



**31<sup>ST</sup> ANNUAL REPORT 2014-15**



# India connects with SpiceJet



## Routemap

- Domestic
- International
- Effective from December 10, 2015

Flight schedules are subject to regulatory approvals and change.  
Map not to scale, for graphic representation only.  
Content as on **November 25, 2015**.



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Ajay Singh	Chairman & Managing Director
Mrs. Shiwani Singh	
Mr. R. Sasiprabhu	

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### KEY MANAGERIAL PERSONNEL

Mr. Kiran Koteswar	Chief Financial Officer
Mr. Chandan Sand	VP (Legal) & Company Secretary

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### REGISTERED OFFICE

Indira Gandhi International Airport,  
Terminal 1D, New Delhi – 110037

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### CORPORATE OFFICE

319, Udyog Vihar, Phase- IV  
Gurgaon- 122 016, Haryana  
Email: investors@spicejet.com  
Phone: +91- 124- 3913939

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### BANKERS

Allahabad Bank	City Union Bank Limited
HDFC Bank Limited	ICICI Bank Limited
State Bank of India	Yes Bank Limited

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### STATUTORY AUDITORS

M/s S. R. Batliboi & Associates LLP, Chartered Accountants  
Tidel Park, 6th & 7th Floor-A Block (Module 601, 701-702) No.4,  
Rajiv Gandhi Salai, Taramani, Chennai-600 113, Tamil Nadu

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### REGISTRAR & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited,  
Karvy Selenium Tower B, Plot No. 31-32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad – 500 032  
Email: einward.ris@karvy.com  
Tel: +91 40 67162222



## SpiceJet Limited

**Regd. Office:** Indira Gandhi International Airport, Terminal 1D, New Delhi – 110037

Website: www.spicejet.com; email: investors@spicejet.com; T: +91 124 3913939; F: +91 124 3913844

### Notice of Annual General Meeting

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of the Members of SpiceJet Limited (the “**Company**”) will be held on Monday, the 28<sup>th</sup> day of December, 2015 at 9.30 a.m. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To consider and adopt the financial statements of the Company for the year ended March 31, 2015, including the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. To appoint M/s S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No: 101049W), retiring auditors, as the Statutory Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on such remuneration as may be fixed by the Board.

#### **SPECIAL BUSINESS:**

##### **3. Appointment of Mr. Ajay Singh as Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“Resolved that Mr. Ajay Singh (DIN: 01360684), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 21, 2015 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

##### **4. Appointment of Mrs. Shiwani Singh as Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“Resolved that Mrs. Shiwani Singh (DIN: 05229788), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 21, 2015 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

##### **5. Appointment of Mr. R. Sasiprabhu as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“Resolved that pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, Mr. R. Sasiprabhu (DIN: 05116814), who was appointed as an Additional Director of the Company by the Board of Directors with effect from December 1, 2015 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period up to November 30, 2020, not liable to retire by rotation.”

## 6. Investments under Section 186 of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“Resolved that pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the “**Act**”) and the Rules made thereunder, as amended from time to time and in accordance with the provisions of the Articles of Association of the Company and subject to such further approvals as may be necessary and on such other term(s), condition(s), stipulation(s) and modification(s) as may be prescribed and specified while granting such approval(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate upto an amount, the aggregate outstanding of which should not exceed, at any given time, Rs.100 Crores (Rupees Hundred Crores only), notwithstanding that the aggregate of the investments so far made or to be made exceeds the limits/will exceed the limits laid down under Section 186(2) of the Act.

Resolved further that the Board be and is hereby authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) (collectively “**Transactions**”) including the timing, the amount and other terms and conditions of such Transactions and also to take all other decisions including varying any of them, through transfer or sale, divestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid Transactions.”

## 7. Creation of charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“Resolved that pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/ financial institutions, other investing agencies and trustees for the holders of debentures/ bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to equity shares and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as “**Loans**”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed Rs.5,000 Crores (Rupees Five Thousand Crores) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

Resolved further that for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents /deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid.”

By order of the Board of Directors

Place: Gurgaon  
Date : December 1, 2015

Sd/-  
Chandan Sand  
VP (Legal) & Company Secretary

**Notes:**

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. **A Member entitled to attend and vote at the Annual General Meeting (“AGM”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing proxy in order to be effective shall be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of the AGM.**

A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Provided that a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. The Register of Members and Share Transfer Books will remain closed from December 22, 2015 to December 28, 2015 (both days inclusive).
4. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the AGM.
5. Members are requested to bring their attendance slip along with their copy of Annual Report at the AGM.
6. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during business hours on all working days, except Saturday/ Sunday and other public holidays, between 10:00 a.m. to 12:00 noon upto the date of the AGM.
7. Corporate Members / Trusts/ Societies are requested to send a duly certified copy of the Board/ Managing Committee Resolution authorising their representative to attend and vote at the AGM.
8. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
9. Members desiring any information as regards the Accounts are requested to write to the Company in advance so as to enable the Management to keep the information ready at the AGM.
10. The Company is concerned about, the environment and utilizes natural resources in a sustainable manner. We request you to update your email address with your Depository Participant to enable us to send you the Annual Report and other official communications by means of e-mail.
11. Copies of the Annual Report 2014-15 are being sent by electronic mode only to all the Members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Annual Report 2014-15 are being sent through permitted mode.
12. Additional information pursuant to Clause 49 of the Listing Agreement in respect of the Directors seeking appointment at the AGM is furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment.
13. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and the provisions of Clause 35B of the Listing Agreement entered into with the Stock Exchanges, the Company is pleased to provide remote e-voting facility through M/s. Karvy Computershare Private Limited (“**Karvy**”), for all Members of the Company to enable them to cast their votes electronically on the items mentioned in this Notice. Detailed instructions for remote e-voting process are provided alongwith the user ID and password sent with this Notice. The Company has appointed Mr. Mahesh Kumar Gupta (CP No. 1999), Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company. Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. December 21, 2015, may cast their vote electronically.

14. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. He shall make a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, on or before December 31, 2015. The Scrutiniser's Report shall be given to the Chairman or a person authorised by him in writing who shall countersign the same. The Results on resolutions shall be declared on or after the AGM of the Company and shall be deemed to be passed on the date of the AGM. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.spicejet.com](http://www.spicejet.com) and on the website of Karvy and communicated to the Stock Exchange.
15. Poll will also be conducted at the AGM and any Member who has not cast his vote through remote e-voting facility, may attend the AGM and cast his vote.

### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### **Item No. 3**

The Board of Directors, at its meeting held on May 21, 2015, appointed Mr. Ajay Singh as an Additional Director of the Company with effect from May 21, 2015, pursuant to Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Ajay Singh will hold office up to the date of the ensuing AGM. The Company has received a notice in writing along with requisite deposit under Section 160 of the Companies Act, 2013, proposing candidature of Mr. Ajay Singh for the office of Director.

Your Directors recommend the resolution for your approval.

Except, Mr. Ajay Singh and Mrs. Shiwani Singh, none of the director and key managerial personnel of the Company including their relatives are, in anyway, concerned or interested in the said resolution.

#### **Item No. 4**

The Board of Directors, at its meeting held on May 21, 2015, appointed Mrs. Shiwani Singh as an Additional Director of the Company with effect from May 21, 2015, pursuant to Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Shiwani Singh will hold office up to the date of the ensuing AGM. The Company has received a notice in writing along with requisite deposit under Section 160 of the Companies Act, 2013, proposing candidature of Mrs. Shiwani Singh for the office of Director.

Your Directors recommend the resolution for your approval.

Except, Mrs. Shiwani Singh and Mr. Ajay Singh, none of the director and key managerial personnel of the Company including their relatives are, in anyway, concerned or interested in the said resolution.

#### **Item No. 5**

The Board of Directors, at its meeting held on December 1, 2015, appointed Mr. R. Sasiprabhu as an Additional Director of the Company with effect from December 1, 2015, pursuant to Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. R. Sasiprabhu will hold office up to the date of the ensuing AGM. The Company has received a notice in writing along with requisite deposit under Section 160 of the Companies Act, 2013, proposing candidature of Mr. R. Sasiprabhu for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received a declaration from Mr. R. Sasiprabhu to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.



The resolution seeks the approval of Members for the appointment of from Mr. R. Sasiprabhu as an Independent Director of the Company for a period up to November 30, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the Board, from Mr. R. Sasiprabhu, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of from Mr. R. Sasiprabhu as an Independent Director setting out the terms and conditions is available for inspection without any fee by the Members at the Company's registered office on working days, except Saturday/ Sunday and other public holidays, between 10:00 a.m. to 12:00 noon upto the date of the AGM.

Your Directors recommend the resolution for your approval.

Except, Mr. R. Sasiprabhu, none of the director and key managerial personnel of the Company including their relatives are, in anyway, concerned or interested in the said resolution.

#### **Item No. 6**

The Company is exploring various available business opportunities in aviation sector and allied activities to ensure cost effective operations and profitability of the Company. To exploit these business opportunities, the Company may require to invest in other body corporate by way subscription, purchase or otherwise.

In order to enable the Board of Directors of the Company to exercise its investment power beyond the limit laid down under Section 186(2) of the Companies Act, 2013, the consent of Members by way of Special Resolution under Section 186 of the Companies Act, 2013 is required.

Your Directors recommend the resolution for your approval.

None of the director and key managerial personnel of the Company including their relatives are, in anyway, concerned or interested in the said resolution except to the extent of their shareholding.

#### **Item No. 7**

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, Board of Directors shall not create any create charge/mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company unless approval of the Members is obtained by way of a Special Resolution.

In connection with the loan/credit facilities to be availed by the Company, as and when required, through various sources for business purposes, the Company might be required to create charges over its assets and properties by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders for the purposes of securing the loan/credit facilities extended by them to the Company. It is therefore, necessary to obtain Members' approval by way of a Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charges/mortgages/hypothecations for an amount not exceeding Rs.5,000 Crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

Your Directors recommend the resolution for your approval.

None of the director and key managerial personnel of the Company including their relatives are, in anyway, concerned or interested in the said resolution.

### **ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

#### **Mr. Ajay Singh**

Mr. Ajay Singh aged about 49 years is a first generation entrepreneur. He holds a degree in engineering from Indian Institute of Technology, Delhi, a Master's in Business Administration (MBA) from Cornell University and a law degree from the University of Delhi. He has extensive experience in the information technology and airline operations having successfully contributed to the launch of the Company during the year 2005. He has served in government as Advisor to the Ministry of Communication and Information Technology and the Ministry of Information and Broadcasting. He has also served on the Board of the Delhi Transport Corporation.

He holds 354,443,450 equity shares in the Company.

Apart from being on the Board of SpiceJet Limited, Mr. Singh also holds directorship in Intel Constructions Private Limited, Crosslink Finlease Private Limited, One City Promoters Private Limited, Argentum Motors Private Limited, Greenline Transit System Private Limited, Star Bus Services Private Limited, Spice Homes Private Limited, Spice Homes (Meerut) Private Limited, Argentum Electric Vehicles Private Limited, Argentum Defence Systems Private Limited, i2n Technologies Private Limited, Greenstar Mobility Private Limited, Green Volt Technologies Private Limited, Greenline Communication Private Limited, Indiverse Broadband Private Limited, Smartnagar Digital Ventures Private Limited, Smartnagar Broadband Networks Private Limited, Pan India Motors Private Limited and Argentum Auto Private Limited.

#### **Mrs. Shiwani Singh**

Mrs. Shiwani Singh aged about 44 years holds a bachelor degree. Mrs. Singh is competent businesswoman who takes care of her family's real estate and fashion accessories business. She brings rich and successful experience in general business management and also provides benefit of gender diversity to the Board of Directors.

Mrs. Singh does not hold any share in the Company.

Apart from being on the Board of SpiceJet Limited, Mrs. Singh also holds directorship in Argentum Defence Systems Private Limited, Argentum Electric Vehicles Private Limited, Green Volt Technologies Private Limited, Greenstar Mobility Private Limited, i2n Technologies Private Limited, Argentum Engineering Design Private Limited, Multipurpose Trading And Agencies Limited, Greenline Communication Private Limited, Greenline Transit System Private Limited, Star Bus Services Private Limited, Argentum Auto Private Limited and Pan India Motors Private Limited.

#### **Mr. R. Sasiprabhu**

Mr. R. Sasiprabhu aged about 56 year is a lawyer by profession. He is a highly respected member of the legal profession specializing in civil and corporate matters. He acts as consultant and adviser to various Indian and multinational companies and brings with him rich experience in handling corporate and dispute resolution matters.

Mr. Sasiprabhu does not hold any share in the Company.

Apart from being on the Board of SpiceJet Limited, Mr. Sasiprabhu also holds directorship in Muni Medu Private Limited, Meenakshy Cashew Private Limited and Meenakshy Agri & Eco Tourism Private Limited.

## BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 31<sup>st</sup> Annual Report together with the Audited Financial Statements of your Company for the year ended March 31, 2015.

### 1. FINANCIAL RESULTS AND STATE OF AFFAIRS

(Amount in Rs. Million)

Particulars	March 31, 2015	March 31, 2014
<b>Total Revenue</b>	<b>53,818.30</b>	<b>63,985.93</b>
<b>Expenses</b>		
Operating Expenses	48,057.59	60,081.98
Employee Benefit Expenses	5,374.66	5,756.95
Selling Expenses	2,793.61	3,521.47
Other Expenses	2,371.65	2,193.82
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>(4,779.21)</b>	<b>(7,568.29)</b>
Depreciation and amortisation expense	1,266.25	1,482.60
Interest income on bank deposits	196.76	384.60
Finance costs	1,635.39	1,366.15
<b>Profit/ (Loss) before taxation and extraordinary items</b>	<b>(7,484.09)</b>	<b>(10,032.44)</b>
Tax Expenses	-	-
Extraordinary items	613.55	0
Profit/ (Loss) after taxation	(6,870.54)	(10,032.44)
<b>Profit/ (Loss) brought Forward</b>	<b>(25,213.08)</b>	<b>(15,180.64)</b>
Depreciation expense adjusted against reserves	24.40	0.00
Profit/ (Loss) for the year	(6,870.54)	(10,032.44)
<b>Amount transferred to Balance Sheet</b>	<b>(32,108.02)</b>	<b>(25,213.08)</b>

The Company has been in active operations since 2005 with a consistent safety record and as on September 2014 it had grown to become the second largest airline in the country in terms of domestic market share. The Company completed its tenth year of operations on May 23, 2015. The Company as on March 31, 2015 maintained its fleet size to 32 aircraft covering 42 destinations and operating 280 flights per day.

During the year ended March 2015, the Company carried 11.71 million passengers with an average load factor of 81% and a market share of 9.70% for the month of March 2015.

The innovative steps taken by the Company which include, among others, stimulating the market, have not only helped the airline reduce losses year-on-year, it has also helped the Indian aviation market grow much in excess of GDP growth last year, with positive impact for the entire travel industry and surrounding ecosystem, and for the economy as a whole. It is imperative to mention that the Company has been able to achieve 10-11% growth on unit revenues while at the same time reducing the unit cost by 8-9%. Despite the improving operational performance in the Financial Year 2014-15, legacy liabilities that could no longer be deferred coupled with extensive delays in expected funding and a hostile business environment during last fiscal faced by the airline industry, created immense cash flow pressure on the Company. Multiple reasons led to the financial distress of the Company leading to near closure situation in December 2014. This was mainly on account of non-receipt of the expected funding into the Company during the start of Financial Year 2014-15 due to reasons beyond the control of the Company. This consequently resulted in deference of tax liabilities payment (accumulated from the previous financial year), non-payment to key service providers, aircraft lessors and banks. The operating cash flow position in the Financial Year 2014-15 was further distressed due to reduction of available fleet forced upon the Company reducing its ability to generate cash as it had to club its open bookings.

Due to the reasons set out above, the Company suffered deterioration in its financial affairs. While the Company explored various options for funding, investors continued to stay away from the Company.

Consequently, the lack of strategic and other funding led to cash flow pressure and the Company defaulted in the payment obligations to tax authorities, its employees, airport operators, suppliers and other creditors including aircraft lessors.

Such defaults and other circumstances, led to the return of multiple aircraft to lessors thereby causing high number of flight cancellations. The total number of daily flights reduced from 340 during July 2014 to 230 during December 2014 on an average, leading to reduction of revenues. Such cancellations not only resulted in loss of revenue but also in certain circumstances required us to refund amounts.

In light of all of the above and cancellations of flights, in early December 2014, the Directorate General of Civil Aviation (“**DGCA**”), being the Competent Authority under the provisions of the Aircraft Act, 1937, initiated regulatory actions and imposed restrictions on forward bookings, cancelled slots and announced increased safety surveillance against the Company. The regulatory actions initiated by DGCA led to immediate decline of about 90% of cash inflows creating uncertainty amongst its business partners. This also resulted in operational and fuelling crisis and the Company appealed to DGCA/Ministry of Civil Aviation (“**MOCA**”) for relief.

While, some temporary relief was received from MOCA for continuing the operation for some time, the cash-inflow continued to remain below the normal levels and the impact of the regulatory actions severely affected the cash flow position while the pressure from the creditors continued to mount.

The cumulative effect of the above financial and operational distress resulted in the Company being forced to suspend its operations partially during mid-December 2014.

## **2. MATERIAL DEVELOPMENTS: REVIVAL AND RECONSTRUCTION OF THE COMPANY**

As it can be noted from the facts leading up to the financial distress of the Company, the re-construction and revival of the Company assumed significant importance not only from a commercial and viability perspective but predominantly from a public interest perspective. Given the public interest, employee interest, public and private dues outstanding and to protect the airline and tourism industry, the board of the Company in its meeting held on January 29, 2015 approved the assistance of one of the shareholders and an erstwhile director of the Company, Mr. Ajay Singh (who has held shares in the Company since 2005), to takeover the control and management of the Company from Mr. Kalanithi Maran and Kal Airways Private Limited (the “**Previous Promoters**”) and implement a re-construction and revival plan in order to restore the Company’s operations and its previous market position. Mr. Ajay Singh is a first generation entrepreneur and has extensive experience in the information technology and airline operations having successfully contributed to the launch of the Company during the year 2005.

Some of the key indicators which warranted the revival of the Company are as follows:

- a) The Company had has over 139,000 shareholders whose value in the equity shares of the Company would have completely eroded;
- b) Disruption of over 30,000 passengers every day in addition to 1.7 million passengers who had already made future bookings; thereby causing chaos and unjustly enriching the competitors due to inflated air fares;
- c) Livelihood of over 10,000 families associated directly or indirectly with the Company was at stake;
- d) Various agencies and stakeholders like trade players, banks, employees, statutory authorities would have incurred substantial losses.
- e) Revival of the Company was important for a balanced market competition and to counter the growing risk of dominance by any single player. The Company was the second largest carrier until September 2014, which provides a strong counter balance to the market leader. There was an alarming rise in the air-fares while the Company was forced to suspend its operations partially in mid-December 2014;
- f) Failure of the Company to revive from the existing financial distress will vitiate the investment climate in the aviation sector and create a negative perception of the Indian economy;

- g) There would be a negative impact on the connectivity to various smaller airports in India, which are serviced by the Company's Bombardier Q400 regional aircraft;
- h) Growth and well-being of a larger travel ecosystem i.e. hotels, tourist operators, cab agencies, airports etc which benefitted from the market stimulation brought about by the Company would also be affected;

The Company presented the "Scheme of Reconstruction and Revival for Takeover of Ownership, Management and Control of SpiceJet Limited" (the "Scheme") before the MOCA on January 15, 2015 which detailed the reconstruction and revival plan of the Company by the process of change in control and management of the Company from the Previous Promoters to Mr. Ajay Singh. The Scheme also contemplated infusion of fresh funds into the Company in a phased manner with the objective of supporting the turn-around plan and ensuring that the Company regains its pre-eminent positioning in the Indian aviation industry. The Scheme presented by the Company was approved by MOCA on January 22, 2015 acting in its capacity as the Competent Authority.

Pursuant to the order of MOCA approving the Scheme and subsequent order of the Competition Commission of India, the entire shareholding of Previous Promoters constituting 58.46% of the equity share capital of the Company was transferred to Mr. Ajay Singh on February 23, 2015.

### **Revival Plan and Way Forward**

As a long term strategy to keep the Company insulated against similar circumstances in the future, the new management under the Chairmanship of Mr. Ajay Singh has undertaken and implemented various measures in revenue and cost management, customer retention and employee welfare immediately upon assuming control of the Company.

Since the change of ownership, management and control, the Company has entered into settlement agreements and deferred payment plans with certain lessors and vendors in respect of past overdue payments. The Company has also discharged its overdue statutory obligations in the last quarter of the Financial Year 2014-15. The Company continues to negotiate with its vendors for settlements, improved commercial terms and better credit facilities, and is in the process of arranging additional working capital finance, as well as by way of trade financing, to improve its short-term liquidity position.

Under the new management the Company will be focusing on increasing efficiency in the areas of customer experience, selling and distribution, revenue management, fleet rationalization, aircraft utilization, capacity deployment in key focus markets, contracts and other costs, to help the Company establish consistent profitable operations and cash flows. The Company is also exploring options to increase its aircraft fleet over the near short term in order to keep up with the demand growth. These measures along with improvement in the macroeconomic conditions for the airline industry in the markets in which the Company operates (such as the recent reduction in ATF prices, economic buoyancy), consistent improvement in capacity utilization and unit revenues, enhancement in ancillary revenues, reduction in unit cost as well as providing additional value added services to customers, are expected to increase operational efficiency and achieve profitability.

While many initiatives have been implemented under the new management there are more being considered for implementation which has not only has provided the much needed cash in the operations but has taken the Company to three successive quarters of profitability (being March 2015, June 2015 and September 2015).

### **3. BOARD OF DIRECTORS**

- a) Pursuant to the Share Sale and Purchase Agreement dated January 29, 2015 between the Company, Mr. Kalanithi Maran, Kal Airways Private Limited and Mr. Ajay Singh, the entire shareholding of erstwhile Promoters (i.e. Mr. Kalanithi Maran and Kal Airways Private Limited) has been transferred to Mr. Ajay Singh and consequently Mr. Kalanithi Maran, Mrs. Kavery Kalanithi and Mr. S. Natrajhen resigned from the Board of the Company with effect from January 29, 2015.
- b) The Company has received necessary declaration from each Independent Director under Section 149(6) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
- c) Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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.



