



SPICEJET LIMITED

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Statement of Audited Financial Results for the quarter and year ended March 31, 2016

(Rupees in Lakhs except EPS)

S.No.	Particulars	Quarter ended			Year ended	
		Audited 31-Mar-16 (Refer Note 11)	Unaudited 31-Dec-15	Audited 31-Mar-15 (Refer Note 11)	Audited 31-Mar-16	Audited 31-Mar-15
1	Income from operations					
	a) Net Sales / Income from Operations	144,866.3	143,938.3	78,256.9	502,039.6	517,273.4
	b) Other Operating Income	2,632.3	2,056.8	833.8	6,767.6	7,033.1
	Total Income from operations	147,498.6	145,995.1	79,090.7	508,807.2	524,306.5
2	Expenses					
	a) Operating Expenses					
	- Aircraft Fuel	32,866.5	36,663.0	28,622.3	139,195.9	240,962.2
	- Aircraft Lease Rentals	24,740.2	22,772.7	11,538.6	80,544.7	86,438.8
	- Airport Charges	10,889.9	9,506.8	6,885.3	37,103.1	38,150.2
	- Aircraft Maintenance Costs (Refer Note 6)	39,558.2	16,455.6	11,430.9	87,052.7	67,211.6
	- Aircraft Redelivery Costs (Refer Note 5)	2,756.4	3,011.1	6,583.9	6,400.9	31,846.7
	- Other Operating Costs	4,780.4	5,600.2	2,937.5	19,797.1	15,966.4
	b) Employee Benefits Expense	13,321.5	12,804.2	10,748.6	49,284.3	53,746.6
	c) Depreciation and Amortisation Expense	2,744.4	3,050.5	2,990.9	11,759.4	12,662.5
	d) Other Expenses	14,381.0	11,211.1	7,144.8	46,212.4	51,652.6
	Total expenses	146,038.5	121,075.2	88,882.8	477,350.5	598,637.6
3	Profit / (Loss) from operations before other income, finance costs and extraordinary items (1-2)	1,460.1	24,919.9	(9,792.1)	31,456.7	(74,331.1)
4	Other Income (Refer Note 5)	4,030.7	1,253.2	8,712.0	14,433.1	15,844.1
5	Profit / (Loss) from ordinary activities before finance costs and extraordinary items (3+4)	5,490.8	26,173.1	(1,080.1)	45,889.8	(58,487.0)
6	Finance Costs	4,541.7	2,333.5	2,803.6	11,539.3	16,353.9
7	Profit / (Loss) from ordinary activities before tax (5-6)	949.1	23,839.6	(3,883.7)	34,350.5	(74,840.9)
8	Tax Expense	-	-	-	-	-
9	Net Profit / (Loss) from ordinary activities after tax (7-8)	949.1	23,839.6	(3,883.7)	34,350.5	(74,840.9)
10	Extraordinary items (net) (Refer Note 7)	6,369.4	-	6,135.5	6,369.4	6,135.5
11	Net Profit / (Loss) for the period (9+10)	7,318.5	23,839.6	2,251.8	40,719.9	(68,705.4)
12	Paid-up Equity Share Capital (Face Value Rs.10/- per Equity Share)	59,945.0	59,945.0	59,945.0	59,945.0	59,945.0
13	Reserves excluding Revaluation reserves				(181,016.2)	(221,446.7)
14	Earnings Per Share (before extraordinary items)					
	a) Basic (Rs) *	0.16	3.98	(0.65)	5.73	(13.38)
	b) Diluted (Rs) * (Refer Note 10)	0.12	3.02	(0.65)	4.36	(13.38)
15	Earnings Per Share (after extraordinary items)					
	a) Basic (Rs) *	1.22	3.98	0.38	6.79	(12.28)
	b) Diluted (Rs) * (Refer Note 10)	0.93	3.02	0.31	5.16	(12.28)
	See accompanying notes to the Financial Results					

* Quarterly / year to date numbers are not annualised.

Notes

1 Statement of Assets and Liabilities

(Rupees in lakhs)

