

CORPORATE GOVERNANCE

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

(a) Composition

The policy of the Company is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separates its functions of governance and management. The composition of the Board and category of Directors is as follows:

Category	Name of Director
Promoter Directors(Non- Executive)	Mr. Kalanithi Maran, Chairman Mrs. Kavery Kalanithi
Managing Director	Mr. S. Natrajhen
Independent & Non-Executive Directors	Mr. J. Ravindran Mr. M. K. Harinarayanan Mr. Nicholas Martin Paul Mr. R. Ravivenkatesh

(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 1A to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/ items and approvals are taken wherever necessary.

(c) Number of Board Meetings

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 24, 2013; August 2, 2013; August 5, 2013; November 7, 2013; January 9, 2014; February 11, 2014 and February 14, 2014.

The table below sets out details of attendance, other directorships, committee memberships / chairmanships of directors:

Name of Director	Attendance		Number of directorships in other Companies	Total number of committee memberships/ chairmanships in SpiceJet Ltd and Other Companies [#]	
	Board Meeting	Last AGM		Memberships	Chairmanships
Mr. Kalanithi Maran	5	Present	4	1	1
Mrs. Kavery Kalanithi	4	Present	4	1	-
Mr. S. Natrajhen	6	Present	3	-	-
Mr. J. Ravindran	6	Present	3	10	8
Mr. M. K. Harinarayanan	2	Absent	1	6	2
Mr. Nicholas Martin Paul	7	Absent	6	6	-
Mr. R. Ravivenkatesh	7	Present	1	3	-

[#]Membership and chairmanship of committee also includes committee other than Audit Committee and Shareholders' Grievance Committee.

(d) Code of Conduct

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, 2014. A declaration to this effect signed by Managing Director is given as an annexure to this report.

(e) Prevention of Insider Trading

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992, 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.

(f) Remuneration to non-executive Directors

During the period under review, the Company has not paid any remuneration to its non-executive directors except sitting fees in accordance with Companies Act, 1956 for attending the meetings. Accordingly Mr. J. Ravindran was paid Rs.60,000, Mr. M. K. Harinarayanan was paid Rs.20,000, Mr. Nicholas Martin Paul was paid Rs.70,000 and Mr. R. Ravivenkatesh was paid Rs.70,000 as sitting fees during the period under review.

(g) Shares and/or convertible instruments held by Non-Executive Directors

The table below sets out list of non-executive directors holding shares and/or convertible instruments in the Company as on March 31, 2014:

Name of Director	Number of	
	Equity Shares	Warrants*
Mr. Kalanithi Maran	129,741,753	19,169,000
Mr. R. Ravivenkatesh	16,000	Nil

*Warrants having option to apply for and be allotted equivalent no. of equity shares of the face value of Rs.10 each.

3. AUDIT COMMITTEE

(a) Composition and terms of reference

The Company has constituted Audit Committee of the Board in accordance with Section 292A of the Companies Act, 1956 read with listing agreement which comprises 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 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 authority and responsibility as per the code of corporate governance.

(b) Meeting and attendance

During the period under review, four (4) meetings of the Committee were held on May 24, 2013; August 5, 2013; November 7, 2013 and February 14, 2014. The table below sets out the attendance of members of the Committee during fiscal year 2014:

Name of Member	Number of Committee Meetings	
	Held during the tenure	Attended
Mr. J. Ravindran	4	4
Mr. Nicholas Martin Paul	4	4
Mr. M. K. Harinarayanan	4	0

4. COMPENSATION COMMITTEE

(a) Composition and terms of reference

The Company has constituted the Compensation 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 Compensation Committee comprises following Independent and Non - Executive Directors:

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

During the period under review, no meeting was held.

(b) Remuneration Policy

The Compensation 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.

(c) Details of remuneration to all the directors

During the period under review, the Company has not paid any remuneration to its independent and non- executive directors except sitting fees in accordance with Companies Act, 1956 for attending the board meetings.

During the financial year 2013-14 Mr. S. Natrajhen, Managing Director of the Company has drawn (a) Basic Salary: Rs.3,255,000, (b) Conveyance Allowance: Rs.120,000, (c) Supplementary Allowance: Rs.3,891,900, (d) Other Allowance:Rs.1,627,500, (e) Medical reimbursement: Rs.15,000 and (f) Rent free accommodation and Car facility with Driver. No stock options have been granted to Mr. Natrajhen.

5. INVESTOR RELATIONS COMMITTEE

The Investor Relation Committee comprises 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, GM (Legal) & Company Secretary is Compliance Officer.

During the period under review, four (4) meetings of the Committee were held on May 24, 2013; August 5, 2013; November 7, 2013 and February 14, 2014. The table below sets out the attendance of members of the Committee during fiscal year 2014:

Name of Member	Number of Committee Meetings	
	Held during the tenure	Attended
Mr. J. Ravindran	4	4
Mr. Nicholas Martin Paul	4	4
Mr. M. K. Harinarayanan	4	0

During the period April 2013-March 2014, the Company has received 113 letters/ complaints from shareholders and replied/ redressed the same to the satisfaction of shareholders.