- d) Mr. Ajay Singh and Mrs. Shiwani Singh were appointed as additional directors on the Board of the Company on May 21, 2015 and shall hold office upto the date of ensuing Annual General Meeting. The Company has received notice 160 of the Companies Act, 2013 proposing their candidature and the members are requested to consider the same.
- e) Dr. Harsha Vardhana Singh was appointed as additional directors on the Board of the Company on May 21, 2015. Subsequently, Dr. Singh has resigned effective November 17, 2015.
- f) Mr. Sasiprabhu was appointed as additional directors on the Board of the Company on December 1, 2015 and shall hold office upto the date of ensuing annual general meeting. The Company has received notice 160 of the Companies Act, 2013 proposing his candidature and the members are requested to consider the same.
- g) Mr. M. K. Harinarayanan (Independent Director) and Mr. J. Ravindran (Independent Director) resigned from the directorship of the Company with effect from May 28, 2015 and May 29, 2015 respectively.
- h) Mr. Nicholas Martin Paul (Independent Director) and Mr. R. Ravivenkatesh (Independent Director) resigned from the directorship of Company with effect from September 21, 2015.
- i) The Company is in the process of inducting additional independent directors to have adequate mix of executive and independent director, subject to security clearance of applicable authority.
- j) The Board has, on the recommendation of the Nomination & 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 Corporate Governance Report.

#### **4. PARTICULARS OF CONTRACTS OR ARRANGEMENT MADE WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year under review were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company.

All Related Party Transactions have been placed before the Audit Committee and Board for their approval.

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in prescribed Form AOC-2, is annexed as "Annexure – A" to the Board's Report.

#### **5. STATUTORY AUDITORS**

- a) The Statutory Auditors, M/s S.R. Batliboi & Associates LLP, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.
- b) In accordance with Section 134 (3) (f) of the Companies Act, 2013, information and explanations to various comments made by the Auditors in their Report to the Members are mentioned in the Notes to the Accounts, which form part of the Balance Sheet for the year ended March 31, 2015.

#### **6. SECRETARIAL AUDIT**

- a) Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretary to undertake the Secretarial Audit of the Company for financial year ended on March 31, 2015. The Report of the Secretarial Auditor is annexed as "Annexure – B" to the Board's Report.
- b) In accordance with Section 134 (3) (f) of the Companies Act, 2013, response (wherever necessary) to the observations in the Secretarial Audit Report are as under:
  - (i) The Company had one woman director on its Board since November 15, 2010 who resigned on January 29, 2015. Immediately after her resignation, the Company filed an application with Ministry of Civil Aviation as per Civil Aviation Requirements, for security clearance of Mrs. Shiwani Singh for her appointment as director and appointed her as director on May 21, 2015 after said security clearance (*refer Para 1 of the observation of Secretarial Audit Report*).

- (ii) The Company shall be making offer for issue of CRPS in due course subject to compliance of provisions of Companies Act, 2013 and other applicable rules and regulations (*refer Para 3 of the observation of Secretarial Audit Report*).
- (iii) Subsequent to the end of Financial Year 2014-15, the Company has appointed Mr. Ajay Singh as Managing Director within the prescribed time limit of the Companies Act, 2013 (*refer Para 5 of the observation of Secretarial Audit Report*).

## **7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The Company has not granted any loan, given guarantee or security or made investment under the provisions of Section 186 of the Companies Act, 2013 during the financial year under review.

## **8. EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is annexed as “Annexure – C” to the Board’s Report.

## **9. NUMBER OF MEETINGS OF THE BOARD**

The Board met seven times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

## **10. DIRECTORS’ RESPONSIBILITY STATEMENT**

In terms of Section 134(5) of the Companies Act, 2013, in relation to the Audited Financial Statements of the Company for year ended March 31, 2015, the Directors of your Company hereby state that:

- a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the Annual Accounts of the Company on a ‘going concern’ basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **11. CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis, Corporate Governance Report and Practicing Company Secretary’s Certificate regarding Compliance with the Code of Corporate Governance are made part of the Annual Report.

## **12. PUBLIC DEPOSITS**

The Company has not invited/ accepted any deposits from the public during the financial year ended March 31, 2015.

## **13. TRANSFER TO RESERVES**

The Company has made no transfers to reserves during the Financial Year 2014-15.

**14. DISCLOSURES REQUIRED UNDER THE SEBI (EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES, 1999**

S. No.	Description	Remark
a)	Options granted	5,200,000 options granted on September 11, 2007 ('Grant 1'), 1,804,884 options granted on October 5, 2009 ('Grant 2'), 5,422,954 options granted on December 23, 2009 ('Grant 3'); and 100,000 options granted on April 1, 2010 ('Grant 4') No grants were made during the year under review.
b)	Pricing formula	Intrinsic value method for valuation has been used for determining the fair value of option granted under the Scheme. The value per option as per this method for Grant 1, Grant 2, Grant 3 and Grant 4 is Rs.32.50, Rs.24.85, Rs.46.25 and Rs.27.90 respectively.
c)	Options vested	1,276,050
d)	Options exercised during the year	Nil
e)	Total number of shares arising as a result of exercise of options	Nil
f)	Total Options lapsed during the financial year.	320,975
g)	Variations of terms of options	Nil
h)	Money realised by exercise of options	Not applicable
i)	Total number of options in force	955,075
j)	Employee wise details of options granted to:	
	senior management personnel	No grants were made to any senior management personnel during the year under review.
	any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	None
	identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Erstwhile CEO (since resigned and the options have lapsed)
k)	Diluted earnings per share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 "Earning Per Share"	(13.38)- before extraordinary items (12.28)- after extraordinary items
l)	Method of calculation of employee compensation cost	No grants were made during the year under review.
m)	Exercise price and fair value of option	No grants were made during the year under review.
n)	Option valuation methodology	Black Scholes Option Valuation Model has been used to estimate the fair value of the options granted earlier.
	<b>Assumptions</b>	<b>Grant 1</b> <b>Grant 2</b> <b>Grant 3</b> <b>Grant 4</b>
	Dividend yield (%)	0                      0                      0                      0
	Expected life (no. of years)	2.5                    1.0                    2.7                    2.00
	Risk free interest rate (%)	7.9                    8.0                    8.0                    8.00
	Volatility (%)	55.00                67.86                67.86                94.17
	Price of the underlying share in the market at the time of the grant (Rs)	57.85                34.85                56.25                57.90

## 15. DIVIDEND

The Board of Directors have not recommended any dividend in view of the performance of the Company for the Financial Year 2014-15.

## 16. CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

As required under Section 135 of the Companies Act, 2013, the Board of Directors of the Company constituted the CSR Committee consisting of Mr. S. Natrajhen, Mr. Nicholas Martin Paul and Mr. R. Ravivenkatesh as its Members.

The CSR Committee was reconstituted on May 28, 2015 comprising of Mr. Ajay Singh, Mr. Nicholas Martin Paul and Mr. R. Ravivenkatesh as Members. Effective, September 21, 2015 two of the Company’s independent directors resigned from the Company pursuant to which the Company’s CSR Committee was dissolved due to inadequacy of constituents.

Since the Company does not have net profit for the last three financial years, the Company is not mandatorily required to contribute towards CSR activities. However, the Company runs an initiative named “*SpiceJet Cares*” to contribute to society at large. Working in close harmony and partnering with various organisations who have done phenomenal work in this field, the Company reaches out to provide help and relief to the lesser privileged and to those in need. Few of such CSR activities are as follows:

### a) Relief work and natural calamities

- (i) In September 2014, the state of Jammu & Kashmir was ravaged by deadly floods. Volunteer employees of the Company were flown to assist rescue operations. Food and water were carried and distributed to the thronging masses at Srinagar airport irrespective of the airline they were flying. Commuters in need were extended all possible help at Srinagar airport and the airline assisted several NGOs in airlifting medicines and supplies for free.
- (ii) During devastating earthquake in Nepal in April 2015, additional flights were operated between Kathmandu and Delhi, apart from those already scheduled. This helped in evacuation of huge number of people of various nationalities those were stranded without even basic amenities.

### b) Special flights

- (i) 24 underprivileged kids from the Navjyoti India Foundation and India Vision Foundation were flown to Goa on Holi 2015
- (ii) In September 2015, the Company took 13 underprivileged children and 2 teachers of NGO, run by Sewa Bharati to Jaipur. This group got a privilege to meet the Chief Minister of Rajasthan.

### c) Sapnon ki Udaan

In August 2015, the Company in cooperation with NDTV, operated special flight “*Sapnon ki Udaan*” for those who had never flown before, as ‘Freedom to Fly’ celebration to mark the Indian Independence Day.

## 17. PARTICULARS OF EMPLOYEES

We believe in building and sustaining a strong culture of positive working relationships between employees and recognise that the success of the Company is deeply embedded in the success of its human capital.

The Company had 4,185 employees as on March 31, 2015 (previous year 5,639).

The information required pursuant to Section 197(12) 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 Companies Act, 2013, the Report and Accounts are being sent to all the Members of the Company, excluding the information on employees’ particulars which is available for inspection by the Members at the Company’s registered office on working days, except Saturday/ Sunday and other public holidays, between 10:00 a.m. to 12:00 noon upto the date of the Annual General Meeting.

## **18. POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has a Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Policy in line with the requirements of the Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the Financial Year 2014-15, four complaints were filed and disposed off accordingly.

## **19. RISK MANAGEMENT POLICY AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has laid down procedures to inform Board members about risk assessment and minimization procedures with regard to safety of its operations. These procedures are periodically reviewed to ensure that executive management is controlling risks through properly defined framework.

The system of risk assessment and follow-up procedure is in place and considering its increased operations the Company continues to reassess its risk management plan.

## **20. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The management is highly conscious of the criticality of the conservation of energy at all operational levels. Adequate measures are taken to reduce energy consumption whenever possible by using energy efficient equipments. The requirement of disclosure of particulars with respect to conservation of energy and technology absorption as prescribed in Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Account) Rules, 2014 are not applicable to the Company and hence not furnished.

## **21. FOREIGN EXCHANGE EARNINGS & OUTGO**

The details of Foreign Exchange earnings and outgo are given under the Notes to Accounts.

## **22. ACKNOWLEDGEMENT**

The Company has been through challenging and demanding times in the recent past and is on its course of revival going forward. It would have been impossible for the Company to attain normal operations without the support of Ministry of Civil Aviation, Director General of Civil Aviation, Airport Authority of India, all private Airport Operators, other Government Authorities, Aircraft and Engine Manufacturers, Aircraft Lessors, our Bankers and all our business partners. We thank each one of them for their confidence and grateful for their continued support in re-building the airline,

We are most grateful to our passengers for reposing their faith in the airline despite experiencing operational discomfort in the past and providing us with the opportunity to regain our position. We are overwhelmed by choice of our passengers making us the top performer in terms of seat utilization in the Industry.

And lastly we are overwhelmed by the passion, perseverance and continued support of each and every employee and their respective families, who worked tirelessly and contributed in best possible manner to ensure that we are able to rebuild the airline. The Directors express their sincere appreciation to all the employees for their commendable teamwork and professionalism.

For and on behalf of the Board

Place: Gurgaon  
Date : December 1, 2015

Sd/-  
Ajay Singh  
Chairman & Managing Director



**Form No. AOC – 2**

*(Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis:

<p>(a) Name(s) of the related party and nature of relationship</p> <p>(b) Nature of contracts/arrangements/transactions</p> <p>(c) Duration of the contracts / arrangements/transactions</p> <p>(d) Salient terms of the contracts or arrangements or transactions including the value, if any</p> <p>(e) Justification for entering into such contracts or arrangements or transactions</p> <p>(f) Date(s) of approval by the Board</p> <p>(g) Amount paid as advances, if any:</p> <p>(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188</p>	<p>Not applicable</p>
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2. Details of material contracts\* or arrangement or transactions at arm's length basis

<p>(a) Name(s) of the related party and nature of relationship</p> <p>(b) Nature of contracts/arrangements/transactions</p> <p>(c) Duration of the contracts / arrangements/transactions</p> <p>(d) Salient terms of the contracts or arrangements or transactions including the value, if any:</p> <p>(e) Date(s) of approval by the Board, if any:</p> <p>(f) Amount paid as advances, if any:</p>	<p>Not applicable</p>
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*(\*As defined under Clause 49 of the Listing Agreement, a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company)*

**Secretarial Audit Report****For Financial Year ended on March 31, 2015**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
SpiceJet Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SpiceJet Limited (herein after called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 and the Rules made thereunder;
- (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (f) The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 **(Not applicable for the Audit Period)**
  - (g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulation, 2009 **(Not applicable for the Audit Period)**; and
  - (h) The Securities Exchange Board of India (Buyback of Securities) Regulation, 1998 **(Not applicable for the Audit Period)**.
- (iv) Other Applicable laws
  - a. Aircraft Act, 1934
  - b. Carriage by Air Act 1972
  - c. The Aircraft (Carriage of Dangerous Goods) Rules, 2003
  - d. Civil Aviation Requirements issued by DGCA

The other laws as may be applicable to the Company are based on the Compliance Certificates issued by the designated officers of the Company and the Corporate Compliance Certificate issued thereafter by the Director/ Chief Executive Officer and submitted to the Board of Directors of the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not applicable for the audit period).**
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The woman director appointed by the Company resigned on January 29, 2015 and the Vacancy was filled on May 21, 2015, after expiry of 3 months as specified in Companies (Appointment of Directors) Rules, 2014, following the receipt of approval from Ministry of Civil Aviation.
2. There were few instances of delay in filing of forms with the Ministry of Corporate Affairs which were regularised by payment of late filing fee.
3. The board of directors of the Company in their meeting held on January 29, 2015 approved the preferential issue of upto 3,750,000 non-convertible redeemable preference ('CRPS') of Rs 1,000 each to the previous promoters basis the subscription offer received from the previous promoters subject to the approval of the shareholders of the Company and such other approvals as may be required.
4. The Company has not filed e-form MR-1 with the Registrar of Companies for appointment and resignation of previous Chief Financial Officer of the Company due to non-receipt of certain documents from the concerned personnel.
5. Owing to change in management, the vacancy caused due to the resignation of the Managing Director on January 29, 2015 was filled on May 21, 2015 due to delay in receipt of security clearance of the proposed director.

We further report that, on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable other general laws including Industrial Laws, Environmental Laws, Human Resources and labour laws.

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that:

The Board of Directors of the Company is constituted with a balance of Executive Directors, Non-Executive Directors and Independent Directors subject to our observation in point number 1-5 above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings except for meetings called on shorter notice as approved by the independent directors, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the audit period, no events, other than the following, have occurred during the year, which have a major bearing on the Company's affairs

- The Ownership, management and control of the Company was transferred to Mr Ajay Singh under the "Scheme of Reconstruction and Revival for Takeover of Ownership, Management and Control of SpiceJet Limited" which was approved by the Ministry of Civil Aviation. Further, the change of ownership, management and control was also approved by the Competition Commission of India
- The Board of the Company approved the issue of upto 3,750,000 non-convertible redeemable preference of Rs 1,000 each basis the subscription offer received by the previous promoters subject to the approval of the shareholders of the Company and such other approvals as may be required.

- Allotment of 1,91,69,000 equity shares to Mr Kalanithi Maran and 4,50,00,000 equity shares to M/s Kal Airways Private Limited respectively, having nominal value of Rs 10 each against conversion of options attached to warrants issued on a preferential basis.
- The shareholders of the Company in their meeting held on September 24, 2014 approved the aggregate issue of 189,091,378 warrants convertible into equivalent number of equity shares having a nominal value of Rs 10 each to previous promoters for a consideration aggregating to Rs 30,821.89 lakhs

**For LAKSHMMI SUBRAMANIAN & ASSOCIATES**

Sd/-  
**Swetha Subramanian**  
Partner  
ACS No. 33222  
C.P.NO. 12512

Place : Chennai  
Date : December 1, 2015

**Note: This report is to be read with our letter of even date which is annexed as Appendix A and form forms an integral part of this report.**

**“Appendix A”**

**(To the Secretarial Audit Report of M/s. SPICEJET LIMITED for the financial year ended March 31, 2015)**

To  
The Members  
SpiceJet Limited

Our Secretarial Audit Report for the financial year ended March 31, 2015 is to be read along with this Appendix A.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basic to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basic for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance and law, rules and regulation and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basic.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

**For LAKSHMMI SUBRAMANIAN & ASSOCIATES**

Sd/-  
**Swetha Subramanian**  
Partner  
ACS No. 33222  
C.P.NO. 12512

Place : Chennai  
Date : December 1, 2015

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**

as on the Financial Year ended on March 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

Corporate Identity Number (CIN)	L51909TN1984PLC082330*
Registration Date	February 9, 1984
Name of the Company	SpiceJet Limited
Category / sub-Category of the Company	Public Company/ Limited by Shares
Address of the Registered Office and contact details:	Indira Gandhi International Airport, Terminal 1D, New Delhi – 110037 Email: investors@spicejet.com Tel: +91 124 3913939 Fax: +91 124 3913844
Whether listed company (Yes / No):	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Email: einward.ris@karvy.com Tel: +91 40 67162222 Fax: +91 40 23001153

\* The new CIN is awaited consequent upon change on registered office from state of Tamil Nadu to NCT of Delhi.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Transportation of passengers by air	51101	93%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES<sup>1</sup>**

S. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
-	-	-	-	-	-

<sup>1</sup>Kal Airways Private Limited (CIN: U62200TN2010PTC075601) holding 33.62 equity share of the Company ceased to be Associate Company with effect from February 23, 2015



**IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**

**(i) Category-wise Share Holding**

Category Code	Category of Shareholders	No. of shares held at the beginning of the year (As on March 31, 2014)			No. of shares held at the end of the year (As on March 31, 2015)			% Change during the year the year (XI)	
		Demat (III)	Physical (IV)	Total (V)	% of total shares (VI)	Demat (VII)	Physical (VIII)		Total (IX)
(1)	(A)								
	Promoters								
	Indian								
	(a) Individual/HUF	129,741,753	-	129,741,753	24.24	361,535,624	-	361,535,624	60.31
	(b) Central Government	-	-	-	-	-	-	-	-
	(c) State Government(s)	-	-	-	-	-	-	-	-
	(d) Bodies Corporate	156,518,005	-	156,518,005	29.24	-	-	-	(29.24)
	(e) Banks/Financial Institutions	-	-	-	-	-	-	-	-
	(f) Any Other	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	286,259,758	-	286,259,758	53.48	361,535,624	-	361,535,624	60.31
(2)	Foreign								
	(a) NRIs - Individuals	-	-	-	-	-	-	-	-
	(b) Other - Individuals	-	-	-	-	-	-	-	-
	(c) Bodies Corporate	-	-	-	-	-	-	-	-
	(d) Banks / Financial Institutions	-	-	-	-	-	-	-	-
	(e) Any Other	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	-	-	-	-	-	-	-	-
	<b>Total shareholding of Promoter (A)</b>	<b>286,259,758</b>	-	<b>286,259,758</b>	<b>53.48</b>	<b>361,535,624</b>	-	<b>361,535,624</b>	<b>60.31</b>
	<b>= (A)(1)+(A)(2)</b>								
(B)	Public Shareholding								
(1)	Institutions								
	(a) Mutual Funds	3,466,500	37,000	3,503,500	0.65	-	37,000	37,000	0.01
	(b) Banks / Financial Institutions	200	-	200	0.00	200	-	200	0.00
	(c) Central Government	-	-	-	-	-	-	-	-
	(d) State Government(s)	-	-	-	-	-	-	-	-
	(e) Venture Capital Funds	-	-	-	-	-	-	-	-
	(f) Insurance Companies	-	-	-	-	-	-	-	-
	(g) Foreign Institutional Investors	4,978,517	109,000	5,087,517	0.95	4,530,856	109,000	4,639,856	0.77
	(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
	(i) Others (specify)	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1)</b>	<b>8,445,217</b>	<b>146,000</b>	<b>8,591,217</b>	<b>1.60</b>	<b>4,531,056</b>	<b>146,000</b>	<b>4,677,056</b>	<b>0.78</b>
									<b>(0.82)</b>

Category Code	Category of Shareholders	No. of shares held at the beginning of the year (As on March 31, 2014)				No. of shares held at the end of the year (As on March 31, 2015)				% Change during the year		
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares			
											(III)	(IV)
(1)	(II)											
(2)	Non-Institutions											
	(a) Bodies Corporate	49,034,834	6,285,172	55,320,006	10.33	45,669,434	6,283,772	51,953,206	8.67			(1.66)
	(b) Individuals											
	(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	83,821,609	2,409,560	86,231,169	16.11	84,353,312	2,384,932	86,738,244	14.47			(1.64)
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	86,953,810	87,900	87,041,710	16.26	81,210,330	76,900	81,287,230	13.56			(2.70)
	(c) Others (specify)	-	-	-	-	-	-	-	-			
	i) Trusts	11,101	-	11,101	0.00	20,101	-	20,101	0.00			0.00
	ii) Non-Resident Indians	9,220,414	512,300	9,732,714	1.82	10,842,973	511,300	11,354,273	1.89			0.07
	iii) Clearing Members	2,093,508	-	2,093,508	0.39	1,884,449	-	1,884,449	0.31			(0.08)
	Sub-total (B) (2)	231,135,276	9,294,932	240,430,208	44.92	223,980,599	9,256,904	233,237,503	38.91			(6.01)
	<b>Total Public Shareholding (B) = (B) (1)+(B)(2)</b>	<b>239,580,493</b>	<b>9,440,932</b>	<b>249,021,425</b>	<b>46.52</b>	<b>228,511,655</b>	<b>9,402,904</b>	<b>237,914,559</b>	<b>39.69</b>			<b>(6.83)</b>
	<b>Total (A+B)</b>	<b>525,840,251</b>	<b>9,440,932</b>	<b>535,281,183</b>	<b>100.00</b>	<b>590,047,279</b>	<b>9,402,904</b>	<b>599,450,183</b>	<b>100.00</b>			<b>0.00</b>
(C)	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-			-
	<b>Grand Total (A+B+C)</b>	<b>525,840,251</b>	<b>9,440,932</b>	<b>535,281,183</b>	<b>100.00</b>	<b>590,047,279</b>	<b>9,402,904</b>	<b>599,450,183</b>	<b>100.00</b>			<b>0.00</b>

