is done at, arm's length?*

The transaction would not fall within the ambit of a related party transaction on a fair reading of section 188 (1) of the Companies Act, 2013.

The Ministry of Corporate Affairs, Government of India has also by their General Circular No. 30/2014 dated 17th July, 2014 *inter alia* clarified as under:

"2. Applicability of Section 188 to corporate restructuring, amalgamations etc:- It is clarified that transactions arising out of Compromises, Arrangements and Amalgamations dealt with under specific provision of the Companies Act, 1956/ Companies Act, 2013, will not attract the requirements of Section 188 of the Companies Act, 2013. "

A copy of the aforementioned General Circular of the Ministry of Corporate Affairs is enclosed herewith as Annexure I.

In view thereof we respectfully submit that the proposed Merger/ Amalgamation as between Jet Airways (India) Limited and its wholly owned subsidiary Jet Lite (India) Limited will not attract the requirements of Section 188 of the Companies Act, 2013 and hence will not be a related party transaction.

b) *Areas of business of the entity (ies)?*

Jet Airways (India) Limited is engaged in the business of providing Air transport and allied services. This fact has been clearly mentioned in the Draft Scheme, which is being filed *inter alia* with the NSE shortly.

Jet Airways (India) Limited

Jet Lite (India) Limited is also primarily engaged in the business as a scheduled Airline for providing air transport and allied services. This fact has been clearly mentioned in the Draft Scheme, which is being filed *inter alia* with the NSE shortly.

c) *Rationale for amalgamation/merger?*

The rationale for the amalgamation/ merger (i.e. transfer of the Undertaking of the Jet Lite (India) Limited to Jet Airways (India) Limited is as under:

a. Strengthening of the single brand leading to a stronger market presence providing customers with a seamless on-board experience, and removing any other brand perceptions/ distinctions in customers' minds.

b. More focused operational efforts, realizing synergies in terms of compliance, governance, administration and costs.

c. Greater efficiency in cash management of the merged entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to maximize shareholder value

This rationale has been mentioned in recital B of the Draft Scheme, a copy of which is being filed *inter alia* with the NSE shortly.

d) *In case of cash consideration amount or otherwise share entitlement/exchange ratio in relation to the amalgamation /merger; brief details of change in shareholding pattern (if any) of listed entity?*

Since the proposed amalgamation/ merger is between Jet Airways (India) Limited (the Holding Company) and Jet Lite (India) Limited (its wholly owned subsidiary) there is no cash consideration amount or share entitlement/ exchange ratio in relation to the proposed amalgamation/ merger. Subject to receipt of all requisite approvals and consents, the undertaking of Jet Lite (India) limited will be transferred to Jet Airways (India) Limited, whereupon Jet Lite (India) Limited will be dissolved without winding up and its shares cancelled.

This has been mentioned in the Draft Scheme, a copy of which will shortly be *inter alia* filed with the NSE.

In case you require any further clarification please do not hesitate to let us know.

Yours faithfully,

Arun Kanakal
Company Secretary

Jet Airways (India) Limited

Annexure-1

General Circular No. 30/2014

No. 1/32/2013- CL-V (Pt)
GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

5th Floor, A Wing Shastri Bhavan,
Dr R.P. Road, New Delhi
Dated: 17th July 2014

To

All Regional Directors,
All Registrars of Companies,
All Stakeholders.

Subject: Clarifications on matters relating to Related Party Transactions.

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Sir,

Government has received representations from stakeholders seeking certain clarifications on related party transactions covered under section 188 of the Companies Act, 2013. These representations have been examined and the following clarifications are given:-

1. Scope of second proviso to Section 188(1) :- Second proviso to sub-section (1) of section 188 requires that no member of the company shall vote on a special resolution to approve the contract or arrangement (referred to in the first proviso), if such a member is a related party. It is clarified that 'related party' referred to in the second proviso has to be construed with reference only to the contract or arrangement for which the said special resolution is being passed. Thus, the term 'related party' in the above context refers only to such related party as may be a related party in the context of the contract or arrangement for which the said special resolution is being passed.

Contd....2/

2. Applicability of Section 188 to corporate restructuring, amalgamations etc. :- It is clarified that transactions arising out of Compromises, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 1956/Companies Act, 2013, will not attract the requirements of section 188 of the Companies Act, 2013.

3. Requirement of fresh approvals for past contracts under Section 188. :- Contracts entered into by companies, after making necessary compliances under Section 297 of the Companies Act, 1956, which already came into effect before the commencement of Section 188 of the Companies Act, 2013, will not require fresh approval under the said section 188 till the expiry of the original term of such contracts. Thus, if any modification in such contract is made on or after 1st April, 2014, the requirements under section 188 will have to be complied with.

4. This issues with approval of the competent authority.

Yours faithfully

(KMS Narayanan)
Assistant Director (Policy)
Ph: 23387263

Copy To:-

1. e-Governance Section and web contents Officer to place this circular on the Ministry website.

2. Guard File