6. RISK MANAGEMENT

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.

7. MANAGEMENT DISCUSSION AND ANALYSIS

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

8. CEO AND CFO CERTIFICATION

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.

9. DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

Brief Resumes and other information in respect of Directors seeking re-appointment are provided separately under the notice of the Thirtieth Annual General Meeting.

10. GENERAL BODY MEETINGS

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

AGM	Date and Time	Venue	Special Resolutions Passed
27 th AGM (2010-11)	September 29, 2011 at 10.00 a.m.	The Kalaingar Arangam, Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai- 600018	Issue and allotment of equity shares upto 35,977,619 to Mr. Kalanithi Maran, Promoter of the Company on preferential basis.
28 th AGM (2011-12)	September 26, 2012 At 10.00 a.m.	The Kalaingar Arangam, Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai- 600018	Not applicable
29 th AGM (2012-13)	September 25, 2013 At 10.00 a.m.	The Kalaingar Arangam, Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai- 600018	Not applicable

Postal Ballot conducted during the year and procedure thereof

During the year under review a postal ballot exercise was initiated in the month of January 2014 and completed in February 2014. Following special resolutions were passed through this postal ballot exercise:

- a) Allotment of 64,169,000 Warrants with an option to apply for and be allotted equivalent number of equity shares on preferential basis to Promoters of the Company; and
- b) Borrowing Powers of the Board of the Directors of the Company under Section 180(1)(c) of the Companies Act, 2013.

In accordance with Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011, the Postal Ballot Forms were sent to all the members whose names appear in the Members Register/ Records as on January 3, 2014 along with Notice and the Statement under Section 102 of the Companies Act, 2013. The Company provided 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 Mrs. Lakshmmi Subramanian, 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 February 11, 2014 and same was published in newspapers and also posted on the website of the Company, www.spicejet.com.

As per the report of Scrutinizer dated February 11, 2014 details of voting pattern are as under:

S. No.	Description	Allotment of warrants with an option to apply for and be allotted equivalent number of equity shares on preferential basis to Promoters of the Company			Borrowing Powers of the Board of the Directors of the Company under Section 180(1)(c) of the Companies Act, 2013		
		No. of Ballots	No. of Shares	% to Shares	No. of Ballots	No. of Shares	% to Shares
1.	Total number of Postal Ballot Received	1,408	299,169,048	-	1,408	299,169,048	-
	Less: <i>Total no. of postal ballot treated as invalid</i>	112	8,636,271	-	280	319,440	-
	Less: Votes not casted	-	8,810	-	-	7,601	-
2.	Total Number of Postal Ballot treated as valid	1,296	290,523,967	-	1,128	298,842,007	-
3	Votes in favour	1,070	289,966,401	99.80%	939	298,344,120	99.83%
4	Votes against	239	557,566	0.20%	202	497,887	0.17%
5	Total (3+4)	1,309	290,523,967	100.00%	1,141	298,842,007	100.00%

Thirteen (13) members have exercised their votes differently and therefore there is difference in "total number of valid votes" and "total of votes in favour and votes against".

The resolutions were passed by requisite majority.

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

11. 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.
- (c) 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.

12. MEANS OF COMMUNICATION

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

13. 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.

14. GENERAL SHAREHOLDER INFORMATION

Venue, date and time of the 30 th Annual General Meeting	Venue: The Kalaingar Arangam, Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai – 600 018 Date: September 24, 2014 Time: 10.00 a.m.	
Financial year	April 1, 2013 to March 31, 2014	
Book Closure date	September 19, 2014 to September 24, 2014 (Both days inclusive)	
Dividend payment date Listing on Stock Exchange	Not Applicable BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 (Equity Shares)	
Stock Code	BSE	500285
	Reuters	SPJT.BO
	Bloomberg	SJET
ISIN in NSDL and CDSL for shares	INE285B01017	
Listing fees for financial year 2014-15	Paid	

15. ADDRESS FOR CORRESPONDENCE

(a) For shares in physical/ demat mode

Karvy Computershare Private Limited
 'Karvy House',
 Plot No.17-24, Bittal Rao Nagar, Madhapur
 Hyderabad - 500 081
 E-mail ID: einward.ris@karvy.com
 Phone: 040-44655000
 Fax: 040-23420814

(b) Any query on Annual Report

Company Secretary,
 SpiceJet Limited,
 319, Udyog Vihar, Phase-IV,
 Gurgaon - 122016 Haryana
 E-mail Id: investors@spicejet.com
 Phone: +91- 124- 3913939
 Fax: +91- 124- 3913844