#### (ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on March 31, 2014)				Shareholding at the end of the year (As on March 31, 2015)				% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	% change in shareholding during the year		
1.	Kal Airways Pvt. Ltd. <sup>2</sup>	156,518,005	29.24	15.52	-	-	-	-	-	(29.24)
2.	Kalanithi Marani <sup>2</sup>	129,741,753	24.24	-	-	-	-	-	-	(24.24)
3.	Ajay Singh <sup>3</sup>	4,014,692	0.75	0.28	354,443,450	59.13	19.36	19.36	58.38	(0.71)
4.	Kalpna Singh <sup>3</sup>	7,500,000	1.40	-	4,130,336	0.69	-	-	-	(0.71)
5.	Ajay Singh (HUF) <sup>3</sup>	3,021,838	0.56	-	2,961,838	0.49	-	-	-	(0.07)

<sup>2</sup>Ceased to be Promoters with effect from February 23, 2015

<sup>3</sup>Promoters with effect from February 23, 2015

(iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Kal Airways Private Limited<sup>4</sup></b>				
At the beginning of the year	156,518,005	29.24	156,518,005	29.24
Preferential allotment on November 14, 2014	45,000,000	-	201,518,005	33.62
Sale on February 23, 2015	(201,518,005)	(33.62)	-	-
At the end of the year			Nil	Nil
<b>Kalanithi Maran<sup>4</sup></b>				
At the beginning of the year	129,741,753	24.24	129,741,753	24.24
Preferential allotment on November 14, 2014	19,169,000	-	148,910,753	24.84
Sale on February 23, 2015	(148,910,753)	(24.84)	-	-
At the end of the year			Nil	Nil
<b>Ajay Singh<sup>5</sup></b>				
At the beginning of the year	4,014,692	0.75	4,014,692	0.75
Acquired shares February 23, 2015	350,428,758	-	354,443,450	59.13
At the end of the year			354,443,450	59.13
<b>Kalpna Singh<sup>5</sup></b>				
At the beginning of the year	7,500,000	1.40	7,500,000	1.40
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	(3,369,664)	-	4,130,336	0.69
At the end of the year			4,130,336	0.69
<b>Ajay Singh (HUF)<sup>5</sup></b>				
At the beginning of the year	3,021,838	0.56	3,021,838	0.56
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	(60,000)	-	2,961,838	0.55
At the end of the year			2,961,838	0.55

<sup>4</sup>Ceased to be Promoters with effect from February 23, 2015

<sup>5</sup>Promoters with effect from February 23, 2015

(iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Jhunjhunwala Rakesh Radheshyam</b>				
At the beginning of the year	10,000,000	1.87	10,000,000	1.87
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	(10,000,000)	-	-	-
At the end of the year			-	-
<b>Ewart Investments Limited</b>				
At the beginning of the year	9,582,521	1.79	9,582,521	1.79
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	(1,283,000)	-	8,299,521	1.38
At the end of the year			8,299,521	1.38
<b>Reliance Capital Trustee Co Ltd</b>				
At the beginning of the year	3,466,500	0.65	3,466,500	0.65
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	3,466,500	-	-	-
At the end of the year			-	-
<b>Paradise Credits P. Ltd.</b>				
At the beginning of the year	3,164,900	0.59	3,164,900	0.59
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	-	-	3,164,900	0.59
At the end of the year			3,164,900	0.59
<b>MV SCIF Mauritius</b>				
At the beginning of the year	3,070,708	0.57	3,070,708	0.57
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	(1,107,956)	-	1,962,752	0.33
At the end of the year			1,962,752	0.33
<b>Radhakishan Damani</b>				
At the beginning of the year	2,500,000	0.47	2,500,000	0.47
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	(2,500,000)	-	-	-
At the end of the year			-	-

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Bajaj Allianz Life Insurance Company Ltd.</b>				
At the beginning of the year	1,820,388	0.34	1,820,388	0.34
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	(1,820,388)	-	-	-
At the end of the year				
<b>Modi overseas investment ltd.</b>				
At the beginning of the year	1,504,900	0.28	1,504,900	0.28
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	-	-	1,504,900	0.28
At the end of the year			1,504,900	0.28
<b>Karvy Stock Broking Limited</b>				
At the beginning of the year	1,180,261	0.22	1,180,261	0.22
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	242,321	-	1,422,582	0.24
At the end of the year			1,422,582	0.24
<b>Religare Finvest Ltd</b>				
At the beginning of the year	127,458	0.02	127,458	0.02
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	1,964,635	-	2,092,093	0.35
At the end of the year			2,092,093	0.35
<b>Premier Investment Fund Limited</b>				
At the beginning of the year	120,000	0.02	120,000	0.02
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	1,380,000	-	1,500,000	0.25
At the end of the year			1,500,000	0.25



(v) Shareholding of Directors and Key Managerial Personnel:

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>R. Ravivenkesh – Director<sup>6</sup></b>				
At the beginning of the year	16,000	0.00	16,000	0.00
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	-	-	16,000	0.00
At the end of the year			16,000	0.00
<b>R. Neelakantan – CFO<sup>7</sup></b>				
At the beginning of the year	800	0.00	800	0.00
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	-	-	800	0.00
At the end of the year			800	0.00
<b>Chandan Sand- VP (Legal) &amp; Company Secretary</b>				
At the beginning of the year	8,126	0.00	8,126	0.00
Transactions (purchase/sale) from April 1 2014 to March 31, 2015	-	-	8,126	0.00
At the end of the year			8,126	0.00

<sup>6</sup>Resigned with effect from September 21, 2015

<sup>7</sup>Resigned with effect from February 10, 2015

Following directors did not hold any shares during Financial Year 2014-15

- Kavery Kalanithi (Director)- Resigned with effect from January 29, 2015
- S. Natrajhen (Managing Director)- Resigned with effect from January 29, 2015
- M. K. Harinarayanan (Director)- Resigned with effect from May 28, 2015
- J. Ravindran (Director)- Resigned with effect from May 29, 2015
- Nicholas Martin Paul (Director)- Resigned with effect from September 21, 2015

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
Principal Amount	14,289,147,685	2,750,000,000	50,000,000	17,089,147,685
Interest due but not paid	-	37,847,400	-	37,847,400
Interest accrued but not due	30,731,366	-	-	30,731,366
<b>Total (i+ii+iii)</b>	<b>14,319,879,051</b>	<b>2,787,847,400</b>	<b>50,000,000</b>	<b>17,157,726,451</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	1,290,000,000	-	1,290,000,000
Reduction	(715,710,520)	(1,104,083,830)	-	(1,819,794,350)
<b>Net Change</b>	<b>(715,710,520)</b>	<b>185,916,170</b>	<b>-</b>	<b>(529,794,350)</b>
<b>Indebtedness at the end of the financial year</b>				
Principal Amount	13,573,437,165	2,935,916,170	50,000,000	16,559,353,335
Interest due but not paid	181,064,476	35,862,393	-	216,926,869
Interest accrued but not due	26,777,096	-	-	26,777,096
<b>Total (i+ii+iii)</b>	<b>13,781,278,737</b>	<b>2,971,778,563</b>	<b>50,000,000</b>	<b>16,803,057,300</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Mr. S. Natrajhen, Managing Director*	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,412,000	7,412,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
	Others, please specify	-	-
	<b>Total (A)</b>	<b>7,412,000</b>	<b>7,412,000</b>
	<b>Ceiling as per the Act</b>	As per Schedule V of the Companies Act, 2013	

\*Resigned as Managing Director with effect from January 29, 2015

**B. Remuneration to other directors:**

Particulars of Remuneration	Name of Directors				Total Amount (In Rs.)
	Mr. M. K. Harinarayanan	Mr. J. Ravindran	Mr. Nicholas Martin Paul	Mr. R. Ravivenkatesh	
Independent Directors					
Fee for attending board / committee meetings	30,000	40,000	40,000	40,000	150,000
Commission	Nil	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil	Nil
<b>Total (1)</b>	<b>30,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>150,000</b>
Other Non Executive Directors					
Mr. Kalanithi Maran		Mrs. Kavary Kalanithi	-	-	
Fee for attending board / committee meetings	Nil	Nil	-	-	Nil
Commission	Nil	Nil	-	-	Nil
Others, please specify	Nil	Nil	-	-	Nil
<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>-</b>	<b>-</b>	<b>Nil</b>
<b>Total=(1+2)</b>	<b>30,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>150,000</b>
Total Managerial Remuneration	<b>150,000</b>				
Overall Ceiling as per the Act	Sitting Fees is within the limits specified under the Companies Act, 2013				

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4,060,527	5,326,965	9,387,492
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>4,060,527</b>	<b>5,326,965</b>	<b>9,387,492</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty					/
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					/
Punishment			Nil		
Compounding					
<b>C. Other Officers in default</b>					
Penalty					/
Punishment					
Compounding					

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is an ethically driven business process that is committed to values and conduct aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values, while meeting stakeholders' expectations. At SpiceJet we are committed to meet the aspirations of all our stakeholders and believe in adopting best corporate practices for ethical conduct of business. The Board of Directors is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board of Directors and keep our governance practices under continuous review.

### 2. BOARD OF DIRECTORS

The Financial Year 2014-15 was the year of challenges wherein the Company was under acute financial distress yet was able to revive and resurrect through revival and reconstruction plan under the new management. During the year under review, Mr. Ajay Singh acquired 58.46% of the equity share capital of the Company from Mr. Kalanithi Maran and M/s Kal Airways Private Limited ("Erstwhile Promoters") pursuant to the "Scheme of Reconstruction and Revival for Takeover of Ownership, Management and Control of SpiceJet Limited" as approved by the Ministry of Civil Aviation acting in its capacity as the Competent Authority.

#### (a) Composition

While it is the policy of the Company to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management, the Company witnessed significant changes in the constitution of its Board due to change of ownership, management and control of the Company.

As on the date of this report the composition of Board of Directors of the Company is as follows:

Name	Category
Mr. Ajay Singh <sup>1</sup>	<i>Promoter Director (Managing Director)</i>
Mrs. Shiwani Singh <sup>1</sup>	<i>Promoter Director (Non-Executive)</i>
Mr. R. Sasiprabhu <sup>2</sup>	<i>Independent &amp; Non-Executive Director</i>

<sup>1</sup>Appointed as director with effect from May 21, 2015

<sup>2</sup>Appointed as director with effect from December 1, 2015

Dr. Harsha Vardhana Singh who was appointed as Independent & Non-Executive Director on the Board of the Company on May 21, 2015 has resigned effective November 17, 2015.

The Company is in the process of inducting additional independent directors to have adequate mix of executive and independent director, subject to receipt of necessary security clearance from applicable authority.

During the Financial Year 2014-15, the Company had a balanced Board, comprising of executive and non-executive directors which included independent professional. The composition of the Board is in conformity with the requirements of Clause 49 of the Listing Agreement.

During the year under review, the composition and Directorship / Committee positions of the Directors was as under:

Name	Category	No. of Directorship <sup>3</sup>	Committee Positions <sup>3</sup>	
			Chairman	Member
Mr. Kalanithi Maran <sup>4</sup>	Promoter Director (Non-Executive)	2	-	-
Mrs. Kavary Kalanithi <sup>4</sup>	Promoter Director (Non-Executive)	2	-	-
Mr. S. Natrajhen <sup>4</sup>	Managing Director	-	-	-

Name	Category	No. of Directorship <sup>3</sup>	Committee Positions <sup>3</sup>	
			Chairman	Member
Mr. M. K. Harinarayanan <sup>5</sup>	Independent Director	2	1	2
Mr. J. Ravindran <sup>6</sup>	Independent Director	4	4	6
Mr. Nicholas Martin Paul <sup>7</sup>	Independent Director	2	-	2
Mr. R. Ravivenkatesh <sup>7</sup>	Independent Director	2	-	2

<sup>3</sup>Represents directorship(s) / membership(s) of Audit and Stakeholders' Relationship Committee(s) in public limited companies including SpiceJet Limited.

<sup>4</sup>Resigned as director with effect from January 29, 2015.

<sup>5</sup>Resigned as director with effect from May 28, 2015.

<sup>6</sup>Resigned as director with effect from May 29, 2015.

<sup>7</sup>Resigned as director with effect from September 21, 2015.

## (b) Board Procedure

The Agenda for the Board Meeting is circulated in advance to the Board members. The items in the Agenda are supported by comprehensive background information to enable the members take appropriate decisions. In addition to information required under Annexure X to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/ items and approvals are taken wherever necessary.

## (c) Attendance record of Directors at Board Meetings and the Annual General Meeting of the Company

The Board meets at least once a quarter to review and discuss the quarterly results and other items on the agenda. During the period under review, seven (7) Board Meetings were held on May 16, 2014; August 14, 2014; August 21, 2014; November 14, 2015; January 15, 2015; January 29, 2015 and February 12, 2015.

The details of the attendance of Directors at the Board Meetings and the Annual General Meeting held during the financial year 2014-15 are as follows:

Name	Attendance at		
	Board Meetings		30 <sup>th</sup> Annual General Meeting held on September 24, 2014
	Held during the tenure	Attended	
Mr. Kalanithi Maran	6	1	Present
Mrs. Kavery Kalanithi	6	1	Present
Mr. S. Natrajhen	6	6	Present
Mr. M. K. Harinarayanan	7	6	Present
Mr. J. Ravindran	7	6	Present
Mr. Nicholas Martin Paul	7	5	Present
Mr. R. Ravivenkatesh	7	4	Present

## (d) Shares held by Non-Executive Directors

The table below sets out list of non- executive directors holding shares in the Company as on March 31, 2015:

Name	No. of shares	Percentage
Mr. R. Ravivenkatesh	16,000	0.00%

## (e) Familiarisation Programme for Independent Directors

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through various induction programmes. The Company's Policy of conducting the familiarisation program has been disclosed on the website of the Company at [www.spicejet.com](http://www.spicejet.com).



### 3. AUDIT COMMITTEE

#### (a) Composition and terms of reference

The primary objective of the Committee is to monitor and provide an effective supervision of the financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the Internal Auditors and the Statutory Auditor, and notes the processes and safeguards employed by each of them. The Committee has all powers, roles, duties etc. as enumerated under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

During the period under review, the Company had a qualified and independent Audit Committee at the Board level with power and role that are in accordance with Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement. During the year under review the Audit Committee comprised of following Independent Directors:

- Mr. J. Ravindran – Chairman
- Mr. Nicholas Martin Paul – Member
- Mr. M. K. Harinarayanan – Member

The Company Secretary acts as the Secretary to the Committee.

The Audit Committee was reconstituted on May 28, 2015 comprising of Mr. Nicholas Martin Paul, as Chairman and Mr. Harsha Vardhana Singh and Mr. R. Ravivenkatesh as Members. Effective, September 21, 2015 two of the Company's independent directors resigned from the Company pursuant to which the Company's Audit Committee was dissolved due to inadequacy of constituents.

#### (b) Meeting and attendance

During the period under review, four (4) meetings of the Committee were held on May 16, 2014; August 14, 2014; November 14, 2014 and February 12, 2015. The table below sets out the attendance of Members of the Committee during fiscal year 2015:

Name of Member	Number of Committee Meetings	
	Held during the tenure	Attended
Mr. J. Ravindran	4	3
Mr. Nicholas Martin Paul	4	4
Mr. M. K. Harinarayanan	4	3

### 4. NOMINATION AND REMUNERATION COMMITTEE

#### (a) Composition and terms of reference

Pursuant to the provisions of Section 178 of the Companies Act 2013 and Clause 49, the Company constituted the Nomination and Remuneration Committee which formulates, administers and implements the Employee Stock Option Scheme and also recommends to the Board in the matter related to appointment/re-appointment of managerial person (i.e. managing director or whole time director) including the payment of remuneration to them. The Committee is also empowered for following:

- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- to recommend to the Board for appointment and removal of directors and senior management;
- to carry out evaluation of every director's performance and
- to formulate the criteria for determining qualifications, positive attributes and independence of a director and to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

During the year under review the Nomination and Remuneration Committee comprised of following Independent and Non- Executive Directors:

- Mr. M. K. Harinarayanan – Chairman
- Mr. J. Ravindran – Member
- Mr. Nicholas Martin Paul – Member

The Nomination and Remuneration Committee was reconstituted on May 28, 2015 comprising of Mr. Harsha Vardhana Singh, as Chairman and Mr. Nicholas Martin Paul and Mr. R. Ravivenkatesh as Members. Effective, September 21, 2015 two of the Company's independent directors resigned from the Company pursuant to which the Company's Nomination and Remuneration Committee was dissolved due to inadequacy of constituents.

During the period under review, one (1) meeting of the Committee was held on November 14, 2014. The table below sets out the attendance of Members of the Committee during the Financial Year 2014-15:

Name of Member	Number of Committee Meetings	
	Held during the tenure	Attended
Mr. M. K. Harinarayanan	1	1
Mr. J. Ravindran	1	-
Mr. Nicholas Martin Paul	1	1

#### (b) Remuneration Policy

The Nomination & Remuneration Committee determines and recommends to the Board the amount of remuneration payable to managerial persons. The recommendations of the Committee are based on evaluation of certain parameters of managerial persons. Further, any remuneration payable to managerial person is approved by the shareholders as per requirement of Companies Act, 2013.

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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.

#### (c) Details of remuneration to all the directors

During the period under review, the Company has not paid any remuneration to its non-executive directors except sitting fees for attending the Board Meetings. Accordingly Mr. J. Ravindran was paid Rs.40,000, Mr. M. K. Harinarayanan was paid Rs.30,000, Mr. Nicholas Martin Paul was paid Rs.40,000 and Mr. R. Ravivenkatesh was paid Rs.40,000 as sitting fees during the period under review.

During the Financial Year 2014-15 Mr. S. Natrajhen, Managing Director of the Company has drawn (a) Basic Salary: Rs.2,712,500, (b) Conveyance Allowance: Rs.100,000, (c) Supplementary Allowance: Rs.3,243,250, (d) Other Allowance: Rs.1,356,250, (e) Medical Reimbursement: Nil and (f) Rent free accommodation and Car facility with Driver. No stock options have been granted to Mr. Natrajhen.

### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year under review the Stakeholders Relationship Committee comprised of following Independent and Non- Executive Directors:

- Mr. J. Ravindran - Chairman
- Mr. M. K. Harinarayanan - Member
- Mr. Nicholas Martin Paul - Member

The Committee focuses on investors' relation and the envisaged role include, inter-alia, transfer of shares, redressal of complaints and other investors' related matters.

Mr. Chandan Sand, VP (Legal) & Company Secretary is Compliance Officer.

During the period under review, one (1) meeting of the Committee was held on May 16, 2014. The table below sets out the attendance of Members of the Committee during fiscal year 2015:

Name of Member	Number of Committee Meetings	
	Held during the tenure	Attended
Mr. J. Ravindran	1	1
Mr. M. K. Harinarayanan	1	1
Mr. Nicholas Martin Paul	1	1

The Stakeholders Relationship Committee was reconstituted on May 28, 2015 comprising of Mr. R. Ravivenkatesh, as Chairman and Mr. Harsha Vardhana Singh and Mr. Nicholas Martin Paul and as Members. Effective, September 21, 2015 two of the Company's independent directors resigned from the Company pursuant to which the Company's Stakeholders Relationship Committee was dissolved due to inadequacy of constituents.

During the Financial Year 2014-15, the Company has received 267 letters/ complaints from shareholders which were replied/ redressed to the satisfaction of shareholders.

## 6. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) is provided elsewhere in the Annual Report.

## 7. GENERAL BODY MEETINGS

Details of the Annual General Meetings (AGM) held in the last three years:

AGM	Date and Time	Venue	Special Resolutions Passed
28 <sup>th</sup> AGM (2011-12)	September 26, 2012 at 10.00 a.m.	The Kalaignar Arangam, Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai – 600 018	None
29 <sup>th</sup> AGM (2012-13)	September 25, 2013 at 10.00 a.m.	The Kalaignar Arangam, Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai – 600 018	None
30 <sup>th</sup> AGM (2013-14)	September 24, 2014 at 10.00 a.m.	The Kalaignar Arangam, Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai – 600 018	- Create, offer, issue and allot upto 81,680,629 Warrants, having option to apply for and be allotted equivalent number of equity shares of Rs.10 each to Promoters of the Company - Create, offer, issue and allot upto 107,410,749 Warrants, having option to apply for and be allotted equivalent number of equity shares of Rs.10 each to Promoters of the Company

### Postal Ballot

During the Financial Year 2014-15, no resolution was passed through Postal Ballot. However, a postal ballot exercise was initiated in the month of September 2015 and completed in October 2015 and following special resolutions were passed through this postal ballot exercise:

1. Adoption of new set of Articles of Association of the Company;
2. Alteration of Registered Office Clause of Memorandum of Association of the Company; and
3. Appointment of Mr. Ajay Singh as Managing Director.

In accordance with Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Postal Ballot Forms were sent to all the Members whose names appear in the Members Register/ Records as on August 28, 2015 along with Notice and the Statement under Section 102 of the Companies Act, 2013. The Company provided remote e-voting facility as an alternate, to its Members to enable them to cast their vote electronically instead of dispatching Postal Ballot Form.

The postal ballot exercise was conducted by Mr. Mahesh Kumar Gupta, Practicing Company Secretary, who was appointed as Scrutinizer by the Board. The result of the postal ballot was announced by the Chairman of the Board of the Company on October 6, 2015 and same was published in newspapers and also posted on the website of the Company, [www.spicejet.com](http://www.spicejet.com).

As per the report of Scrutinizer dated October 6, 2015 details of voting pattern are as under:

S. No.	Description	Votes in favour of the resolution		Votes against the resolution	
		Number of Votes	(%)	Number of votes	(%)
1.	Special Resolution for adoption of new set of Articles of Association of the Company	362,910,124	99.5865	1,506,920	0.4135
2.	Special Resolution for alteration of Registered Office Clause of Memorandum of Association of the Company	364,332,896	99.9772	83,081	0.0228
3.	Ordinary Resolution for appointment of Mr. Ajay Singh as Managing Director	364,408,106	99.9978	7,984	0.0022

None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution through Postal Ballot.

No special resolution is proposed to be passed through postal ballot.

## 8. DISCLOSURES

- (a) There were no materially significant related party transactions during the year having conflict with the interests of the Company.
- (b) There has been no non-compliance by the Company or penalty or stricture imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years except penalty of Rs.6,000 for late submission of shareholding pattern for quarter ended on December 31, 2015.
- (c) The Company has established a Whistle Blower Policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. No personnel has been denied access to the Audit Committee.
- (d) The Company has fully complied with the mandatory requirements under Clause 49 of the listing agreement and the provisions of non-mandatory requirements are under consideration of the Board of the Company.