Particulars	Audited As at 31-Mar-16	Audited As at 31-Mar-15
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share capital	59,945.0	59,945.0
(b) Reserve and surplus	(181,016.2)	(221,446.7)
(c) Advance money received against securities to be issued (Refer Note 4)	57,908.9	52,908.9
Sub-total: Shareholders' funds	(63,162.3)	(108,592.8)
2 Non-current liabilities		
(a) Long-term borrowings	92,372.6	111,986.5
(b) Other long-term liabilities	2,200.4	2,547.8
(c) Long-term provisions	28,218.2	18,529.7
Sub-total: Non-current liabilities	122,791.2	133,064.0
3 Current liabilities		
(a) Short-term borrowings	10,500.0	12,000.0
(b) Trade payables	77,619.6	94,927.1
(c) Other current liabilities (Refer Note 7)	85,787.2	91,886.7
(d) Short-term provisions (Refer Note 5)	36,843.4	37,374.0
Sub-total: Current liabilities	210,750.2	236,187.8
TOTAL - EQUITY AND LIABILITIES	270,379.1	260,659.0
B ASSETS		
1 Non-current Assets		
(a) Fixed assets	160,209.7	171,382.5
(b) Long-term loans and advances	30,290.8	31,018.1
(c) Other non-current assets	12,465.6	3,443.6
Sub-total: Non-current assets	202,966.1	205,844.2
2 CURRENT ASSETS, LOANS AND ADVANCES		
(a) Current investments	2,000.0	-
(b) Inventories	6,654.6	4,511.7
(c) Trade receivables	4,337.4	12,818.3
(d) Cash and bank balances	10,848.6	2,358.4
(e) Short-term loans and advances	37,102.2	32,922.5
(f) Other current assets	6,470.2	2,203.9
Sub-total: Current assets	67,413.0	54,814.8
TOTAL - ASSETS	270,379.1	260,659.0

2 Two independent directors of the Company resigned effective September 21, 2015, pursuant to which the Company's Audit Committee was dissolved due to inadequacy of constituents. In the quarter ended December 31, 2015, another independent director who was appointed on May 21, 2015, resigned effective November 17, 2015. After receipt of requisite approvals, the Company had appointed a new independent director to its Board on December 1, 2015 to fill-up one of the above vacancies. However as on date, the Audit Committee continues to remain dissolved as detailed above due to inadequacy of independent directors. The Company has initiated steps for appointing additional independent directors and is awaiting security clearances for identified candidates for independent directors from the Ministry of Civil Aviation, Government of India ("MoCA") as required under the Civil Aviation Requirements. As a result, these audited financial results have not been subject to review by the audit committee as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on legal advice obtained by the Company, the Board of Directors of the Company has approved the audited financial results at their meeting held on May 19, 2016, and no material adjustments or consequences are expected in relation to this matter, affecting these audited financial results.

- 3 Accounting Standard (AS) 17 on 'Segment Reporting' requires the Company to disclose certain information about operating segments. The Company is managed as a single operating unit that provides air transportation only and has no other segment operation.
- 4 Advance money received against securities to be issued represent amounts received from Mr. Kalanithi Maran and M/S KAL Airways Private Limited ("erstwhile promoters") towards 3,750,000 Non-convertible cumulative redeemable preference shares ("CRPS") and 189,091,378 share warrants to be issued to them under the terms of the relevant approvals in earlier years by the shareholders / board of directors of the Company, as the case may be, and applicable regulations, including Rs 17,859.2 lakhs previously classified as short-term borrowings as at March 31, 2015 and September 30, 2015, which have now been reclassified to conform to current year's presentation to reflect the terms of underlying contractual agreements. These amounts are to be adjusted against amounts payable upon allotment of the said securities. The erstwhile promoters have filed a petition before the Hon'ble High Court of Delhi seeking relief with respect to the allotment of the said securities, and the matter is sub judice as on date. While the Company continues to await approval of regulatory bodies / shareholders (as the case may be), the time limit for completion of the Company's obligations under applicable rules and regulations has expired as of date, attracting the consequent provisions (including penal provisions) of applicable rules and also the deeming provisions relating to acceptance of deposits. Pending receipt of such regulatory approvals as may be applicable, and the results of the various steps taken by the management to cure these defects, management is of the view that any consequential effects, including penal consequences, will not have a material impact on the audited financial results 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.
- 5 The Company has made provisions for redelivery of leased Boeing aircraft which have been retired from commercial use, based on management's best estimate of these liabilities (having regard to various factors including lease terms and past experience of aircraft redelivery costs incurred by the Company) and without prejudice to the rights of the Company in this regard.
- During the current quarter and the period since then till date, the Company has substantially concluded the terms of settlement with these aircraft lessors. Accordingly, and based on their assessment and best estimates of the likely final financial effect of these settlement terms, management has made adjustments in the attached statement of audited financial results as follows: (a) additional accrual of Rs. 2,331.8 lakhs under Aircraft Redelivery Costs and (b) Write back of accruals made in earlier periods of Rs. 897.1 lakhs recorded under Other Income.
- After giving effect to the above, the Company carries provisions of Rs 16,792.8 lakhs as at March 31, 2016, towards its obligations in respect of such redelivered aircraft.
- 6 In the current year the Company has, having regard to its obligation to maintain engines under aircraft lease agreements, finalized the terms of service contracts and/or has also entered into new contracts for maintenance of engines on its Boeing and Q400 aircrafts. Based on such finalized contracts / terms, the scope and timing of maintenance & repairs of engines including firm fixed costs of maintenance at different intervals, expected drawdown from the supplemental rentals under the relevant lease agreements (wherever applicable), etc, management has undertaken a comprehensive exercise to re-estimate the Company's liabilities towards such engine maintenance obligations as at March 31, 2016. Consequently, additional accruals of Rs. 14,955.0 lakhs have been made during the quarter ended March 31, 2016, resulting from changes in estimates as explained above, which have been included under Aircraft Maintenance Costs.
- 7 During the quarter ended December 31, 2015, one Bombardier Q400 aircraft of the Company sustained damage during operations. The determination of the financial effects thereof was pending in view of the highly technical nature of the assessment involved. During the current quarter, upon completion of such technical assessment, this aircraft has been assessed as being beyond economic repair and declared a total loss. Accordingly, the carrying value of that aircraft as at the date of the incident of Rs 10,377.5 lakhs, net of unrecognized incentive credits of Rs 163.7 lakhs, has been recorded as a loss in the current quarter. The Company has recognised insurance claims of Rs. 16,583.2 lakhs based on the in-principle approvals received from the insurers of such aircraft. The loss on account of the damage to the aircraft and the related proceeds receivable from the insurance company, as discussed above, have been disclosed as extraordinary items (net). The amount payable to the relevant aircraft's lessor / financier as at March 31, 2016, of Rs. 7,379.0 lakhs has been disclosed under other current liabilities.
- Extraordinary items (net) for the quarter and year ended March 31, 2015, represent insurance claims and the related loss accounted for by the Company during the quarter ended on that date, pertaining to another Bombardier aircraft that sustained extensive damage and was declared a total loss.
- 8 During the previous quarter, the Competition Commission of India ("CCI") passed an order dated November 17, 2015 against, inter alia, the Company, which included a demand of Rs 4,248 lakhs on the Company. The Company's appeal against this order with Competition Appellate Tribunal ("COMPAT") was disposed of in the current quarter by the COMPAT, which set aside the impugned order on technical grounds and has referred the matter back to the CCI for fresh adjudication based on the COMPAT's directions. Based on legal advice received, management is confident of a favourable outcome in this matter and accordingly no adjustments are considered necessary in the audited financial results.