16. MARKET PRICE DATA*

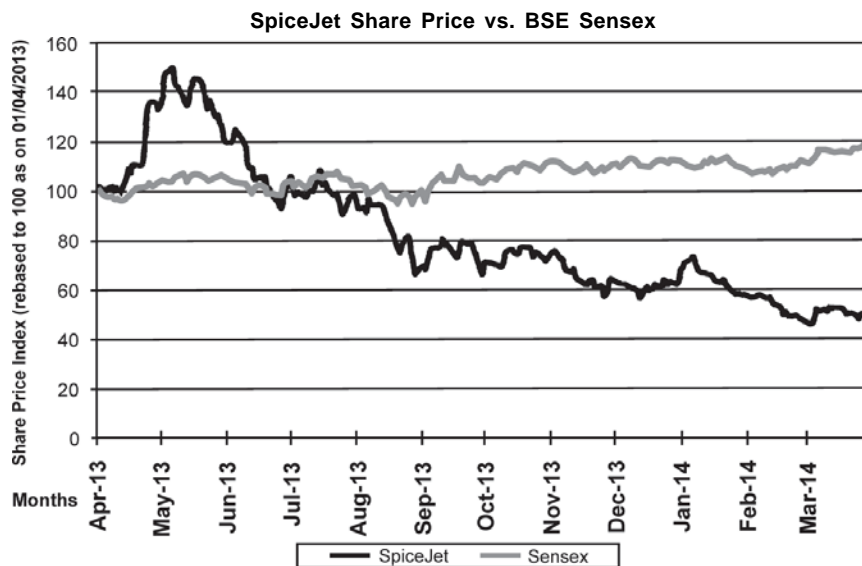
The market capitalisation of the Company is included in the computation of BSE 500 Index. The table below sets out the monthly high and low quotations of the shares traded at BSE Limited during the period under review:

Month	Open Price	High Price	Low Price	Close Price
Apr-13	27.05	39.75	26.80	36.80
May-13	37.15	43.75	33.05	33.30
Jun-13	33.75	34.95	25.50	27.00
Jul-13	27.15	30.35	24.15	27.30
Aug-13	27.95	28.40	18.05	18.65
Sep-13	19.15	23.05	18.15	18.35
Oct-13	18.50	22.15	18.40	20.20
Nov-13	20.50	21.15	15.50	17.75
Dec-13	17.65	17.90	15.60	17.55
Jan-14	17.55	20.90	15.80	16.05
Feb-14	16.15	16.75	12.90	13.10
Mar-14	13.09	15.20	12.50	14.15

* Source: www.bseindia.com

17. PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES- BSE SENSEX

Chart below sets out SpiceJet price performance relative to BSE Sensex based on daily closing values during April 1, 2013 to March 31, 2014.



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

18. REGISTRAR AND TRANSFER AGENTS - SHARES

Karvy Computershare Private Limited
 'Karvy House',
 Plot No.17-24, Bittal Rao Nagar, Madhapur
 Hyderabad - 500 081
 Website: www.karvy.com
 E-mail ID: einward.ris@karvy.com
 Phone: 040-44655000
 Fax: 040-23420814

19. 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.

20. DEMATERIALISATION OF SHARES AND LIQUIDITY

Over 98% of the outstanding shares have been dematerialized upto March 31, 2014. The Shares of the Company are listed at BSE only; where they are actively traded.

21. PLANT LOCATIONS

The Company does not have plant location.

22. SHAREHOLDING PATTERNS AS ON MARCH 31, 2014

S. No.	Category	No. of Shares	Percentage (%)
1.	Promoters	286,259,758	53.48
2.	Directors and Relatives	16,000	0.00
3.	Banks	200	0.00
4.	Bodies Corporate	55,320,006	10.33
5.	Employees	492,374	0.09
6.	Foreign Institutional Investors	5,087,517	0.95
7.	H. U. F.	7,889,955	1.47
8.	Mutual Funds	3,503,500	0.65
9.	Non Resident Indians	9,732,714	1.82
10.	Resident Individuals	164,874,550	30.80
11.	Others	2,104,609	0.39
	Total	535,281,183	100.00

23. OUTSTANDING GDR/ WARRANTS AND CONVERTIBLE BOND

The Company has allotted 64,169,000 Warrants, having 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.10.76 on March 12, 2014 to Promoters of the Company on preferential basis as per below details:

S. No.	Name of allottee	Category	No. of Warrants
1.	Kal Airways Private Limited	Promoter	45,000,000
2.	Mr. Kalanithi Maran	Promoter	19,169,000

Equity shares against these Warrants may be subscribed by the allottees within a period of eighteen months from the date of allotment.

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

I, S. Natrajhen, 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.

Pursuant to Clause 49(I)(D)(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, 2014.

Sd/-
S. Natrajhen
Managing Director

Date : August 14, 2014
Place : Chennai