Further, subsequent to the Financial Year 2014-15, all the Committees of the Board of Directors of the Company i.e. (i) Audit Committee, (ii) Stakeholders Relationship Committee, (iii) Nomination and Remuneration Committee and (iv) Corporate Social Responsibility Committee were dissolved on September 21, 2015 due to resignation of two independent directors.

- (e) The Company has formulated and implemented the Code of Conduct (the "Code") for Board members and senior management of the Company. The Code has been posted on the website of the Company. All the Board members and senior management of the Company have affirmed compliance with the Code during the financial year ended March 31, 2015. A declaration to this effect signed by Chairman and Managing Director is given as an annexure to this report.
- (f) Pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has adopted a Code of Conduct for prevention of Insider Trading. This Code is applicable to all Board members/officers/designated employees. The objective of this Code is to prevent dealing in shares of the Company by an insider on the basis of unpublished price sensitive information.
- (g) The Company has laid down procedures to inform Board members about risk assessment and minimization procedures with regard to safety of its operations. These procedures are periodically reviewed to ensure that executive management is controlling risks through properly defined framework.

The system of risk assessment and follow-up procedure is in place and considering its increased operations the Company continues to reassess its risk management plan.

- (h) A certificate from the Managing Director and the Chief Financial Officer of the Company on financial reporting and internal controls was placed before the Board in terms of Clause 49 of listing agreement.
- (i) Brief resumes and other information in respect of Directors seeking re-appointment are provided separately under the notice of the 31<sup>st</sup> Annual General Meeting.

## 9. MEANS OF COMMUNICATION

Quarterly un-audited results are sent to the exchange for the information of the shareholder. The results are normally published in Financial Express (English) all editions and Malaisudar/ Dinamalar (Tamil) Chennai edition. The results of the Company are also displayed on the official website of BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and the Company ([www.spicejet.com](http://www.spicejet.com)).

All the press releases of the Company are sent to BSE for dissemination to shareholders and are subsequently displayed on the website of the Company at [www.spicejet.com](http://www.spicejet.com).

## 10. CERTIFICATE ON CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement, certificate by Practicing Company Secretary is given as an annexure to the Directors' Report.

## 11. GENERAL SHAREHOLDER INFORMATION

- (a) **Venue, date and time of the 31<sup>st</sup> Annual General Meeting** : Venue: Sri Sathya Sai International Centre,  
Pragati Vihar, Lodhi Road,  
New Delhi- 110003  
Date: December 28, 2015  
Time: 9.30 a.m.
- (b) **Financial Year** : April 1, 2014 to March 31, 2015
- (c) **Book Closure Date** : December 22, 2015 to December 28, 2015  
(Both days inclusive)
- (d) **Dividend Payment Date** : Not applicable
- (e) **Listing on Stock Exchange** : BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001  
(Equity Shares)
- (f) **Stock Code** : BSE: 500285  
Reuters: SPJT.BO  
Bloomberg: SJET  
ISIN in NSDL and CDSL: INE285B01017
- (g) **Registrar and Transfer Agents** : Karvy Computershare Private Limited,  
Karvy Selenium Tower B, Plot No. 31-32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad – 500 032
- (h) **Share Transfer System**

To expedite the process of share transfers, the Board of the Company has delegated the power of share transfer to the Compliance Officer and Registrar and Share Transfer Agent. The shares of the Company are traded in compulsory demat segment.



Share transfer requests which are received in physical form are processed and the share certificate are returned within a fortnight from the date of receipt, provided the documents submitted are valid and complete in all respect.

**(i) Market Price Data\***

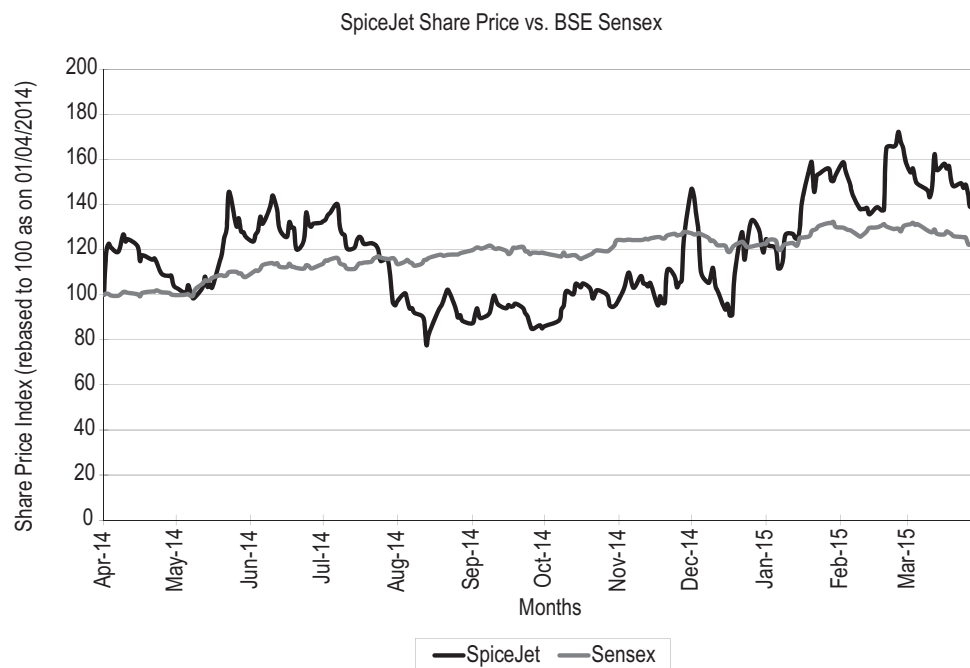
The market capitalisation of the Company is included in the computation of BSE 500 Index. The table below sets out the monthly high and low quotations of the shares traded at BSE Limited during the period under review:

Month	Open Price	High Price	Low Price	Close Price
Apr-14	14.29	19.05	14.16	15.08
May-14	15.50	22.20	14.00	18.20
Jun-14	18.35	21.80	17.20	19.10
Jul-14	19.10	20.80	13.50	13.80
Aug-14	13.90	15.60	11.10	12.80
Sep-14	12.80	14.69	12.00	12.32
Oct-14	12.90	16.16	12.40	13.93
Nov-14	14.65	18.49	13.50	18.24
Dec-14	19.30	21.65	11.25	17.20
Jan-15	17.50	24.10	15.75	22.20
Feb-15	22.85	25.70	19.25	23.05
Mar-15	22.40	24.35	19.80	21.70

\* Source: [www.bseindia.com](http://www.bseindia.com)

**(j) Performance in comparison to broad-based Indices- BSE Sensex**

Chart below sets out price performance of equity shares of SpiceJet Limited relative to BSE Sensex based on daily closing values during April 1, 2014 to March 31, 2015.



The stock price performance shown in the graph above should not be considered indicative of potential future stock price performance.

(k) **Shareholding Pattern as on March 31, 2015**

S. No.	Category	No. of Shares	Percentage (%)
1.	Promoters	361,535,624	60.31%
2.	Directors and Relatives	16,000	0.00%
3.	Banks	200	0.00%
4.	Bodies Corporate	51,953,206	8.67%
5.	Employees	415,795	0.07%
6.	Foreign Institutional Investors	4,639,856	0.77%
7.	H. U. F.	5,796,293	0.97%
8.	Mutual Funds	37,000	0.01%
9.	Non Resident Indians	11,354,273	1.89%
10.	Resident Individuals	161,797,386	26.99%
11.	Others	1,904,550	0.32%
<b>Total</b>		<b>599,450,183</b>	<b>100.00%</b>

(l) **Distribution of Shareholding as on March 31, 2015**

Category	Shareholders		Shares	
	Number	% of total	Number	% of total
1-5000	102,989	72.99	18,461,956	3.08
5001-10000	16,737	11.86	14,457,309	2.41
10001-20000	8,973	6.36	14,477,429	2.42
20001-30000	3,471	2.46	9,114,009	1.52
30001-40000	1,614	1.14	5,929,636	0.99
40001-50000	1,890	1.34	9,108,594	1.52
50001-100000	2,673	1.89	20,548,881	3.43
100001 and above	2,754	1.95	507,352,369	84.64
<b>Total</b>	<b>141,101</b>	<b>100</b>	<b>599,450,183</b>	<b>100.00</b>

(m) **Dematerialisation of shares and liquidity**

Over 98% of the outstanding equity shares have been dematerialized upto March 31, 2015. The Shares of the Company are listed at BSE Limited only; where they are actively traded.

(n) **Outstanding GDRs/ ADRs/ Warrants or any other Convertible Instrument**

The Company has no outstanding GDRs/ ADRs/ Warrants or Convertible Instrument.

The Company in its 30<sup>th</sup> AGM proposed and approved allotment of 189,091,378 warrants convertible into equivalent number of equity shares. However, the same has not been allotted till date due not receipt of regulatory approval.

(o) **Plant Locations**

The Company does not have any plant location.

(p) **Address for Correspondence**

**For shares in physical/ demat mode**  
Karvy Computershare Private Limited,  
Karvy Selenium Tower B, Plot No. 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad – 500 032  
Email: einward.ris@karvy.com  
Tel: +91 40 67162222  
Fax: +91 40 23001153

**Any query on Annual Report**  
Legal & Company Affairs  
SpiceJet Ltd.,  
319, Udyog Vihar,  
Phase IV, Gurgaon- 122 016 Haryana  
Email: investors@spicejet.com  
Tel: +91 124 3913939  
Fax: +91 124 3913888

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL  
WITH COMPANY'S CODE OF CONDUCT**

I, Ajay Singh, Chairman & Managing Director of the Company hereby certify that the Board of Directors of SpiceJet Limited has adopted a Code of Conduct (the "Code") for the Board Members and Senior Management of the Company. The Code is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com).

Pursuant to Clause 49(II)(E)(ii) of the Listing Agreement, I hereby declare that all Board Members and Senior Management personnel have affirmed compliance with the Code for the financial year ended March 31, 2015.

Sd/-  
Ajay Singh  
Chairman & Managing Director

Date: December 1, 2015

Place: Gurgaon

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**COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARY**

**To the Members of SpiceJet Limited**

- (i) We have examined the compliance of conditions of Corporate Governance by SpiceJet Limited, for the year ended on March 31, 2015, as stipulated in relevant clauses of the Listing Agreement of the said Company with the Stock Exchanges in India.
- (ii) The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- (iii) Based on the records and documents maintained by the Company and the information and explanations given to us in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement for the year ended March 31, 2015. Further, we draw your attention to Clause 8 (d) of attached Corporate Governance Report.
- (iv) We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mahesh Gupta & Company  
Company Secretaries

Sd/-  
Mahesh Kumar Gupta  
Proprietor  
FCS 2870::CP 1999

Date ..: December 1, 2015

Place : . New Delhi

## MANAGEMENT DISCUSSION AND ANALYSIS

Investors are cautioned that this discussion contains forward looking statements that involve opportunities, risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, acquisition plans, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

### 1. Economy and Prospects

#### a) Indian Economy: Opportunity for revival

Indian economy showed signs of revival with GDP growth picking up to 7.3% in Financial Year 2014-15 from 6.9% in Financial Year 2013-14 and 5.1% in Financial Year 2012-13, as per the new series announced by Central Statistics Organization in January 2015. This pick-up in growth has come with a downtrend in inflation which is another positive for the economy. The moderation in inflation had an impact on interest rates as the Reserve Bank of India (RBI) finally started its rate cutting cycle in January earlier this year. Stable flows through the Foreign Direct Investment (FDI) route have also picked up as the Government increased the level of permissible investments into some sectors.

Since coming to power last year the new Government's main concern has been the revival of growth in the Indian economy and crucially enough, it has chosen to give the Industrial sector a structural push to achieve its goal. The Government announced the 'Make in India' initiative, which intends to make manufacturing the engine of growth and also generate employment. These initiatives are expected to bring the economy back on track aided by rise in domestic demand, increase in investments, declining oil prices and reforms amongst others.

#### Highlights of Financial Year 2014-15

- GDP at market prices (new series) grew at 7.3% in Financial Year 2014-15 compared to 6.9% in Financial Year 2013-14
- Higher growth in Financial Year 2014-15 was led by consumer spending (growing at 6.3% in Financial Year 2014-15 compared to 6.2% in Financial Year 2013-14), followed by investments (growing at 4.6% in Financial Year 2014-15 compared to 3.0% in Financial Year 2013-14)
- WPI and CPI inflation declined in Financial Year 2014-15, resulting in softening of RBI stance on monetary policy towards the end of Financial Year 2014-15
- FDI reforms fuelling inflows which grew at 27% from USD 24.3 billion in Financial Year 2013-14 to USD 30.9 billion in Financial Year 2014-15 (as reported by DIPP)
- New initiatives: Make in India, Skill India

#### b) Prospects, Short Term and Medium Term

World Bank expects India's economic growth to be at 7.5% for Financial Year 2015-16 marginally higher than Financial Year 2014-15 followed by 7.8% in Financial Year 2016-17 and 7.9% in Financial Year 2017-18. India is expected to benefit from the sharp decline in global oil and commodity prices reducing its subsidies and lowering its deficits.

There has been some moderation in GDP growth estimates for Financial Year 2015-16 due to a weak monsoon, failure to pass reforms and external factors like slowdown in China. Even though lower oil prices are expected to reduce inflation, raise real disposable incomes, lower external vulnerability there is still scope for structural reforms. Despite the moderation, World Bank and IMF are positive on long term prospects for India and see growth picking up in 2016 and 2017. According to IMF Indian growth will benefit from lower commodity prices, recent policy reforms and a consequent pickup in investment and growth in India is expected to rise above rates in other major emerging economies.

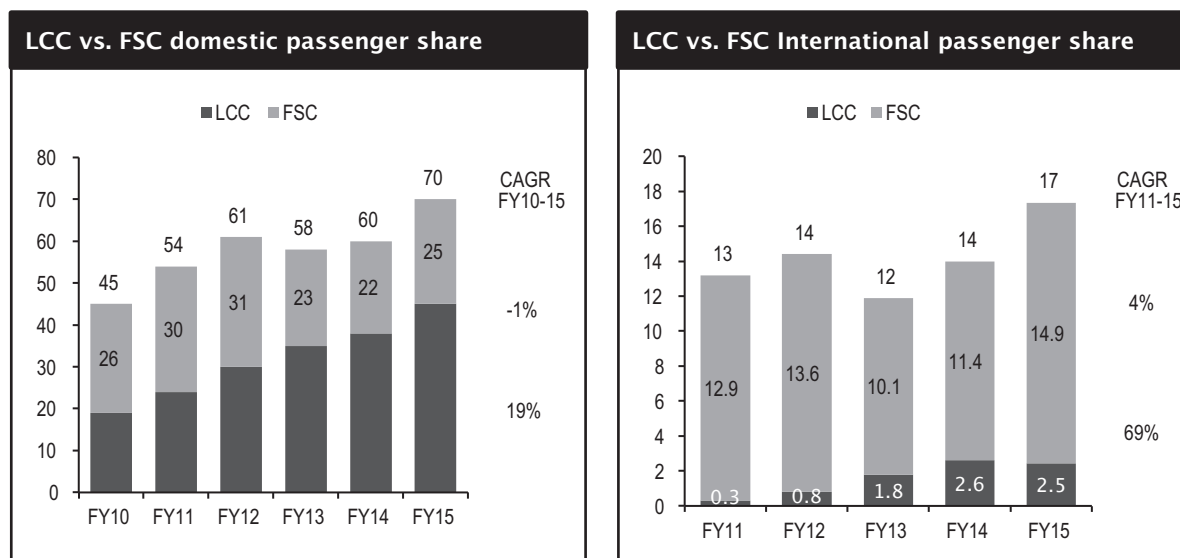
### 2. Indian Aviation

Indian aviation registered a 16% growth in domestic passengers and a 24% growth in International traffic in Financial Year 2014-15 over Financial Year 2013-14.

### a) LCCs driving domestic aviation growth

India's domestic aviation growth story is predominantly led by LCCs with LCC market share increasing from around 40% in Financial Year 2009-10 to around 63% in Financial Year 2014-15. According to CAPA, LCCs are expected to maintain a domestic market share of 65% to 70% of passenger volume, and LCC ticket price is expected to remain a key driver of demand as India is an extremely price sensitive market.

SpiceJet's market share during Financial Year 2014-15 averaged around 15% compared to an average of around 19% in Financial Year 2013-14.



### b) Increased focus on Aviation by Government of India

Key points from the revised draft civil aviation policy released by the Union Government in October 2015 are summarized below:

- Enhance regional connectivity through fiscal support and infrastructure development and ease of doing business by simplification of procedures and e-governance.
- Develop Low Cost / No-frills airports and revival of un-served/under-served airstrips
- Increase in FDI in airlines from 49 percent to above 50 percent to be examined if the government decides to go in for open skies for countries lying within 5,000 km radius.
- Encourage maintenance, repairs and overhaul (MRO) sector in India through service tax breaks, custom exemptions and easing of visa process for expat professionals.
- Recognize the need to facilitate higher ancillary revenue for airlines in order to reduce the base airfare.

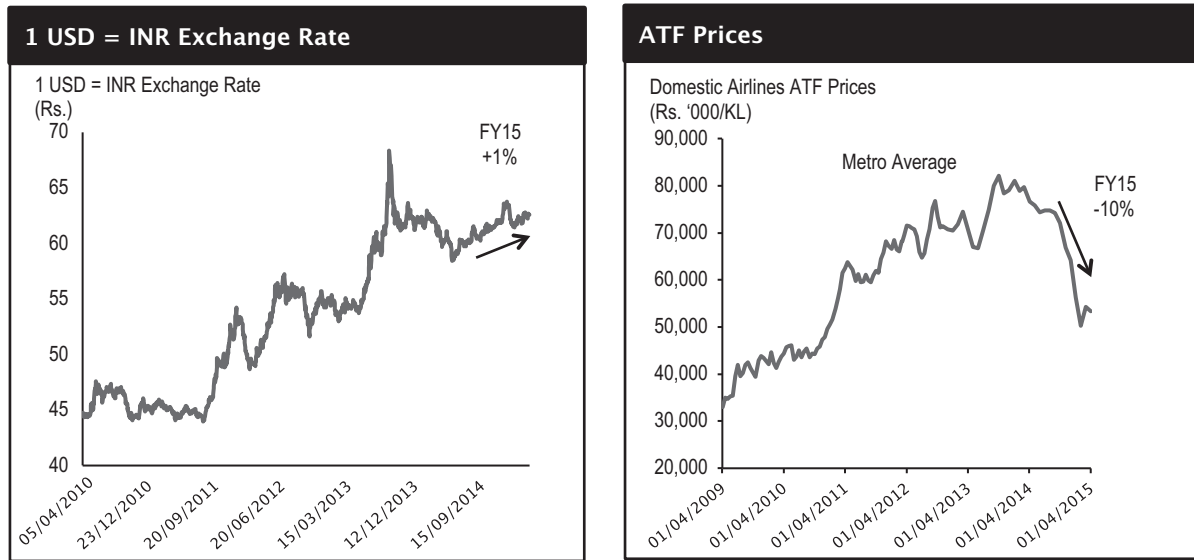
### c) Macro-economic factors to support aviation sector

Oil prices which form a significant portion of an airline's cost in India came down starting third quarter of Financial Year 2014-15. Domestic ATF prices as measured by average of prices at metros declined 10% in Financial Year 2014-15 over Financial Year 2013-14 whereas global crude oil prices fell sharply by almost 20% over the same period. India has a high fuel tax structure, therefore the entire benefit of the reduction in global crude oil prices is not passed on to domestic airlines.

However, there is an effort to reduce such taxation and in Financial Year 2014-15 VAT on ATF was reduced in parts of Andhra Pradesh, Rajasthan and Uttar Pradesh.



Currency remained range bound between INR 58-63 against the USD, averaging around INR 61 per USD during Financial Year 2014-15 compared to an average of around INR 60 per USD during Financial Year 2013-14.



#### d) Prospects: Short term and long term

CAPA projects domestic air passenger volume to grow at a CAGR of 12.8% between Financial Year 2014-15 – Financial Year 2019-20 and domestic ASKs to grow at a CAGR of 12.7% over the same period.

According to IATA, India is the world's ninth largest civil aviation market and ranked fourth in domestic passenger volume in the world. In its 20 year passenger forecast released in October 2014, IATA forecasts that India will see a total of 367 million passengers by 2034, an extra 266 million annual passengers compared to total passengers in October 2014. It will overtake the United Kingdom (148 million extra passengers, total market 337 million) to become the third largest market around 2031.

Considering the above forecasts by reputed agencies, the company expects that the current growth of around 20% witnessed in the domestic market shall continue for the next 8-12 months and thereafter will stabilise around 10-12%.

### 3. Developments at SpiceJet

#### a) Revival and Reconstruction of the Company

The Company presented the Scheme of Reconstruction and Revival (the “**Scheme**”) before the Ministry of Civil Aviation (“**MOCA**”) on January 15, 2015 which proposed the reconstruction and revival of the Company through takeover of ownership, management and control by Mr. Ajay Singh from the previous promoters. The Scheme presented by the Company was approved by MOCA on January 22, 2015 and was subsequently also approved by the Competition Commission of India. Consequently, the entire shareholding of previous promoters constituting 58.46% of the equity share capital of the Company was transferred to Mr. Ajay Singh on February 23, 2015.

#### b) Fleet status

During the year, SpiceJet had to return several aircraft on account of some lease-end obligations and some on lessors’s request to reduce their exposure in India and SpiceJet. SpiceJet fleet was reduced to 32 aircraft from a level of 56 aircraft. The Company was able to retain its key routes and started rebuilding its operations after the change of control and ownership under the Scheme.

After profitable operations for Q4 for Financial Year 2014-15, coupled with demonstration of operational integrity and renewed passenger confidence, the Company has been in the market to gradually increase its fleet and take

advantage of the low fuel costs as well as the healthy demand in the travel sector. SpiceJet currently has 41 aircraft and the management is continuously looking for opportunities for adding more aircraft to keep up with the demand.

### c) Revenue management and enhancement

SpiceJet's effective pricing and inventory management strategy is aimed at stimulating more and more travelers to take-up air travel through offering affordable prices. Our dynamic revenue management strategy includes:

- i) **Improving loads** through advance purchase sales and promotions designed to stimulate the market, optimally designed to minimize dilution and maximize its revenue on the seats deployed. Incidentally advance purchase sales and promotions, which are strictly inventory controlled, also **act as free advertising** due to huge media coverage
- ii) **Improving yields** through a combination of
  - increased close-in pricing
  - optimized customer mix
  - innovative fare structures to maximize revenues and at the same time provide value to the consumer
  - increased international presence

On enhancing revenues, SpiceJet has launched various new products emanating from its core strategy of “Un-bundling” the fares. This has enabled its consumers to obtain value for their spends. Additionally, the Company has brought back Cargo, Catering & Reservations in-house (from the earlier outsourced models) to get the upside on revenue potential.