9 As at March 31, 2016, the Company has accumulated losses of Rs. 280,360.3 lakhs against shareholders' funds (including advance money received against securities to be issued) of Rs. 217,198.0 lakhs. As of this date, the Company's total liabilities exceed its total assets by Rs. 63,162.3 lakhs. Historically, the Company's operating results were materially affected by various factors, including high cost structure, significant depreciation in the value of the currency, and certain other adverse market conditions. On account of its operational and financial position, the Company had also delayed payments to various parties over the last two years. These factors have resulted in a material uncertainty that may cause significant doubt about the Company's ability to continue as a going concern.

Over the last five quarters, 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. The Company has discharged all overdue payments to statutory authorities during the current year. The Company continues to negotiate with 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. The Company has also received funds as described in Note 4 during the previous financial year and in the quarter ended June 30, 2015, in addition to generating operating cash flows for both the quarter and year ended March 31, 2016. The Company continues to evaluate and explore various courses of action for raising funds for operations, including options for strategic funding. Having regard to recent operational profitability, management believes it will be in a better position to raise funds, as may be required.

The Company has earned profits of Rs. 7,318.5 lakhs for the quarter ended March 31, 2016 (Rs. 40,719.9 lakhs for the year ended as of that date), as a result of various measures that the Company has implemented and continues to implement, 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. The Company is also exploring options to increase its aircraft fleet size over the subsequent fiscal year in order to enhance the scale and depth of its operations 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 favourable changes in ATF prices, consistent improvement in capacity utilization and unit revenues, as well as enhancement in ancillary revenues through investments in cargo operations as well as providing additional value added services to customers, 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 as they fall due. Accordingly, these financial results have been prepared on the basis that the Company will continue as a going concern for the foreseeable future.

10 Diluted earnings per share is determined after considering potential dilutive equity shares arising out of (a) unexpired stock options and (b) equity shares arising from the conversion of share warrants (under the terms of their issue) referred to in Note 4 above, into equity shares.

11 The figures for the quarters ended March 31, 2016, and March 31, 2015, are balancing figures between audited figures in respect of the full financial year ended March 31, 2016, and March 31, 2015, respectively and the un-audited published year-to-date figures up to December 31, 2015, and December 31, 2014, respectively, being the end of the third quarter of the respective financial years which was subjected to limited review.

12 Previous periods' / year's figures have been regrouped / reclassified wherever considered necessary to conform to current periods' classification.

For SpiceJet Limited

Place: Gurgaon, Haryana
Date: May 19, 2016

**Sd/-
Ajay Singh
Chairman and Managing Director**