On distribution part, SpiceJet is more and more reaching out directly to consumers through its newly launched “APP” to take advantage of the mobility opportunities, direct e-mailers, etc. We have strengthened the trade network also to maximize our reach and presence.

### d) Cost reduction measures

Cost reduction is a continuous process and one that is essential towards ensuring profitability and acts as a measure against pricing constraints due to competition. The management has been working on all areas ranging from restructuring long term contracts, increasing productivity, increasing asset utilisation and reducing costs of financing. The management will level the opportunities provided by the low cost environment to bring down non-fuel related costs in order to make its operations sustainable and profitable.

As a part of this multi-pronged strategy, the Company has

- i) implemented a “fuel management” program and this has been reflected in our fuel burn efficiency by which, in spite of increased payload (on account higher passenger numbers per flight, increased cargo loads) the fuel burn ratios are below the last years numbers.
- ii) increased aircraft utilisation and are clocking “the near best in fleet category” utilisation across the world. This has helped us produce more seat kilometres over the existing resource base and as accelerated the fixed cost absorption.
- iii) been able to bring the cost of financing down significantly by way of efficient working capital management, and aided by profitable operations.
- iv) increased the productivity on the human resources by over 10%
- v) renegotiated contracts on maintenance and other service providers.
- vi) implemented a transparent bidding process on renowned software platform, which has helped the Company to get the best rates on goods and services received.

We are in process of implementing other cost reduction initiatives during this fiscal, and the most significant being the cost of acquisition on revenue generating assets.

### e) SpiceJet brand - A ‘Red. Hot. Spicy.’ Journey

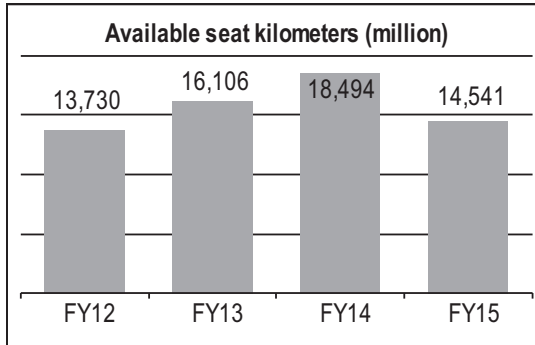
We started the journey with the mission to fulfil everyone’s dream of flying, to ensure “flying for everyone”. We transformed from affordable flying to - touching the hearts of millions and have now embarked into a yet another

journey of being a youth-friendly airline that brings the fun, the anticipation, the hotness; in other words the more 'spice' into flying. And so we evolved into an airline which is "Red. Hot. Spicy".

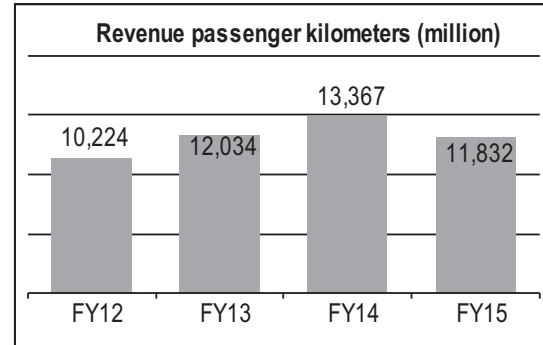
This evolution is a progression. We remain genuine, courteous and cordial and are now more friendly and young in spirit. We are bright and cheerful as ever. We have extended the same tone of voice to every aspect about the airline now, including innovative product offerings.

#### 4. Operational and Financial Highlights

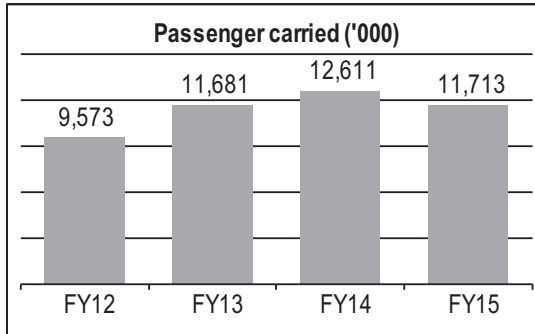
##### a) Operational highlights:



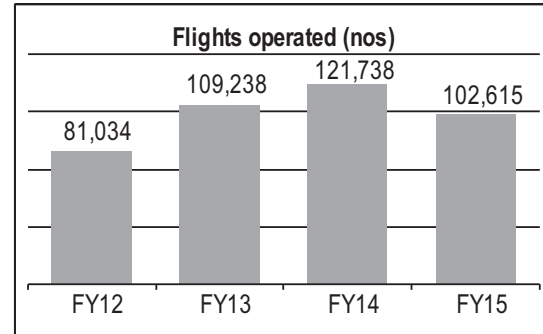
Capacity deployed in ASKM's dropped by 21% due to reduction in Boeing 737 fleet.



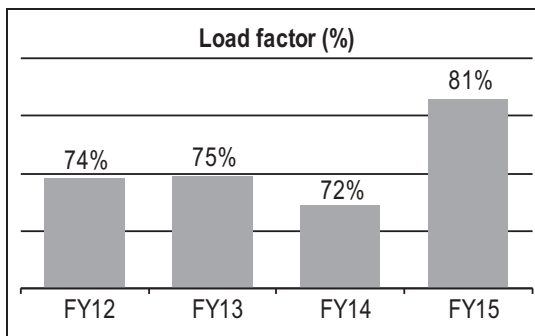
RPKM dropped by 11%. However due to increase in load factor, reduction in RPKM's was proportionately lesser than that of ASKM reduction.



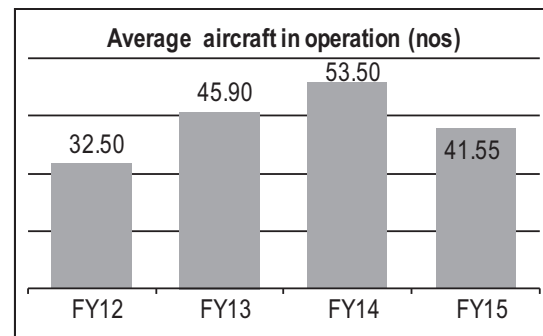
Passengers carried dropped by 7% due to reduction in Boeing 737 fleet.



Flights operated dropped by 16% due to reduction in Boeing 737 fleet.

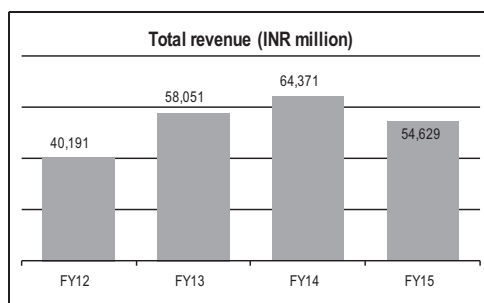


Capacity utilisation (Load factor) increased substantially due to superior product offering and efficient deployment of network.

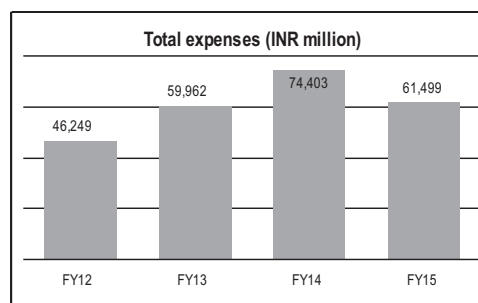


Average aircraft in operation dropped by 22% due to reduction in Boeing 737 fleet.

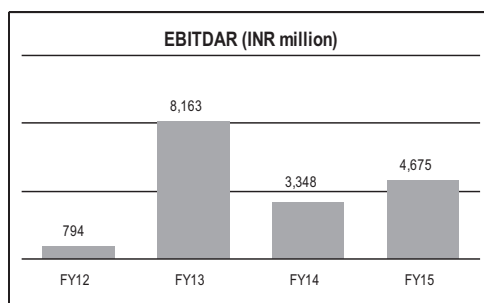
## b) Financial highlights:



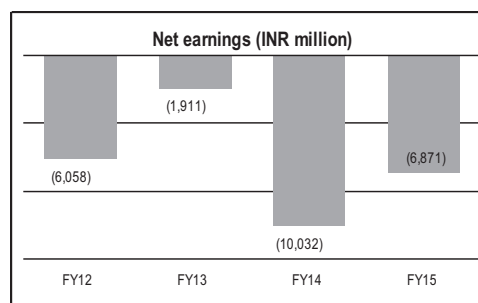
Total revenue dropped by 15% due to reduction in Boeing 737 fleet.



Total expenses dropped by 17% due to reduction in Boeing 737 fleet and fall in international crude prices.



The EBITDAR increased by 40% due to revenue enhancement and cost reduction.



Net loss of company reduced due to better revenue management, cost control measures and contained by profitable fourth quarter.

## c) Revenues:

SpiceJet's total revenues dropped by 15% to Rs.54,629 million in Financial Year 2014-15 from Rs.64,371 million in Financial Year 2013-14.

Revenue from operations dropped by 17% to Rs.52,015 million in Financial Year 2014-15 from Rs.63,042 million in Financial Year 2013-14.

Other Income increased by 91% to Rs.1,803 million in Financial Year 2014-15 from Rs.944 million in Financial Year 2013-14.

## d) Expenses:

Total operating expenses for Financial Year 2014-15 dropped by 20% to Rs.48,058 million from Rs.60,082 million in Financial Year 2013-14.

Operating Expense	Financial Year 2015 (Rs. in million)	Financial Year 2014 (Rs. in million)	Variance
Aircraft fuel and oil	24,096.22	32,526.60	-25.9%
Lease rental-aircraft, rotatable and engines	8,643.88	10,531.74	-17.9%
Aircraft maintenance cost	6,721.16	9,932.53	-32.3%
Aviation insurance	211.65	329.28	-35.7%
Landing, navigation and other airport charges	3,815.02	4,740.10	-19.5%
Inflight and other passenger amenities	244.30	534.50	-54.3%
Operating software charges	705.30	741.84	-4.9%
Aircraft delivery and re-delivery costs	3,184.67	291.48	992.6%
Other operating expenses	435.39	453.91	-4.1%

**i) Aircraft Fuel & Oil**

Expenditure on aircraft fuel dropped by 26% to Rs.24,096 million in Financial Year 2014-15 from Rs.32,527 million in Financial Year 2013-14. This decrease is due to decrease in consumption of aviation turbine fuel and average price decrease.

**ii) Lease Rental-Aircraft, Rotable and Engines**

Expenditure on lease rental-aircraft, rotables and engines dropped by 18% to Rs.8,644 million in Financial Year 2014-15 from Rs.10,532 million in Financial Year 2013-14. This decrease is mainly due to decrease in the fleet.

**iii) Aircraft Maintenance Cost**

Expenditure on aircraft maintenance cost dropped by 32%. The decrease in maintenance and repair costs in Financial Year 2014-15 is essentially due to decreased volume of operations.

**iv) Other Operating Expenses**

Other operational expenses increased by 21%. The increase was mainly due to decrease in the fleet.

**v) Employee Benefits/ Expenses**

Expenses with regard to employee remuneration and benefits dropped by 7% to Rs.5,375 million in Financial Year 2014-15 from Rs.5,757 million in Financial Year 2013-14. The decrease was mainly due to reduction in staffing.

**vi) Selling Expenses**

Selling expenses dropped by 21% to Rs.2,794 million for Financial Year 2014-15 from Rs.3,521 million for Financial Year 2013-14. This decrease was mainly due to decline in revenue.

**vii) Other Expenses**

Other expense increased by 8% mainly due to increase in provision for doubtful claims and advances.

**viii) Finance Cost**

Finance cost have increased during the fiscal year 2015 by 20% to Rs.1,635 million from Rs.1,366 million due to penal interest charges paid during the year.

**ix) Depreciation**

Depreciation dropped by 15% to Rs.1,266 million in Financial Year 2014-15 from Rs.1,483 million in Financial Year 2013-14. The reduction was mainly due to reduction in depreciation charge on leased hold improvements.

**5. Opportunities, Risks, Concerns and Threats**

Demand for air travel has risen steadily, with a CAGR of approximately 14% over the years despite the inflationary challenges, economic slowdown. Financial Year 2014-15 saw a growth of nearly 16%, over the last fiscal. This travel volume, however, by any means is nowhere close to the true potential of this market. With the new buoyancy in the markets, growth in manufacturing and services, reduced inflation, travel activity has increased generating additional travel. These are evident from the current trends. It is expected that the demand should grow around 20% year on year for the near term fiscal; and if this feel-good factor along with increased economic activity stays around 7-8% in terms of GDP growth, this industry has the potential to grow around 10-12%. This growth will be further fuelled by the efforts of the Government on enhancing regional connectivity as reflected in the recently issued draft civil aviation policy.

The risks and concerns on profitability continue to emanate from (a) sustainability of the current low fuel costs environment; (b) the compounding effect of taxation on fuel costs; (c) rising foreign exchange rates; and (d) fragile nature of demand which is sensitive to the prices and inflationary pressures. Fuel price has been a big concern over the years. It's time that the government takes a consideration of these facts that arrest the growth of this industry; India has one of the highest taxes on Aviation Turbine Fuel unlike other countries where aviation has evolved. Other major concern is that the expansion in aviation infrastructure fails to keep up with the projected traffic growth and it is critical that the Government provides the necessary impetus on aviation and related infrastructure to facilitate this growth.

Threats in such growth sectors can come from irrational pricing behaviour and / or uncontrolled capacity infusion. This however, has been and will be contained since the current players have not engaged themselves in irrational price-wars, and as the industry matures we expect the pricing to remain rational; and neither there are indications of uncontrolled capacity growth.

## 6. Future Outlook for SpiceJet

Clearly the opportunities due to the economic activity and the initiatives outlined in the draft civil aviation policy outweigh the risks and concerns. The Company is well in the process of consolidating its position in this market. Pricing of air travel is now reflective of the underlying cost structure. With forecast capacity growth in the industry remaining below the demand growth, the current pricing is sustainable and can be improved gradually. This coupled with initiatives on cost reductions will make the Company to remain profitable. With profitability, increase in capacity is imperative to stay in line with demand growth to command a healthy market presence. The Company's management is in the process of evaluating a substantial fleet order to secure the long term capacity requirements arising out of the demand forecasted. This will also improve the structural costs driven by long term contracts. The Company's management is looking at every aspect covering areas of revenue maximisation, cost reduction, employee welfare and productivity, customer retention, brand awareness and reputation, etc. in its efforts to create world class airline.

## 7. Internal Control

The Company has in place systems and processes, commensurate with its size and nature of business so as to ensure adequate internal control while ensuring smooth conduct of operations and compliance with statutory requirements under all applicable legislations. Independent internal audit is carried out to ensure adequacy of internal control system and adherence to policies and practices. The Audit Committee reviews the functioning of the internal audit function.

## 8. Human Resources

Any airline is only as good as its people, so our biggest differentiation is our warmth, customer care, and empathy. The Company's fundamental approach to our Human Resource System is to create a workplace where employees can fully demonstrate their skills and capabilities in an environment that helps them express their creativity and innovative ideas, and empowers them to execute them. The Company is proud to state that it has a culture of being an equal opportunity employer, where there is zero tolerance towards biases arising out of gender, community, caste, creed, religion etc.

### Initiatives to strengthen Human Resources

- During Financial Year 2014-15, over 300,000 candidates were interviewed and 1,125 job offers were made. As of March 31, 2015, SpiceJet had a strength of 4,185 employees. We rely on different methodologies for different departments to identify the best applicants. These selection processes are continually assessed and refined based on the performance tracking of past recruits.
- We designed and implemented an upward feedback process along with the feedback for support functions to ensure employees get an opportunity to give feedback about their superiors and support departments, which led to open communication and sharing of ideas and suggestions resulting in strong bonding and teamwork between superior, subordinates and across functions.
- We believe in keeping a long lasting relationship with our employees hence we launched the SpiceJet alumni group to build on existing relationships. Employees who have been part of the organization maintain the connect with us.
- Open door policy - Transparency and open work culture has always been of utmost importance to us and the same was reinforced under the new management providing ease excess to all employees to reach out to the leadership to share their ideas or concerns.

With the above initiatives we are determined to continuously drive and enhance employees' productivity by providing them an environment which is safe, transparent, challenging with continuous learning and development.



## INDEPENDENT AUDITOR'S REPORT

### To the Members of SpiceJet Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of SpiceJet Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2015, its loss and its cash flows for the year ended on that date.

### Emphasis of Matter

- a. We draw attention to Note 2 (a) of the financial statements which indicates that the Company has incurred a net loss of Rs. 6,870.54 million during the year ended March 31, 2015, and as of that date, the Company's total liabilities exceed its total assets by Rs. 12,645.20 million. These conditions, along with other matters as set forth in Note 2 (a), indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

- b. We draw attention to Note 42 of the financial statements regarding certain non-compliances of the requirements of the Companies Act, and classification of advances received towards securities proposed to be issued.

Our opinion is not qualified in respect of the above matters.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) The going concern matter described in the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
  - (f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
  - (g) 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 financial statements – Refer Note 35 to the 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 which were required to be transferred to the Investor Education and Protection Fund by the Company.

### **For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W

### **Aniruddh Sankaran**

Partner

Membership Number: 211107

Place: Gurgaon

Date: May 28, 2015

**Annexure 1 referred to in paragraph 1 of the section “Report on other legal and regulatory requirements” of our report of even date**

Re: SpiceJet Limited (‘the Company’)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public. However, to the extent discussed in Note 42 of the financial statements, the Company is not in compliance with the provisions of section 73 to 76 and other relevant provisions of the Companies Act, 2013, and the rules framed there under, in relation to advances received towards securities proposed to be issued which are deemed as deposits under the Companies Act, 2013.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148 (1) of the Act for the products / services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues relating to employees’ state insurance, sales-tax, customs duty, value added tax, cess and other material statutory dues applicable to it, except that undisputed statutory dues relating to provident fund have generally been regularly deposited with the appropriate authorities though there has been a delay in a few cases which were not serious in nature. Undisputed statutory dues relating to tax deducted at source and service tax have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases. The provisions relating to excise duty and wealth tax are not applicable to the Company.
- (b) According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Pending since date
Income Tax Act, 1961	Interest on delayed payment of tax deducted at source	Rs. 267.03 million	April 2013 to September 2014	Various

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Indian Customs Act, 1962	Penalty upon delay in payment of customs duty	82.69	March 1996 to August 1996	High Court of Delhi
Finance Act, 1994	Service tax (including penalty for delay)	154.56	April 2006 to March 2012	Customs, Excise and Service Tax Appellate Tribunal

- (viii) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, the Company has defaulted in repayment of dues to a bank during the year to aggregating to the extent of Rs. 574.07 million (the delay in such repayments being for less than 83 days in each individual case). The Company has not defaulted in repayment of dues to debenture holders during the year. The Company did not have any dues to a financial institution during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W

**Aniruddh Sankaran**

Partner

Membership Number: 211107

Place: Gurgaon

Date: May 28, 2015

## Balance Sheet as at March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

	Notes	March 31, 2015	March 31, 2014
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share capital	3	5,994.50	5,352.81
Advance money received against securities issued / proposed to be issued	4	3,504.97	583.04
Reserves and surplus	5	(22,144.67)	(15,880.61)
		<b>(12,645.20)</b>	<b>(9,944.76)</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings	6	11,198.65	12,362.83
Trade payables	7 (i)	1,681.50	1,103.55
Other long-term liabilities	7 (ii)	254.78	291.18
Long-term provisions	8	152.95	160.22
		<b>13,287.88</b>	<b>13,917.78</b>
<b>Current Liabilities</b>			
Short-term borrowings	9	2,985.92	2,800.00
Trade payables	10 (i)	10,105.22	10,515.09
Other current liabilities	10 (ii)	8,979.23	12,068.99
Short-term provisions	11	3,352.85	113.05
		<b>25,423.22</b>	<b>25,497.13</b>
<b>Total</b>		<b>26,065.90</b>	<b>29,470.15</b>
<b>Assets</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible assets	12	17,114.38	18,728.45
Intangible assets	13	23.87	38.19
Capital work-in-progress		-	7.73
Long-term loans and advances	14	2,314.47	3,335.56
Other non-current assets	15	344.36	2,664.50
		<b>19,797.08</b>	<b>24,774.43</b>
<b>Current Assets</b>			
Inventories	16	451.17	451.52
Trade receivables	17 (i)	1,216.76	1,557.35
Cash and bank balances	18	235.84	50.56
Short-term loans and advances	19	4,138.06	1,057.28
Other current assets	17 (ii)	226.99	1,579.01
		<b>6,268.82</b>	<b>4,695.72</b>
<b>Total</b>		<b>26,065.90</b>	<b>29,470.15</b>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W

**per Aniruddh Sankaran**

Partner

Membership No: 211107

Place: Gurgaon

Date: May 28, 2015

**For and on behalf of the Board of Directors**

**Ajay Singh**  
Chairman &  
Managing Director

Place: Gurgaon  
Date: May 28, 2015

**Kiran Koteswar**  
Chief Financial  
Officer

Place: Gurgaon  
Date: May 28, 2015

**Chandan Sand**  
Company Secretary

Place: Gurgaon  
Date: May 28, 2015

## Statement of Profit and Loss for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees except in respect of number and per share information and unless otherwise stated)

	Notes	March 31, 2015	March 31, 2014
<b>Income</b>			
Revenue from operations	20	52,015.25	63,042.33
Other income	21	1,803.05	943.60
<b>Total Revenue [I]</b>		<b>53,818.30</b>	<b>63,985.93</b>
<b>Expenses</b>			
Operating expenses	22	48,057.59	60,081.98
Employee benefit expenses	23	5,374.66	5,756.95
Selling expenses	24	2,793.61	3,521.47
Other expenses	25	2,371.65	2,193.82
<b>Total Expenses [II]</b>		<b>58,597.51</b>	<b>71,554.22</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) [I-II]</b>		<b>(4,779.21)</b>	<b>(7,568.29)</b>
Depreciation and amortisation expense	12 & 13	(1,266.25)	(1,482.60)
Interest income on bank deposits		196.76	384.60
Finance costs	26	(1,635.39)	(1,366.15)
<b>Profit / (Loss) for the year before extraordinary items</b>		<b>(7,484.09)</b>	<b>(10,032.44)</b>
Extraordinary items	27	613.55	-
<b>Profit / (Loss) for the year</b>		<b>(6,870.54)</b>	<b>(10,032.44)</b>
Earnings per share information (in Indian Rupees):			
Earnings per share before extraordinary items			
- Basic earnings per share		(13.38)	(19.16)
- Diluted earnings per share		(13.38)	(19.16)
Earnings per share after extraordinary items			
- Basic earnings per share		(12.28)	(19.16)
- Diluted earnings per share		(12.28)	(19.16)
Nominal value of equity share		10.00	10.00

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W

**per Aniruddh Sankaran**

Partner

Membership No: 211107

Place: Gurgaon

Date: May 28, 2015

**For and on behalf of the Board of Directors**

**Ajay Singh**  
Chairman &  
Managing Director

Place: Gurgaon

Date: May 28, 2015

**Kiran Koteswar**  
Chief Financial  
Officer

Place: Gurgaon

Date: May 28, 2015

**Chandan Sand**  
Company Secretary

Place: Gurgaon

Date: May 28, 2015



## Cash flow statement for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

	March 31, 2015	March 31, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(6,870.54)	(10,032.44)
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and Amortisation	1,266.25	1,482.60
Provision for doubtful claims / advances	504.75	133.00
Provision for doubtful debts	-	91.85
Interest income	(196.76)	(384.60)
Interest expense	1,635.39	1,366.15
Loss / (profit) on sale of assets (net) / assets written off	(584.93)	17.36
Translation loss / (gain) on monetary assets and liabilities	(53.33)	(53.66)
<b>Operating profit / (loss) before working capital changes</b>	<b>(4,299.17)</b>	<b>(7,379.74)</b>
<b>Movements in working capital:</b>		
(Increase) / Decrease in trade receivables	428.15	(507.03)
(Increase) / Decrease in loans and advances	(281.48)	422.25
(Increase) / Decrease in inventories	0.35	4.71
Increase / (Decrease) in trade payables and other liabilities	(3,121.77)	8,012.83
Increase / (Decrease) in provisions	3,232.53	81.91
<b>Cash generated / (used) in operations</b>	<b>(4,041.39)</b>	<b>634.93</b>
Income taxes paid (net of refunds)	(67.70)	(45.33)
<b>Net Cash flow from / (used) in operating activities (A)</b>	<b>(4,109.09)</b>	<b>589.60</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including capital advances)	(117.90)	(820.90)
Sale of fixed assets	0.66	5.09
Margin money deposits placed	(1,999.73)	(12,847.24)
Margin money deposits withdrawn	4,312.96	12,803.40
Interest received	294.67	363.01
<b>Net Cash flow from / (used) in investing activities (B)</b>	<b>2,490.66</b>	<b>(496.64)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital (including share premium)	999.11	407.02
Money received against share warrants	-	333.04
Advance received against share warrants	2,054.68	250.00
Advance money towards subscription of non-convertible cumulative redeemable preference shares ("CRPS")	1,200.29	-
Proceeds from short-term borrowings	1,545.36	1,250.00
Repayment of short-term borrowings	(1,377.26)	(931.52)
Repayment of long-term borrowings	(1,164.18)	(2,176.54)
Interest paid (including ancillary cost for arranging the borrowings)	(1,454.29)	(1,344.92)
<b>Net Cash flow from / (used) in financing activities (C)</b>	<b>1,803.71</b>	<b>(2,212.92)</b>

**Cash flow statement for the year ended March 31, 2015**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	March 31, 2015	March 31, 2014
<b>D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>185.28</b>	<b>(2,119.96)</b>
Effects of exchange difference on cash and cash equivalents held in foreign currency	-	(0.30)
Cash and cash equivalents at the beginning of the year	50.56	2,170.82
Cash and cash equivalents at the end of the year	235.84	50.56

**Notes :**

Components of cash and cash equivalents

On current accounts	210.01	39.13
Cash on hand	25.83	11.43
Total cash and cash equivalents (Note 18)	235.84	50.56

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W

**per Aniruddh Sankaran**

Partner

Membership No: 211107

Place: Gurgaon

Date: May 28, 2015

**For and on behalf of the Board of Directors**

**Ajay Singh**  
**Chairman &**  
**Managing Director**

Place: Gurgaon

Date: May 28, 2015

**Kiran Koteswar**  
**Chief Financial**  
**Officer**

Place: Gurgaon

Date: May 28, 2015

**Chandan Sand**  
**Company Secretary**

Place: Gurgaon

Date: May 28, 2015

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

### 1. Corporate Information

SpiceJet Limited ('SpiceJet' or the 'Company') was incorporated on February 9, 1984 as a limited Company under the Companies Act, 1956 and is listed on the Bombay Stock Exchange Limited ('BSE'). The Company is engaged principally in the business of providing air transport services for the carriage of passengers and cargo. The Company is a low cost carrier ('LCC') operating under the brand name of 'SpiceJet' in India since May 23, 2005. The Company operates a fleet of 32 aircraft across various routes in India as at March 31, 2015. SpiceJet has also obtained permission of the Directorate General of Civil Aviation (DGCA) to operate on selected routes outside India and commenced international operations from October 2010.

During the current year, the Company has obtained the approval of the Ministry of Civil Aviation ('MoCA'), for a "Scheme of Reconstruction and Revival for the takeover of ownership, management and control of SpiceJet Limited by Mr. Ajay Singh" ("the Scheme"). Pursuant to such approval, a "Share Sale and Purchase Agreement" ("SSPA") dated January 29, 2015 was entered into amongst Mr. Kalanithi Maran and Kal Airways Private Limited (hereinafter, "Outgoing Promoters"), the Company and Mr. Ajay Singh, pursuant to which the Outgoing Promoters have sold and transferred their entire shareholding of 350,428,758 equity shares (58.46%) to Mr. Ajay Singh. Pursuant to this change, Mr. Ajay Singh has been designated as the Company's promoter.

### 2. Summary of significant accounting policies

#### a) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

The Company has incurred a loss of Rs. 6,870.54 million for the year ended March 31, 2015, and has accumulated losses of Rs. 32,108.02 million against shareholders' funds of Rs. 19,462.82 million. As of this date, the Company's total liabilities exceed its total assets by Rs. 12,645.20 million. Historically the Company's operating results have been materially affected by various factors, including high aviation turbine fuel ("ATF") costs, significant depreciation in the value of the currency, and pricing pressures. On account of its operational and financial position, the Company had also delayed payments to various parties, including vendors and its dues to statutory authorities, over the last 12-18 months. These factors have resulted in a material uncertainty that may cause significant doubt about the Company's ability to continue as a going concern.

In the last quarter of the current financial year, the Company has entered into settlement agreements with certain lessors and vendors in respect of past overdue payments, and also negotiated deferred payment plans with certain vendors for overdue amounts as at March 31, 2015. The Company has also significantly discharged its overdue obligations to statutory authorities in the last quarter of the current financial year. The Company continues to negotiate with vendors for improved commercial terms and better credit facilities, and is confident of negotiating settlements with parties to whom monies are owed. In view of the foregoing, no further amounts of penalties on delayed payments have been recorded in these financial statements. The Company is also in the process of evaluating and exploring various courses of action for raising funds for the Company's operations, including options for strategic funding. In addition, as explained in the Note 1, Mr. Ajay Singh has taken over as promoter of the Company. The Company has also received advances from the Outgoing Promoters towards share warrants and towards an option to subscribe to up to 3,750,000 CRPS, proposed to be issued to them, subject to any necessary approvals (Also refer Note 4).

The Company continues to implement various measures such as enhancing customer experience, improving selling and distribution, revenue management, fleet rationalization, optimizing aircraft utilization, redeployment of capacity in key focus markets, renegotiation of contracts and other cost control measures, to help the Company establish consistent profitable operations and cash flows in the future. The Company is also exploring options to increase its aircraft fleet size over the next financial year in order to enhance the scale and depth of its operations

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

across strategic markets. These measures as well as improvement in the macroeconomic conditions for the airline industry in the markets in which the Company operates, such as the recent reduction in ATF prices, consistent improvement in capacity utilization and unit revenues, as well as enhancement in ancillary revenues, are expected to increase operational efficiency and achieve profitability.

In view of the foregoing, management is of the view that the Company will be able to raise funds as necessary to achieve profitable operations and meet its liabilities they fall due. Accordingly, these financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future.

### b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### c) Tangible fixed assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

The Company adjusts exchange differences arising on translation / settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over remaining life of the asset.

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated August 9, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The cost of fixed assets not ready for intended use before such date is disclosed under capital work-in-progress.

### d) Depreciation on tangible fixed assets

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. From the current year Schedule VI has been replaced by Schedule II to the Companies Act, 2013. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows Companies to use higher / lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. Considering the applicability of Schedule II, the

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

management has re-estimated the useful lives and residual values of all its fixed assets, except aircraft, and rotables and tools. Assets individually costing Rs. 5,000 or less are fully depreciated in the year of purchase.

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

- The useful life of aircraft is estimated as 17.86 years, which is lower than indicated in schedule II, which prescribes a useful life of 20 years.
- Rotables and tools are depreciated over the estimated useful lives of 17.86 years which is higher than indicated in schedule II, which prescribes a useful life of 15 years.

Accordingly, the Company has used the following useful to provide depreciation on its fixed assets:

Asset Description	Useful life estimated by the management (years)
Office Equipment	5
Computers	3 – 6
Furniture and Fixtures	10
Motor Vehicles	8
Plant and Machinery	15
Aircraft	17.86
Rotable and Tools	17.86

Leasehold improvements are amortised over the estimated useful lives or the remaining primary lease period, whichever is less. The average useful life of leasehold improvements is between 4 to 6 years.

The management believes that the depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from the lives prescribed under Schedule II.

As a result of the adoption of useful lives prescribed in Schedule II for specified classes of assets as discussed above, Rs. 24.40 million has been adjusted against reserves in respect of assets whose useful life has expired under Schedule II as on April 1, 2014 (also refer note 5). In respect of such assets, the adoption of useful lives indicated in Schedule II has resulted in increase in depreciation expense for the current year by Rs. 55.40 million as compared to the previous year.

In respect of aircraft and rotables and tools, had the Company applied the requirements of useful life and residual values specified under Schedule II of the Act as described above, the depreciation expense for the current year would have been lower by Rs. 87.55 million.

### e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software being 2 / 3 years, or over the license period of the software, whichever is shorter.

### f) Leases

#### Where the Company is a lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

### Sale and lease back arrangements

Profit or loss on sale and lease back arrangements resulting in operating leases is recognized immediately in case the transaction is established at fair value. If the sale price is below fair value, any profit or loss is recognised immediately except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.

The sale and lease back arrangements entered into by the Company are as per the standard commercial terms prevalent in the industry. The Company does not have an option to buy back the aircraft, nor does it have an option to renew or extend the lease after the expiry of the lease.

### **g) Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### **h) Impairment of tangible and intangible assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

### **i) Inventories**

Inventories are comprised of expendable aircraft spares and miscellaneous stores. Inventories have been valued at cost or net realizable value, whichever is lower after providing for obsolescence and other losses,



**Notes to the Financial Statements for the year ended March 31, 2015**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

where considered necessary. Cost includes custom duty, taxes, freight and other charges, as applicable and is determined on a weighted average basis.

**j) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The revenue is recognized net of VAT / Service tax (if any). The following specific recognition criteria must also be met before revenue is recognized:

Service Income

Passenger revenues and cargo revenues are recognised as and when transportation is provided i.e. when the service is rendered. Amounts received in advance towards travel bookings / reservations are shown under current liabilities as unearned revenue.

The unutilized balances in unearned revenue is recognized as income based on past statistics, trends and management estimates, after considering the Company's refund policy.

Revenue from wet lease of aircraft is recognised in accordance with the terms of agreements with customers.

Income in respect of hiring / renting out of equipment and spare parts is due on time proportion basis at rates agreed with the lessee. Due to significant uncertainties involved in realization, the income is recorded on settlement with the lessee or actual realization, whichever is earlier.

Sale of food and beverages

Revenue from sale of food and beverages is recognised when the products are sold to the customer. Amounts received in advance towards food and beverages are shown under current liabilities as unearned revenue.

Training Income

Training Income is recognized upon completion of the related training activities.

Export Incentives

Export incentives are recognized on satisfaction of conditions for availment of benefits under the respective schemes provided the realization of these benefits is certain as at the reporting date.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**k) Manufacturers' incentives**Cash Incentives

The Company receives incentives from Original equipment manufacturers ('OEM's') of aircraft components in connection with acquisition of aircraft under operating lease. These incentives are recognized as income coinciding with delivery of the related aircraft.

Non-cash Incentives

Free of cost spare parts received in respect of purchase of aircraft's are recorded at a nominal value.

Non cash incentives relating to aircraft taken on finance lease are recorded as and when due to the Company by setting up a deferred asset and a corresponding incentive. These incentives are recognized under the head other income in the statement of profit and loss on a straight line basis over the remaining life of the aircraft. The deferred asset explained above is reduced on the basis of utilization against purchase of goods and services.

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

### l) Aircraft maintenance costs and engine repairs

Aircraft, Auxiliary Power Unit ('APU') and Engine maintenance and repair costs are expensed as incurred. In cases where such overhaul or repair costs in respect of engines / APU / other rotables are covered by third party maintenance agreements, these are accounted in accordance therewith, along with adequate estimates.

### m) Commission to agents

Commission expense is recognized as an expense based on terms agreed with agents coinciding with the recognition of related revenues.

### n) Foreign currency translation

#### Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency if any, are reported using the exchange rates that existed when the values were determined.

#### Exchange Differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- All other exchange differences are recognized as income or as expenses in the period in which they arise.

#### Forward exchange contracts entered into to hedge foreign currency risk of an existing asset / liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense / income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period. Any gain / loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph on exchange differences above.

### o) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

**Notes to the Financial Statements for the year ended March 31, 2015**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**p) Income taxes**

Tax expense comprises current and deferred income taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. As the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961*, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**q) Employee stock compensation cost**

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the *Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014* and the *Guidance Note on Accounting for Employee Share-based Payments*, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

### r) Segment reporting

The Company's operations predominantly relate only to air transportation services and accordingly this is the only primary reportable segment. Further, the operations of the Company are substantially limited within one geographical segment (India) and accordingly this is considered the only reportable secondary segment.

### s) Earnings Per Share ("EPS")

Basic EPS calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### t) Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate of amounts required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

### u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Company or present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

### v) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### w) Measurement of Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

The Company has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization, interest income, finance costs, tax expense and, where applicable, prior period items.

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees except in respect of number and per share information and unless otherwise stated)

Note No	March 31, 2015	March 31, 2014
<b>3 SHARE CAPITAL</b>		
<b>AUTHORISED SHARES</b>		
1,500,000,000 (previous year 1,000,000,000) equity shares of Rs.10/- each	15,000.00	10,000.00
<b>ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARES</b>		
599,450,183 (previous year 535,281,183) equity shares of Rs.10/- each	5,994.50	5,352.81
	<b>5,994.50</b>	<b>5,352.81</b>

### A Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Value (Rs.)	Number	Value (Rs.)
Shares outstanding at the beginning of the period	535,281,183	5,352,811,830	484,349,730	4,843,497,300
<b>Issued during the year</b>				
- on conversion of compulsorily convertible debentures	-	-	35,931,453	359,314,530
- on conversion of share warrants	64,169,000	641,690,000	15,000,000	150,000,000
<b>Shares outstanding at the end of the period</b>	<b>599,450,183</b>	<b>5,994,501,830</b>	<b>535,281,183</b>	<b>5,352,811,830</b>

### B. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### C. Aggregate number of bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

The Company has issued total 1,732,865 shares (March 31, 2014 - 1,732,865 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option ('ESOP') plan wherein part consideration was received in form of employee services.

### D. Shares held by shareholders holding more than 5 percent shares in the Company.

As discussed in note 1, during the current year, the outgoing promoters have sold and transferred their entire shareholding to Mr. Ajay Singh pursuant to the SSPA.

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% Holding	No. of Shares held	% Holding
KAL Airways Private Limited	-	-	156,518,005	29.2%
Mr. Kalanithi Maran	-	-	129,741,753	24.2%
Mr. Ajay Singh	354,443,450	59.1%	6,976,530	1.3%
Total	354,443,450	59.1%	293,236,288	54.8%

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### E. Shares reserved for issue under options

- i. For details of shares reserved for issue under ESOP, refer Note 29.
- ii. For details of shares reserved for share warrants, refer note 4 below.

Note No	March 31, 2015	March 31, 2014
<b>4 ADVANCE MONEY RECEIVED AGAINST SECURITIES ISSUED / PROPOSED TO BE ISSUED</b>		
Advance towards subscription to equity shares on conversion of warrants	2,304.68	250.00
Advance money towards subscription of non-convertible CRPS	1,200.29	-
Money received against share warrants	-	333.04
	<b>3,504.97</b>	<b>583.04</b>

The shareholders in the annual general meeting held on September 24, 2014, approved the issuance of 189,091,378 warrants having a nominal value of Rs. 10 each to the Outgoing Promoters, for consideration aggregating Rs. 3,082.19 million, with an option to apply for and be allotted equivalent number of equity shares of the face value of Rs. 10 each at a premium of Rs. 6.30 each. During the current year, the proposed subscribers to these warrants have paid sums aggregating Rs. 2,304.68 million against such proposed warrants.

The board of directors of the Company in their meeting held on January 29, 2015, approved the issuance of up to 3,750,000 non-convertible CRPS of Rs. 1,000 each to the Outgoing Promoters on a preferential basis. This proposed issue of securities is subject to the approval of the shareholder of the Company. Subject to such approval, the proposed subscribers to these CRPS have paid sums aggregating Rs. 1,200.29 million against such proposed CRPS.

Money received against share warrants as at March 31, 2014 represents 25% advance money received towards warrants which entitles the warrant holders, the option to apply for and be allotted equivalent number of equity shares of the face value of Rs.10 each of an aggregate nominal amount up to Rs. 1,332.15 million at an issue price of Rs. 20.76 per equity share. During the current year, pursuant to the exercise of options attached to these warrants and the receipt of the balance consideration of Rs. 999.11 million, the Company has issued 19,169,000 equity shares to Mr. Kalanithi Maran and 45,000,000 equity shares to M/s KAL Airways Private Limited, having a nominal value of Rs. 10 each.

Note No	March 31, 2015	March 31, 2014
<b>5 RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
Opening balance	9,174.47	7,841.08
Add: Premium Received during the year on account of		
Conversion of compulsorily convertible debentures	-	940.69
Conversion of warrants to equity shares	690.46	392.70
<b>Closing balance</b>	<b>9,864.93</b>	<b>9,174.47</b>
<b>General Reserve</b>		
Opening balance	13.54	9.89
Add: Transferred from employee stock options outstanding	8.94	3.65
<b>Closing balance</b>	<b>22.48</b>	<b>13.54</b>



## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note No	March 31, 2015	March 31, 2014
<b>Employee Stock Options Outstanding</b>		
Opening balance	35.55	39.20
Less: Deletions during the year	(8.94)	(3.65)
<b>Closing balance</b>	<b>26.61</b>	<b>35.55</b>
<b>Deficit in the Statement of Profit and Loss</b>		
Opening balance	(25,213.08)	(15,180.64)
Depreciation adjusted against reserves (also refer note 12)	(24.40)	-
Loss for the year	(6,870.54)	(10,032.44)
<b>Net deficit in the Statement of Profit and Loss</b>	<b>(32,108.02)</b>	<b>(25,213.08)</b>
<b>Foreign Currency Monetary Item Translation Difference Account</b>		
Opening balance	108.91	66.84
Add / (less): Changes to reserve during the year	(49.17)	(17.07)
Less: Reversals during the year	(9.24)	-
Less: Amortised during the year	(1.17)	59.14
<b>Closing balance</b>	<b>49.33</b>	<b>108.91</b>
<b>Total reserves and surplus</b>	<b>(22,144.67)</b>	<b>(15,880.61)</b>

## 6 LONG TERM BORROWINGS (SECURED)

### Term Loans

From bank	143.52	717.59
Less: Current maturities of long term borrowings (refer note 10)	(143.52)	(574.07)
	-	<b>143.52</b>

### Other loans

External commercial borrowing (Unsecured)	13,429.92	13,571.56
Less: Current maturities of long term borrowings (refer note 10)	(2,231.27)	(1,352.25)
	<b>11,198.65</b>	<b>12,219.31</b>
	<b>11,198.65</b>	<b>12,362.83</b>

- a. Term loan from banks is repayable in unequal instalments from April 2012. This interest on this loan ranges from 12.25% to 12.86%.

The loan and other facilities granted by the lender are secured by exclusive charge on current assets both present and future excluding lien marked deposits, second charge on movable fixed assets, both present and future, and pledge of shares of the Company owned by the promoter of the Company, Mr. Ajay Singh.

- b. The external commercial borrowing ("ECB") relates to the acquisition of "Bombardier Q400 Aircraft". The ECB has been approved by the Reserve Bank of India and is granted through a finance lease structure between the Company and the lessor with lending from Export Development Canada. The related aircraft are owned by the lessor until the repayment of all outstanding by the Company under the terms of the respective lease agreements (also refer note 12). As per the terms of these lease agreements with the lessor, the Company may opt for either fixed or a floating rate of interest benchmarked to LIBOR for each drawdown, which coincides with the delivery of each aircraft. The interest on these borrowings ranges from 2.4% to 4.1%. Under each lease agreement the Company is required to make payment of lease rentals over a period of forty-eight quarters to lessor or its nominees.

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

During the current year, in view of overdue payments of interest and repayment of principal of ECB to the lender, the Company has entered into an agreement with the lender for the forbearance of defaults and the discharge of overdue amounts of principal and interest aggregating Rs. 897.54 million. Under the terms of this agreement, the Company will make 12 equal monthly payments of this overdue amount, commencing from April 2015. There are no changes to any of the terms and conditions of the original agreement with the lender including repayment terms of other instalments as well as interest rates applicable on the ECB.

Note No	March 31, 2015	March 31, 2014
<b>7 OTHER LONG-TERM LIABILITIES</b>		
i) Trade payables (also refer note 36)	1,681.50	1,103.55
ii) Others		
Deferred incentive	290.96	310.21
Less: reversal on account of loss of aircraft	(17.85)	-
Less: Current portion of above	(18.33)	(19.03)
	<b>254.78</b>	<b>291.18</b>
	<b>1,936.28</b>	<b>1,394.73</b>
<b>8 LONG TERM PROVISIONS</b>		
Provision for gratuity (also refer note 30)	152.95	160.22
	<b>152.95</b>	<b>160.22</b>
<b>9 SHORT TERM BORROWINGS (UNSECURED)</b>		
Inter corporate deposits (also refer note 35 (b) (i))	50.00	50.00
Short term loan from bank	-	1,000.00
Short term loan from outgoing promoter	1,785.92	750.00
Working capital demand loan from bank	1,150.00	1,000.00
	<b>2,985.92</b>	<b>2,800.00</b>
As per the terms of the SSPA, the short term loan from outgoing promoter does not bear any interest and is to be adjusted against future subscription money due from the outgoing promoter in connection with issuance of proposed securities mentioned in Note 4, subject to necessary approvals.		
<b>10 OTHER CURRENT LIABILITIES</b>		
i) Trade payables (also refer note 36)	10,105.22	10,515.09
ii) Other liabilities		
Current maturities of long-term borrowings (note 6) (includes current maturities of ECB Rs. 2,231.27 million (March 31, 2014 - Rs. 1,352.24 million)	2,374.79	1,926.32
Current portion of deferred incentives	18.33	19.03
Unearned revenue	3,982.25	4,810.94
Book overdraft	52.81	199.10
Advance received from agents	1,355.96	2,334.81
Employee compensation payable	39.69	8.40
Interest accrued and due on borrowings	216.93	37.85
Interest accrued but not due on borrowings	26.78	30.73
Statutory dues (including interest thereon)	487.20	2,425.66
Others	424.49	276.15
	<b>8,979.23</b>	<b>12,068.99</b>
	<b>19,084.45</b>	<b>22,584.08</b>

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note No	March 31, 2015	March 31, 2014
<b>11 SHORT TERM PROVISIONS</b>		
Provision for employee benefits		
Provision for gratuity (also refer note 30)	12.89	13.96
Provision for leave benefits / compensated absences	46.92	42.55
Provision for litigation * (also refer note 35)	172.40	56.54
Provision for other aircraft costs ** (also refer note below)	893.76	-
Provision for aircraft redelivery # (also refer note below)	2,226.88	-
	<b>3,352.85</b>	<b>113.05</b>

### Aircraft redelivery:

As required by Accounting Standard 29, "Provisions, Contingent Liabilities and Contingent Assets" given below is the movement in provision for aircraft redelivery.

The Company has in its fleet certain aircraft on operating lease. As per the terms of the lease agreements, the aircraft are to be redelivered to the lessors at the end of the lease term in technical condition as stipulated under the lease agreements. Such redelivery conditions include costs for technical inspection, maintenance checks, repainting costs prior to its redelivery and the cost of ferrying the aircraft to the location as stipulated in the lease agreements.

The Company, therefore, provides for such redelivery expenses, as contractually agreed, in proportion to the expired lease period.

The Company has also accounted for costs relating to early termination of Boeing aircraft leased by the Company which have been retired from commercial use. Such accrual is based on management estimate of these liabilities, having regard to various factors including lease terms, age of the aircraft and past experience of aircraft redelivery costs incurred by the Company. Further liabilities in this regard, if any, will be accounted for in the period they are determined to be payable.

### \* Provision for litigation:

At the beginning of the year	56.54	20.41
Additions during the year	115.86	36.13
Utilisation / reversal during the year	-	-
<b>At the end of the year</b>	<b>172.40</b>	<b>56.54</b>

### \*\* Provision for other aircraft costs

At the beginning of the year	-	-
Additions during the year	893.76	-
Utilisation / reversal during the year	-	-
<b>At the end of the year</b>	<b>893.76</b>	<b>-</b>

### # Provision for aircraft redelivery:

At the beginning of the year	-	-
Additions during the year		
Provision made for early termination of aircraft lease	2,092.90	-
Provision made over the lease period	213.53	-
Utilisation / reversal during the year	(79.55)	-
<b>At the end of the year</b>	<b>2,226.88</b>	<b>-</b>

**Notes to the financial statements for the period ended March 31, 2015**  
(All amounts are in millions of Indian Rupees, unless otherwise stated)

**12 TANGIBLE ASSETS**

Particulars	Plant & Machinery	Rotable & Tools	Office Equipment	Computers	Furniture & Fixtures	Motor Vehicles	Leasehold Improvements	Aircraft <sup>^</sup>	Total
<b>Cost or Valuation</b>									
<b>As at April 1, 2013</b>	373.56	1,108.63	77.72	161.34	26.08	259.29	332.68	16,965.23	<b>19,304.53</b>
Additions during the year	113.74	302.69	12.40	26.95	1.48	167.10	103.44	-	<b>727.80</b>
Disposals	7.46	13.84	2.35	11.58	0.87	27.30	-	-	<b>63.40</b>
Other adjustments*	-	-	-	-	-	-	-	1,539.75	<b>1,539.75</b>
<b>As at March 31, 2014</b>	<b>479.84</b>	<b>1,397.48</b>	<b>87.77</b>	<b>176.71</b>	<b>26.69</b>	<b>399.09</b>	<b>436.12</b>	<b>18,504.98</b>	<b>21,508.68</b>
Additions during the year	2.64	62.67	4.00	11.33	1.15	35.68	3.80	-	<b>121.27</b>
Disposals	2.42	11.95	6.90	25.55	2.04	1.25	-	1,233.40	<b>1,283.51</b>
Other adjustments*	-	-	-	-	-	-	-	547.72	<b>547.72</b>
<b>As at March 31, 2015</b>	<b>480.06</b>	<b>1,448.20</b>	<b>84.87</b>	<b>162.49</b>	<b>25.80</b>	<b>433.52</b>	<b>439.92</b>	<b>17,819.30</b>	<b>20,894.16</b>
<b>Depreciation</b>									
<b>As at April 1, 2013</b>	62.95	190.85	12.20	90.97	10.29	89.55	78.60	843.67	<b>1,379.08</b>
Charge for the year	21.50	74.60	4.81	20.77	2.03	38.80	314.42	965.17	<b>1,442.10</b>
Disposals	3.12	2.85	1.08	10.11	0.50	23.29	-	-	<b>40.95</b>
<b>As at March 31, 2014</b>	<b>81.33</b>	<b>262.60</b>	<b>15.93</b>	<b>101.63</b>	<b>11.82</b>	<b>105.06</b>	<b>393.02</b>	<b>1,808.84</b>	<b>2,780.23</b>
Charge for the year	34.56	81.41	22.47	41.70	2.96	53.27	14.66	974.66	<b>1,225.69</b>
Disposals	1.66	2.40	6.10	25.23	1.77	1.21	-	212.17	<b>250.54</b>
Other adjustments #	0.99	-	8.99	11.85	-	2.57	-	-	<b>24.40</b>
<b>As at March 31, 2015</b>	<b>115.22</b>	<b>341.61</b>	<b>41.29</b>	<b>129.95</b>	<b>13.01</b>	<b>159.69</b>	<b>407.68</b>	<b>2,571.33</b>	<b>3,779.78</b>
<b>Net Block</b>									
<b>As at March 31, 2014</b>	<b>398.51</b>	<b>1,134.88</b>	<b>71.84</b>	<b>75.08</b>	<b>14.87</b>	<b>294.03</b>	<b>43.10</b>	<b>16,696.14</b>	<b>18,728.45</b>
<b>As at March 31, 2015</b>	<b>364.84</b>	<b>1,106.59</b>	<b>43.58</b>	<b>32.54</b>	<b>12.79</b>	<b>273.83</b>	<b>32.24</b>	<b>15,247.97</b>	<b>17,114.38</b>

<sup>^</sup> Under the agreement with the lender, the title to the aircrafts vest with the lessor and the Company shall take title to aircrafts at the end of the lease period upon payment of all dues under the lease agreements. Also refer note 6 (b).

\* Represents foreign exchange loss capitalised during the year and depreciation thereon.

# Represents impact of adoption of useful lives of fixed assets as prescribed under Schedule II to the Act, which has been adjusted with the balance carried forward in the statement of profit and loss (deficit). Also refer note 5.

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

### 13 INTANGIBLE ASSETS

Particulars	Software
<b>Cost</b>	
As at April 1, 2013	148.37
Additions during the year	68.92
<b>As at March 31, 2014</b>	<b>217.29</b>
Additions during the year	26.24
Disposals	-
<b>As at March 31, 2015</b>	<b>243.53</b>
<b>Depreciation</b>	
As at April 1, 2013	138.60
Charge for the Year	40.50
<b>As at March 31, 2014</b>	<b>179.10</b>
Charge for the Year	40.56
Disposals	-
<b>As at March 31, 2015</b>	<b>219.66</b>
<b>Net Block</b>	
As at March 31, 2014	<b>38.19</b>
<b>As at March 31, 2015</b>	<b>23.87</b>

Note No	March 31, 2015	March 31, 2014
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### 14 LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)

Capital advances	355.56	1,953.76
Security deposits	1,618.80	1,109.39
Deposit with Hon'ble Mumbai High Court (also refer note 35 (b) (i))	50.00	50.00
Advance income-tax and tax deducted at source (net of provision for taxation)	290.11	222.41
	<u>2,314.47</u>	<u>3,335.56</u>

### 15 OTHER NON-CURRENT ASSETS

Non-current bank balances* (Refer note 18)	312.71	2,625.94
Ancillary cost for arranging the borrowings	37.29	43.26
Less: Current portion of above	(5.64)	(4.70)
	<u>344.36</u>	<u>2,664.50</u>

\* Represents margin money deposit placed with banks for non-fund based facilities sanctioned to the Company.

### 16 INVENTORIES

Engineering stores and spares	411.71	400.84
Other stores	39.46	50.68
	<u>451.17</u>	<u>451.52</u>

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note No	March 31, 2015	March 31, 2014
<b>17 TRADE RECEIVABLES AND OTHER ASSETS</b>		
<b>i) Trade receivables</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered doubtful	9.53	97.09
	9.53	97.09
Less: Provision for doubtful debts	(9.53)	(97.09)
	-	-
Other receivables		
Secured, considered good	150.00	835.18
Unsecured, considered good	1,066.76	722.17
	1,216.76	1,557.35
	<b>1,216.76</b>	<b>1,557.35</b>
<b>ii) Other current assets</b>		
Claims receivable, considered doubtful	444.65	89.99
Less: provision for doubtful claims	(444.65)	(89.99)
	-	-
Current portion of ancillary cost for arranging the borrowings	5.64	4.70
Claims receivable, considered good	97.33	1,174.77
Interest accrued on fixed deposits	4.38	84.60
Unbilled revenue	69.22	246.83
Other interest accrued	50.42	68.11
	<b>226.99</b>	<b>1,579.01</b>
	<b>1,443.75</b>	<b>3,136.36</b>
<b>18 CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balance with banks		
On current accounts	210.01	39.13
Cash on hand	25.83	11.43
	<b>235.84</b>	<b>50.56</b>
<b>Other bank balances</b>		
Margin money / Security against fund and non-fund based facilities*	312.71	2,625.94
	312.71	2,625.94
Less: Amount disclosed under other non-current asset (note 15)	(312.71)	(2,625.94)
	-	-
	<b>235.84</b>	<b>50.56</b>

\*Margin money deposit have been placed with banks for non-fund based facilities sanctioned to the Company.



## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note No	March 31, 2015	March 31, 2014
<b>19 SHORT TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, Considered doubtful)</b>		
Advances recoverable in cash or in kind	95.17	96.61
Less: Provision for doubtful advances	(95.17)	(96.61)
	-	-
<b>(Unsecured, Considered good)</b>		
Advances recoverable in cash or in kind	2,463.07	297.73
Security deposits	1,487.85	348.48
Balance with government authorities	-	41.66
Prepaid expenses	187.14	369.41
	<b>4,138.06</b>	<b>1,057.28</b>
<b>20 REVENUE FROM OPERATIONS</b>		
<b>Sale of services</b>		
Passenger revenue	50,099.14	60,227.68
Cargo revenue	1,537.91	1,735.28
Sale of food and beverages	90.29	424.03
Other operating revenues		
Income from wet lease of aircrafts	185.27	599.52
Others	102.64	55.82
	<b>52,015.25</b>	<b>63,042.33</b>
<b>21 OTHER INCOME</b>		
Exchange fluctuation gain (net)	248.47	164.84
Provision no longer required written back	812.31	153.48
Insurance / warranty claims received	223.09	23.41
Incentives received	331.72	481.06
Income from training services	83.68	37.68
Export incentives	-	1.72
Miscellaneous income	103.78	81.41
	<b>1,803.05</b>	<b>943.60</b>
<b>22 OPERATING EXPENSES</b>		
Aviation turbine fuel	24,096.22	32,526.60
Lease charges - aircraft, engines and auxiliary power units (also refer note 32)	8,643.88	10,531.74
Aircraft repairs and maintenance	2,659.71	4,758.27
Supplemental lease charges - aircraft, engines and auxiliary power units	3,340.20	4,244.82
Consumption of stores and spare parts	721.25	929.44
Aviation insurance	211.65	329.28
Landing, navigation and other airport charges	3,815.02	4,740.10
Cost of inflight food and beverages	244.30	534.50
Aircraft navigation software expenses	705.30	741.84
Aircraft redelivery costs	3,184.67	291.48
Other operating expenses	435.39	453.91
	<b>48,057.59</b>	<b>60,081.98</b>

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note No	March 31, 2015	March 31, 2014
<b>23 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, wages and bonus	4,885.09	5,133.39
Contribution to provident and other funds	169.29	173.25
Gratuity expense (also refer note 30)	48.26	49.19
Recruitment and training cost	162.83	268.92
Staff welfare	109.19	132.20
	<b>5,374.66</b>	<b>5,756.95</b>
<b>24 SELLING EXPENSES</b>		
Commission to agents	1,551.66	2,492.04
Discounts	799.09	671.09
Business promotion and advertisement	442.86	358.34
	<b>2,793.61</b>	<b>3,521.47</b>
<b>25 OTHER EXPENSES</b>		
Rent	160.45	163.89
Rates and taxes	116.45	74.43
Repairs and maintenance		
- buildings	15.92	15.76
- plant and machinery	9.02	28.75
- others	81.58	52.70
Crew accommodation cost	254.87	363.41
Communication	93.39	114.07
Printing and stationery	72.09	94.43
Travelling and conveyance	460.96	558.77
Legal, and professional fees (Refer note below for details of payment to auditor)	96.48	111.99
Power and fuel	29.56	31.25
Provision for doubtful claims and advances	504.75	133.00
Provision for doubtful debts	-	91.85
Provision for litigation	115.86	36.13
Insurance	36.77	40.43
Credit card charges	270.92	226.93
Credit card chargebacks	0.22	-
Bank charges	14.93	27.26
Loss on sale of assets (net)	18.81	17.36
Miscellaneous expenses	18.62	11.41
	<b>2,371.65</b>	<b>2,193.82</b>

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note No	March 31, 2015	March 31, 2014
<b>Payment to auditor</b>		
<b>As auditor</b>		
Audit fees	1.60	1.60
Limited review	1.50	1.50
Service tax	0.30	0.30
<b>In other capacity</b>		
Other services (certification fees)	0.78	0.95
Reimbursement of expenses	0.50	0.45
	<b>4.68</b>	<b>4.80</b>

### 26 FINANCE COSTS

Interest		
- on fixed loan to banks	349.97	379.65
- on fixed loan to others	1,191.58	841.85
Amortisation of ancillary costs of borrowing	19.97	33.53
Other borrowing cost	73.87	111.12
	<b>1,635.39</b>	<b>1,366.15</b>

### 27 EXTRAORDINARY ITEMS

Extraordinary items (also refer note below)	613.55	-
	<b>613.55</b>	-

#### Note:

During the current year, one of the Company's Bombardier Q400 aircraft sustained extensive damage during operations and has been assessed as being beyond economic repair after technical review and declared a total loss. The carrying value of the aircraft as at the date of the incident, net of unrecognized incentive credits, was Rs. 1,003.77 million, which the Company has recorded as a loss in the current year. The Company has received approvals from the insurers of such aircraft for an insurance claim of Rs. 1,617.24 million, which has been recognised as income, of which Rs. 835.04 million is payable to the relevant aircraft lessor / financier relating to outstanding liabilities thereagainst. The net gain on account of the damage to the aircraft and the related proceeds receivable from the insurance company, as discussed above, have been disclosed as an extraordinary item.

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

### 28 Earnings per share

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Number of equity shares outstanding at the beginning of the year	535,281,183	484,349,730
Number of equity shares issued	64,169,000	50,931,453
Number of equity shares outstanding at the end of the year	599,450,183	535,281,183
<b>Weighted average number of shares</b>		
a) Basic	559,542,339	523,621,362
b) Diluted	559,542,339	523,621,362
Profit / (Loss) for the year before extraordinary items	(7,484.09)	(10,032.44)
Earnings per share before extraordinary items:		
-- Basic earnings / (loss) per share (Rs.)	(13.38)	(19.16)
-- Diluted earnings / (loss) per share (Rs.)	(13.38)	(19.16)
Profit / (Loss) for the year after extraordinary items	(6,870.54)	(10,032.44)
Earnings per share after extraordinary items:		
-- Basic earnings / (loss) per share (Rs.)	(12.28)	(19.16)
-- Diluted earnings / (loss) per share (Rs.)	(12.28)	(19.16)
Nominal value per share (Rs.)	10.00	10.00

### 29 Employee stock option plans

The Company has a stock option plan that provides for the granting of stock options to qualifying employees including Directors of the Company (not being promoter directors and executive directors, holding more than 10% of the equity shares of the Company). The option plan is summarized below:

#### Employees Stock Option Scheme, 2007

The shareholders at the Annual General Meeting held on September 11, 2007, approved an Employee Stock Option Scheme (ESOS) which provides for the grant of 6,016,250 options (each option convertible into share) to employees. Further, at the Extraordinary General Meeting held on December 23, 2009, the shareholders had approved to extend the aggregate number of options under the scheme to 20,000,000 options.

The remuneration committee had granted 5,200,000 options to eligible employees on September 11, 2007 at an exercise price of Rs. 30 /- per share. Such options were to vest over 4 years in the following manner:

- 35% of the options – one year from the date of grant
- 25% of the options – two years from the date of grant
- 25% of the options – three years from the date of grant
- 15% of the options – four years from the date of grant

The Company has adopted the (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India, and has recorded a compensation expense using the intrinsic value method as set out in those guidelines. The summary of the movement in options is given below:

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	As At March 31, 2015		As At March 31, 2014	
	No. of Options	Weighted average exercise price (Rs.)	No. of Options	Weighted average exercise price (Rs.)
<b>Outstanding, beginning of year</b>	<b>1,276,050</b>	<b>30.00</b>	<b>1,561,200</b>	<b>30.00</b>
Granted during the year	-	30.00	-	30.00
Exercised during the year	-	30.00	-	30.00
Forfeited during the year	(320,975)	30.00	(131,175)	30.00
<b>Outstanding, end of year</b>	<b>955,075</b>	<b>30.00</b>	<b>1,276,050</b>	<b>30.00</b>
<b>Outstanding at the year-end comprise:</b>				
Options eligible for exercise at year end	955,075	30.00	1,276,050	30.00
Options not eligible for exercise at year end	-	-	-	-

### Pro-forma Disclosures

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, had the compensation cost for ESOS 2007 been recognized based on the fair value at the date of grant in accordance with the Black-Scholes method, the amounts of the Company's net profit / (loss) and earnings per share would have been as follows:

Particulars	Employee Compensation Cost	Profit before extraordinary items	Basic EPS (Rs.)	Diluted EPS (Rs.)
<b>Year ended March 31, 2015</b>				
- Amounts as reported	-	(7,484.09)	(13.38)	(13.38)
- Amounts as per pro-forma	-	(7,484.09)	(13.38)	(13.38)
<b>Year ended March 31, 2014</b>				
- Amounts as reported	-	(10,032.44)	(19.16)	(19.16)
- Amounts as per pro-forma	-	(10,032.44)	(19.16)	(19.16)

Particulars	Employee Compensation Cost	Profit after extraordinary items	Basic EPS (Rs.)	Diluted EPS (Rs.)
<b>Year ended March 31, 2015</b>				
- Amounts as reported	-	(6,870.54)	(12.28)	(12.28)
- Amounts as per pro-forma	-	(6,870.54)	(12.28)	(12.28)
<b>Year ended March 31, 2014</b>				
- Amounts as reported	-	(10,032.44)	(19.16)	(19.16)
- Amounts as per pro-forma	-	(10,032.44)	(19.16)	(19.16)

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

The fair value of options was estimated at the date of grant using the Black-Scholes method with the following assumptions:

Particulars	Grant Dates			
	September 11, 2007	October 5, 2009	December 23, 2009	April 1, 2010
Risk-free interest rate	7.9%	8%	8%	8%
Expected life	2.5 years	1 year	2.7 years	2 years
Expected volatility	55%	67.86%	67.86%	94.17%
Expected dividend yield	-	-	-	-

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

### 30 Gratuity - benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rs. 1 million. The scheme is unfunded.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and amounts recognised in the balance sheet for gratuity.

#### Statement of profit and loss

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost on benefit obligations	32.45	39.15
Interest cost on benefit obligations	14.63	10.92
Net actuarial (gain) / loss recognized in the year	1.18	(0.88)
Past service cost	-	-
Net employee benefit expense	48.26	49.19

#### Balance sheet

##### Details of provision for gratuity

Particulars	As at March 31, 2015	As at March 31, 2014
Defined benefit obligation	(165.84)	(174.18)
Fair value of plan assets	-	-
Plan asset / (liability)	(165.84)	(174.18)



## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Opening defined benefit obligation	174.18	130.01
Current service cost	32.45	39.15
Interest cost	14.63	10.92
Actuarial (gains) / losses on obligation	1.18	(0.88)
Benefits paid	(56.60)	(5.02)
Past service cost	-	-
Closing defined benefit obligation	(165.84)	(174.18)
Experience Gain / (Loss) adjustment on plan liabilities	1.18	0.88

The experience adjustments on plan liabilities and net surplus / deficit for the years ended March 31, 2013, March 31, 2012 and March 31, 2011 are as follows:

Particulars	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Defined benefit obligation at the end of the period	130.01	91.43	62.02
Net deficit	(130.01)	(91.43)	(62.02)
Experience adjustments on plan liabilities	(0.48)	(6.69)	(51.32)
Experience adjustments on plan assets	N.A	N.A	N.A

The principal actuarial assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	As at March 31, 2015	As at March 31, 2014
Discount rate	7.75%	8.40%
Future Salary Increases	5.25%	6.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### 31 Deferred Tax Asset

The Company has recognized deferred tax assets arising on account of carried forward tax losses and unabsorbed depreciation to the extent of the deferred tax liability arising on account of the timing difference on depreciation of Rs. 4,408.66 million as at March 31, 2015 (Rs. 3,672.01 million as at March 31, 2014).

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(4,408.66)	(3,672.01)
<b>Deferred tax asset</b>		
Carry forward tax losses / unabsorbed depreciation	4,408.66	3,672.01
<b>Net deferred tax asset / (liability)</b>	-	-

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

### 32 Leases

#### Operating lease: Company as a lessee

The Company has taken on lease aircraft, aircraft spares, engines and premises from third parties. Lease charges for aircraft and engines for the year ended March 31, 2015 amount to Rs. 8,643.88 million (Previous year Rs. 10,531.74 million), supplemental lease charges amount to Rs. 3,340.20 million (Previous year Rs. 4,244.82 million) and rental expense on premises for the year ended March 31, 2015 amount to Rs. 160.45 million (Previous year Rs. 163.89 million).

The Company has taken aircraft through dry operating lease from lessors. Under the aircraft lease agreements, the Company pays monthly rentals in the form of base and supplementary rental. Base rental payments are either based on floating or fixed interest rates. Supplemental rentals are based on aircraft utilisation and are calculated with reference to the number of hours flown or number of cycles operated during each month. Both base and supplemental lease rentals have been charged to the statement of profit and loss. The lease terms vary between 3 and 10 years. There are no significant restrictions imposed by lease arrangements. The future minimum lease rentals payable under non-cancellable leases (except supplementary rental which are based on aircraft utilisation and calculated on number of hours flown or cycle operated) are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Aircraft</b>		
Not later than one year	3,799.45	9,905.35
Later than one year but not later than five years	10,447.15	25,746.44
Later than five years	2,339.71	9,796.86
<b>Aircraft engines</b>		
Not later than one year	21.32	160.55
Later than one year but not later than five years	-	161.25
Later than five years	-	-

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

### 33 Related party transactions

Relationship	Name of the party
Party exercising control	Kal Airways Private Limited (up to February 23, 2015) Mr. Kalanithi Maran (up to February 23, 2015) Mr. Ajay Singh (from February 23, 2015)
Enterprises over which parties above or their relatives have control / significant influence ('Affiliates')	<p>Sun TV Network Limited Kal Publications Private Limited Udaya FM Private Limited Sun Direct TV Private Limited Kungumam Publications Private Limited Sun Distribution Services Private Limited Kal Investments (Madras) Private Limited Kal Holdings Private Limited Sun Foundation Murasoli Maran Family Trust S &amp; S Textiles D K Enterprises Private Limited Kungumam Nithyagam Private Limited Kal Comm Private Limited Kal Media Services Private Limited Kal Cables Private Limited Sun Business Solutions Private Limited South Asia FM Limited Kal Radio Limited Digital Radio (Delhi) Broadcasting Limited</p> <p>(up to February 23, 2015)</p> <p>Crosslink Finlease Private Limited Greenline Transit System Private Limited Spice Homes Private Limited Argentum Electric Vehicles Private Limited Argentum Defence Systems Private Limited i2n Technologies Private Limited Greenstar Mobility Private Limited Greenvolt Technologies Private Limited Greenline Communication Private Limited Pan India Motors Private Limited</p> <p>(From February 23, 2015)</p>
Key management personnel	Mr. S Natrajhen, Managing Director (up to January 29, 2015) Mr. Sanjiv Kapoor, Chief Operating Officer

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

<b>Parties having significant influence over the Company Affiliates</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
<u>Sun TV Network Limited</u>		
<i>Transactions during the year (up to February 23, 2015)</i>		
Passenger revenue	7.38	17.80
Business promotion and advertisement	85.33	50.57
Power and fuel	0.41	0.63
Rent	1.70	2.42
<u>Digital Radio (Delhi) Broadcasting Limited</u>		
<i>Transactions during the year (up to February 23, 2015)</i>		
Passenger revenue	1.64	2.07
Business promotion and advertisement	0.83	6.10
<u>Sun Business Solutions Private Limited</u>		
<i>Transactions during the year (up to February 23, 2015)</i>		
Voice processing charges	66.27	99.93
<u>Kal Publications Private Limited</u>		
<i>Transactions during the year (up to February 23, 2015)</i>		
Passenger revenue	0.25	0.79
Business promotion and advertisement	4.40	6.14
<u>Kal Airways Private Limited</u>		
<i>Advances received</i>		
Advance towards subscription to equity shares on conversion of warrants	2,054.68	250.00
Advance money towards subscription of non-convertible CRPS	200.29	-
<u>Mr. Kalanithi Maran</u>		
<i>Transactions during the year (up to February 23, 2015)</i>		
Interest expense	-	38.61
<i>Advances received</i>		
Advance money towards subscription of non-convertible CRPS	1,000.00	-
<i>Loans obtained</i>		
Short term loan	1,140.00	750.00
<b>Key management personnel</b>		
<u>Sanjiv Kapoor</u>		
<i>Transactions during the year</i>		
Salaries and wages	25.00	10.41
<u>S. Natrajhen (up to January 29, 2015)</u>		
<i>Transactions during the year</i>		
Salaries and wages	7.41	9.99

Note: **The remuneration to the key managerial** personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

During the year, as already mentioned, the Company has issued to Mr. Kalanithi Maran and Kal Airways Private Limited on a preferential basis 64,169,000 equity shares at a price of Rs. 20.76 per share for a total consideration aggregating Rs. 1,332.45 million.

### 34 Capital and other commitments

- a. At March 31, 2015, the Company has commitments of Rs. 166,595.76 million (March 31, 2014 - Rs. 150,707.25 million) relating to the acquisition of aircraft.
- b. The Company has commitments in the nature of non-cancellable operating leases. The future minimum lease payments expected to be incurred over the remaining lease term are detailed in Note 32.
- c. Under certain long-term maintenance contracts for the management, maintenance, repair and overhaul of aircraft components and spares, the Company incurs an agreed power-by-the-hour cost based on aircraft / component utilization. In addition, some contracts provide for compensation upon pre-mature termination, as applicable.

### 35 Litigations and claims

#### a) Note 1:

- i) Matters wherein management has concluded the Company's liability to be probable have accordingly been provided for in the books. Refer note 11.
- ii) Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed under Note 2 Contingent liabilities below.
- iii) Matters wherein management is confident of succeeding in these litigations and have concluded the Company's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

#### b) Note 2: Contingent liabilities

S. No	Particulars	As at March 31, 2015	As at March 31, 2014
1	Liability arising out of legal cases filed against the Company in various Courts/ Consumer Redressal Forums, Consumer Courts, disputed by the Company.	66.50	47.40
2	Liability arising out of Arbitration proceedings on account of cancellation of leased premises.	33.32	33.32
3	Liability towards Penalty levied by customs department on late payments which is disputed and is pending in the Hon'ble High Court of Delhi.	82.69	82.69
4	Unaccrued interest as explained in note (i) below.	Nil	74.71
5	Demand in respect of provident fund dues for international workers as explained in note (iii) below.	77.95	77.95
6	Demand in respect of service tax (including interest and penalty) as explained in note (iv) below.	160.16	41.28
7	Liability arising out of claim made for refunds on cancelled tickets.	Nil	5.42
10	Liability arising out of other legal cases filed against the Company.	21.22	11.66
11	Liability arising out of claims made by lessors, disputed by the Company as explained in note (v) below.	375.54	Nil
12	Assessment relating to Assessment Year 2010-11 is pending with CIT(A) in respect of certain additions made to returned loss by the Assessing Officer which resulted in taxable income, but income tax payable after adjusting the brought forward losses and depreciation was computed to be Nil. Though there is no demand for payment of tax arising out of above assessments, the Assessing Officer ('AO') has initiated penalty proceedings against the Company under section 271(1)(c). Penalty amount is not ascertainable as AO has not raised any demand.		

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

- i. Under a suit filed by Leela Capital (petitioner) for recovery of the Inter Corporate Deposit ('ICD') aggregating Rs. 50 million, the Company had deposited the amount of Rs. 50 million on November 30, 2001 with the Hon'ble Bombay High Court and the Hon'ble Bombay High Court later allowed the petitioner to withdraw the said amount, upon furnishing an undertaking that the petitioner will reconstitute the said sum or such part thereof, with 9% interest, to the Company, if and as directed by the Hon'ble Court at the time of the final decision of the suit filed by the petitioner. Accordingly, pending finality of the matter, both the ICD and deposit with Hon'ble High Court have been disclosed under the Unsecured Loans and Loans and Advances, respectively. The Company had hitherto not accrued interest payable of Rs. 74.71 million up to the date of deposit of the amount with the Hon'ble Court on account of its defence in the court proceedings. Pursuant to the review process by the Qualified Audit Review Committee ('QARC') constituted by the SEBI, the Company has been directed to rectify the qualifications in the auditors' report. Accordingly, and without prejudice to its legal defence on this matter, such interest of Rs 74.71 million has been accounted for in the current year.
- ii. In another case, M/s Hindustan Development Corporation Limited ("HDCL") (now renamed as Mallanpur Steels Limited) who had lent Rs. 50 million by way of inter-corporate deposit to the Company, has filed a Review Petition against the Scheme of Settlement passed by the Hon'ble Delhi High Court wherein the Company's liability was fixed at Rs. 35 million. The Company had made a deposit of Rs. 35 million to the Official Administrator of the Scheme in accordance with approved Scheme. Pending disposition of the review petition, the likelihood of the balance amount of Rs.15 million devolving on the Company is not probable. Also, the interest (if any) on the same is not ascertainable.
- iii. The Company has received a demand notice from the Regional Provident Fund Commissioner, Gurgaon for Rs 79.91 million in respect of provident fund ("PF") dues for international workers vide Notifications GSR 706(E) dated 1st October 2008 and GSR 148 dated 3rd September 2010, for the period from November 2008 to February 2011. The Company has responded to the notice disputing the demand and, without admitting any liability towards the same, has deposited an amount of Rs 1.96 million towards the PF contributions in respect of international workers for the period from November 2008 to July 2011 under the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 ('PF Act'). Since August 2011, the Company has been making provident fund contributions in respect of international workers under the provisions of the PF Act. During the year ended March 31, 2012, the Company has filed a writ petition with the Hon'ble Delhi High Court contending that the above notifications relating to international workers are unreasonable and ultra vires the PF Act. The Court has directed that this matter be put up in the regular list and the interim order in favour of the Company has been made absolute till disposal of the petition. Pending disposal of the petition, the Company has not accrued for any additional liability in respect of provident fund contributions to international workers.
- iv. The Company has received a demand order for a sum of Rs. 77.28 million, and applicable interest, as well as penalty of Rs. 77.28 million from the service tax department for non-remittance of service tax on reverse charge mechanism on certain payments made during the period April 18, 2006 to March 31, 2012. The Company is contesting the order on the grounds that the services obtained by the Company were not liable to service tax under the categories determined by the authorities and are hence not taxable services. Effective July 2012, pursuant to the enactment of the negative list of taxable services, the Company has been paying service tax on these services received on reverse charge basis under the relevant provisions of the Finance Act, 1994. Based on advice by its tax consultants and internal evaluation, the Company has provided an amount of Rs. 67.09 million (including a portion of applicable interest) on a conservative basis (also refer note 11). However, the Company continues to contest the entire demand and has filed an appeal against the adverse order with the CESTAT and is confident of its success. The balance amount of the matter under litigation, (including interest and penalty) of Rs. 160.16 million, has not been accrued pending final outcome of this matter and has been disclosed as a contingent liability.
- v. During the current year, three aircraft lessors had served notice of termination of leases in respect of eleven aircraft, citing events of defaults by the Company under the terms of the relevant lease agreements. These lessors also sought repossession of these aircraft, and filed petitions in Court, seeking relief. During the final quarter of the current year, the Company has entered into (a) settlement agreements with two lessors



## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

in respect of six aircraft, under which the lessors have withdrawn court proceedings and deregistration process of aircraft, and (b) a letter of intent with the lessor in respect of the other five aircraft, most of whose conditions have been satisfied by the Company as of date, and management is confident of fulfilling the remaining conditions in due course, consequent to which no adjustments have been made to the financial statements in this regard.

Additionally, the Company has received a demand from another lessor in relation to four aircraft which were redelivered during the current year of Rs. 744.20 million, of which Rs. 368.66 million relates to cost of storage of the aircraft from the date of deregistration of the aircraft till the date of redelivery of the aircraft, and the remaining Rs. 375.54 million relates to damages claimed by the lessor. Management has accounted for claims aggregating Rs. 368.66 million, as these are costs incurred under the terms of the lease agreement (also refer note 11), and has not admitted the liability in respect of damages claimed by the lessor of Rs. 375.54 million. Management is of the view that a claim for damages is not tenable and no adjustments have been made to the financial statements in this regard pending final outcome of this matter, and has disclosed this amount as a contingent liability.

- c. Based on the legal advice obtained by the management, no provision is required to be made for the above contingent liabilities.

### 36 Dues to Micro, Small and Medium Enterprises

Management has determined that there are no overdue amounts payable to Micro, Small and Medium Enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006 based on information available with the Company as at March 31, 2015, and March 31, 2014. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the current year.

### 37 Un-hedged foreign currency exposure

Particulars of un-hedged foreign currency exposure as at the reporting date

Particulars	Currency	March 31, 2015		March 31, 2014	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Advances	EUR	0.02	1.60	0.06	4.74
	GBP	0.08	7.80	0.02	1.57
	SGD	0.03	1.50	0.02	0.71
	USD	7.94	496.78	10.94	657.59
	AED	1.97	33.65	-	-
	CAD	0.03	1.60	0.03	1.63
	CNY	0.24	2.48	0.48	4.73
	SAR	-	-	1.33	21.27
	THB	2.53	4.90	3.67	6.77
	NPR	10.40	6.49	2.07	1.29
Payables	LKR	-	-	27.80	12.77
	EUR	0.11	7.26	0.24	19.92
	GBP	-	-	0.01	1.44
	USD	164.42	10,290.92	84.60	5,084.66
	AED	15.77	269.77	10.20	166.76
	CAD	-	-	-	-
	SAR	1.05	17.56	0.47	7.47

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Currency	March 31, 2015		March 31, 2014	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
	LKR	3.87	1.87	-	-
	NPR	117.79	73.55	69.82	43.60
	CNY	-	-	0.17	1.68
	OMR	0.06	9.22	0.06	9.31
	THB	3.54	6.83	0.76	1.40
External Commercial Borrowing	USD	214.57	13,429.92	225.82	13,571.56
Deposits made	USD	37.99	2,377.87	18.01	1,082.53
Bank Balances	USD	-	-	0.02	1.00

### 38 Imported and indigenous stores and spare parts consumed

Particulars	March 31, 2015		March 31, 2014	
	Rs.	%	Rs.	%
Indigenous	96.84	13%	115.43	12%
Imported	624.41	87%	814.01	88%
	<b>721.25</b>	<b>100%</b>	<b>929.44</b>	<b>100%</b>

### 39 Value of imports calculated on CIF basis

Particulars	March 31, 2015	March 31, 2014
Capital goods	48.22	433.91
Stores and spares	616.55	773.57
Aviation turbine fuel	1,403.91	2,048.27
	<b>2,068.68</b>	<b>3,255.75</b>

### 40 Expenditure in Foreign Currency (Accrual Basis)

Particulars	March 31, 2015	March 31, 2014
Lease charges ( including supplement rent)	11,984.08	14,776.56
Aircraft repairs and maintenance	2,407.53	4,338.56
Aircraft redelivery costs	2,951.27	291.48
Interest expense*	352.60	389.00
Other expenses	1,508.89	2,213.80
	<b>19,204.37</b>	<b>22,009.40</b>

\* includes Rs. 5.97 million (previous year Rs. 6.98 million) of amortization of ancillary costs associated with borrowing.

### 41 Earnings in Foreign Currency (Accrual Basis)

Particulars	March 31, 2015	March 31, 2014
Passenger revenue	2,125.44	1,968.88
Cargo revenue	29.18	56.38
Incentives received	312.17	458.80
Income from wet lease of aircraft	185.27	599.52
	<b>2,652.06</b>	<b>3,083.58</b>

## Notes to the Financial Statements for the year ended March 31, 2015

(All amounts are in millions of Indian Rupees, unless otherwise stated)

**42** During the year, (a) the shareholders had approved the issuance of 189,091,378 share warrants of Rs. 10 each to the outgoing promoters, and (b) the Board of Directors has approved the issuance of up to 3,750,000 non-convertible cumulative redeemable preference shares ("CRPS") to the outgoing promoters, in respect of which the approval of shareholders is awaited. In respect of these securities, the Company has received amounts aggregating Rs. 3,504.97 million during the year. Under the terms of the relevant approvals and having regard to the terms of the SSPA, these advances are to be adjusted against amounts that fall due upon allotment of share warrants and CRPS to the outgoing promoters. Accordingly, these have been disclosed in the balance sheet as advances money received against securities proposed to be issued. However, as the time limit for the completion of the company's obligations under the relevant provisions of the Companies Act 2013 (the "Act") has expired as of date, it attracts the applicable consequent provisions, including penal, as well as the deeming provisions of the Act relating to acceptance of deposits. The Management is in the process of undertaking various actions, including the allotment of these securities and compounding of non-compliance referred to above, and is also of the view that any consequent effects will not have a material impact on the financial statements of the Company. Accordingly, no adjustments have been made for any consequential penal effects in this regard, or the balance sheet classification of the amounts.

### 43 Previous year figures

Prior year comparative amounts in these financial statements have been reclassified wherever applicable to conform to current year's presentation.

As per our report of even date.

#### For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W

per **Aniruddh Sankaran**

Partner

Membership No: 211107

Place: Gurgaon

Date: May 28, 2015

#### For and on behalf of the Board of Directors

**Ajay Singh**  
Chairman &  
Managing Director

Place: Gurgaon

Date: May 28, 2015

**Kiran Koteswar**  
Chief Financial  
Officer

Place: Gurgaon

Date: May 28, 2015

**Chandan Sand**  
Company Secretary

Place: Gurgaon

Date: May 28, 2015

# SpiceJet Limited

**Regd. Office:** Indira Gandhi International Airport, Terminal 1D, New Delhi – 110037

Website: www.spicejet.com; email: investors@spicejet.com; T: +91 124 3913939; F: +91 124 3913844

## PROXY FORM

**31st Annual General Meeting – December 28, 2015**

Form No. MGT-11

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the Company: **SpiceJet Limited**

Registered Office: **Indira Gandhi International Airport, Terminal 1D, New Delhi – 110037**

Name of the Member(s): .....

Registered address: .....

E-mail Id: .....

Folio No./DP & Client ID No.: .....

I/We, being the Member(s) of ..... shares of the above named company, hereby appoint:

Name: ..... E-mail: .....

Address: .....

Signature: ..... or failing him/her .....

Name: ..... E-mail: .....

Address: .....

Signature: ..... or failing him/her .....

Name: ..... E-mail: .....

Address: .....

Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company, to be held on Monday, the 28<sup>th</sup> day of December, 2015 at 9.30 a.m. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	Vote (Optional see Note 2) (Mention no. of shares)		
		For	Against	Abstain
Ordinary Business	1. Adoption of audited Annual Accounts and Reports of the Auditors and Directors			
	2. Re-appointment of Statutory Auditors			
Special Business	3. Appointment of Mr. Ajay Singh as Director			
	4. Appointment of Mrs. Shiwani Singh as Director			
	5. Appointment of Mr. R. Sasiprabhu as an Independent Director			
	6. Investments under Section 186 of the Companies Act, 2013			
	7. Creation of charges on the movable and immovable properties of the Company			

Signed this..... day of....., 2015.

Signature of Member .....

Signature of Proxy holder(s) .....

Affix revenue stamp of not less than Re.1

**Note:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- It is optional to indicate your preference. If you leave 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

## SpiceJet Limited

**Regd. Office:** Indira Gandhi International Airport, Terminal 1D, New Delhi – 110037

Website: www.spicejet.com; email: investors@spicejet.com; T: +91 124 3913939; F: +91 124 3913844

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### ATTENDANCE SLIP

#### 31<sup>st</sup> Annual General Meeting – December 28, 2015

I, hereby, record my presence at the 31<sup>st</sup> Annual General Meeting of the Company held on Monday, the 28th day of December, 2015 at 9.30 a.m. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003

.....  
Member's Folio/ DP ID- Cleint ID

.....  
Name of Member/ Proxy  
(in BLOCK letters)

.....  
Signature of Member/ Proxy

*Note: Please complete the Folio/ DP ID- Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.*







*If undelivered, please return to:*

**SPICEJET LIMITED**

**319, Udyog Vihar, Phase IV, Gurgaon -122 016, Haryana**



SpiceJet Limited  
319 Udyog Vihar, Phase-IV  
Gurgaon-122 016, Haryana, India.  
Tel : +91 124 3913939  
Fax : +91 124 3913844

[spicejet.com](http://spicejet.com)

**Form A**  
**(Pursuant to Clause 31(a) of Listing Agreement)**

1.	Name of the Company	SpiceJet Limited
2.	Annual financial statements for the year ended	March 31, 2015
3.	Type of Audit qualification	Matter of Emphasis
4.	Frequency of qualification	(a) Going Concern: This emphasis of matter has been appearing since the year 2011 regarding material uncertainty about the Company's ability to continue as a going concern.  (b) Certain non-compliances of the requirements of the Companies Act, and classification of advances received towards securities proposed to be issued as mentioned in Note 42 of the financial statements appeared first time in this financial year.

**Ajay Singh**  
(Chairman & Managing Director,  
SpiceJet Limited)

**Kiran Koteswar**  
(Chief Financial Officer,  
SpiceJet Limited)

**Chandan Sand**  
(VP- Legal & Company Secretary,  
SpiceJet Limited)

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 101049W

**per Aniruddh Sankaran**  
Partner  
Membership No: 211107

*Note: The Audit Committee of the Company dissolved due to resignations of two independent directors on September 21, 2015 and therefore this form has been signed by the Key Managerial Personnel.*