SpiceJet Limited

30th Annual Report
2013-2014

routemap

- more than 330 flights daily
- flying to 48 destinations
- fleet of 53 aircraft

• domestic destinations
• international destinations
--- operated by tigerair

*data as on August 2014
map not to scale, graphic representation only.

SpiceJet

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kalanithi Maran	Chairman
Kavery Kalanithi	
S. Natrajhen	Managing Director
Nicholas Martin Paul	
M. K. Harinarayanan	
J. Ravindran	
R. Ravivenkatesh	

COMPLIANCE OFFICER

Chandan Sand	General Manager (Legal) & Company Secretary

REGISTRAR & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited,
Plot Nos. 17-24, Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081, Telangana
E-mail : einward.ris@karvy.com
Phone : +91- 40- 44655000

BANKERS

Allahabad Bank	Citibank N.A.
City Union Bank Limited	HDFC Bank Limited
ICICI Bank Limited	State Bank of India
Yes Bank Limited	

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

REGISTERED OFFICE

Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar
Chennai- 600 028, Tamil Nadu

CORPORATE OFFICE

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

SpiceJet Limited

CIN: L51909TN1984PLC082330

Regd. Office: Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai- 600 028

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

NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of SpiceJet Limited will be held on Wednesday, the 24th day of September, 2014 at 10.00 a.m. at The Kalaignar Arangam, Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai – 600 018 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at March 31, 2014, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. Natrajhen who retires by rotation and being eligible offers himself for re-appointment.
3. 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:

4. **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 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. M. K. Harinarayanan (DIN: 00545128), Director of the Company, in respect of whom the Company has received notice in writing 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 on the Board of Directors of the Company to hold office up to March 31, 2019."

5. **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 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. J. Ravindran (DIN: 00550700), Director of the Company, in respect of whom the Company has received notice in writing 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 on the Board of Directors of the Company to hold office up to March 31, 2019."

6. **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 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Nicholas Martin Paul (DIN: 00542620), Director of the Company, in respect of whom the Company has received notice in writing 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 on the Board of Directors of the Company to hold office up to March 31, 2019."

7. 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 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. R. Ravivenkatesh (DIN: 03565108), Director of the Company, in respect of whom the Company has received notice in writing 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 on the Board of Directors of the Company to hold office up to March 31, 2019."

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

"Resolved that pursuant to the provisions of Section 62(1)(c) of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the provisions of the Articles of Association of the Company, the Listing Agreement(s) entered into by the Company with Stock Exchange(s), where the shares of the Company are listed and in accordance with the applicable guidelines issued by Securities and Exchange Board of India (**"SEBI"**), Reserve Bank of India (**"RBI"**), Government of India (**"GOI"**) or any other authority and clarifications thereon issued from time to time, if any, and subject to all such statutory, regulatory and government approvals, permissions or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company and/ or duly authorised Committee of the Board of Directors of the Company (hereinafter referred to as the **"Board"**), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot upto (i) 60,880,629 (Sixty Million Eight Hundred Eighty Thousand Six Hundred Twenty Nine) Warrants, having 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 of upto Rs.608,806,290 (Rupees Six Hundred Eight Million Eight Hundred Six Thousand Two Hundred Ninety) to M/s Kal Airways Private Limited (**"KAL"**), Promoter of the Company; and (ii) 20,800,000 (Twenty Million Eight Hundred Thousand) Warrants, having 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 of upto Rs.208,000,000 (Rupees Two Hundred Eight Million) to Mr. Kalanithi Maran (**"KM"**), Promoter of the Company; (KAL and KM jointly referred to as **"Allottees"** and individually as **"Allottee"**) on preferential basis, in one or more tranches at an issue price to be determined in accordance with Regulation 76 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") and on such terms and conditions as the Board may deem fit.

Resolved further that the equity shares allotted consequent upon conversion of Warrants shall not in aggregate exceed five percent of the voting rights during the financial year April 1, 2015 to March 31, 2016.

Resolved further that the "Relevant Date" for calculating the minimum issue price of the Warrants (including resultant equity shares arising out of exercise of option attached to the Warrants), in terms of Regulation 71 of SEBI ICDR Regulations shall be August 25, 2014.

Resolved further that the terms and conditions of the Warrants including resultant equity shares arising out of exercise of option attached to Warrants shall be as follows:

a) Amount equivalent to at least twenty five per cent of the consideration determined in terms of Regulation 76 of SEBI ICDR Regulations shall be paid against each Warrant on or before the date of allotment of Warrants and the balance consideration shall be paid on or before December 31, 2014 or such other date as the Board may determine (with the consent of Allottees) to make the Warrants fully paid. Provided that the Allottees shall not be entitled to apply for equity shares against such Warrants on or before March 31, 2015.

b) The consideration for allotment of Warrants and/or equity shares arising out of exercise of option attached to Warrants shall be paid to the Company from the Bank Account of the Allottees.

c) Pursuant to Regulation 74(4) of SEBI ICDR Regulations, the allotment shall only be made in dematerialised form.

d) The currency of Warrants to subscribe to equity shares shall be eighteen months from the date of allotment of Warrants. Provided that the Allottees shall not be entitled to apply for equity shares against such Warrants on or before March 31, 2015. In case the option to subscribe to equity shares against such Warrants is not exercised by the Allottee within eighteen months, the consideration paid by the Allottee in respect of such Warrant shall be forfeited by the Company. However, if the Allottee has fully paid the Warrants and not exercised the option to convert the Warrants to equity shares, the fully paid Warrants shall be automatically converted to equivalent number of equity shares on the last day of expiry of eighteen months period, subject always to Regulation 72(3) of SEBI ICDR Regulations.

e) The equity shares allotted pursuant to exercise of options attached to Warrants issued on preferential basis shall be locked-in for a period of three years from the date of trading approval granted by the Stock Exchange for equity shares allotted pursuant to exercise of the option attached to Warrants in accordance with Regulation 78 of SEBI ICDR Regulations. Provided that equity shares allotted in excess of the twenty per cent of the total capital of the Company shall be locked-in for a period of one year from the date of trading approval granted by the Stock Exchange for equity shares allotted pursuant to exercise of options.

f) The entire pre-preferential allotment shareholding of the Allottees, if any, shall be locked-in from the Relevant Date upto a period of six months from the date of trading approval granted by the Stock Exchange.

g) The Warrants will neither give any voting rights nor will entitle its holders any dividend until option attached to Warrants are exercised and underlying equity shares are allotted.

Resolved further that the Board be and is hereby authorized to apply for and get the equity shares arising out of exercise of the Warrants listed on the Stock Exchange(s), where the equity shares of the Company are listed and the equity shares so allotted on exercise of option attached to Warrants shall rank pari-passu in all respect with the existing equity shares of the Company.

Resolved further that for the purpose of giving effect to the above resolution, the Board be and is hereby authorised 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 the offer, issue, allotment, listing and utilisation of the proceeds and to finalise and execute all deeds, documents and writings as may be necessary, proper, desirable or expedient as it may deem fit without being required to seek any further consent or approval of the shareholders of the Company to the intent that the shareholders shall be deemed to have given their approval thereto by the authority of this resolution.

Resolved further that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee constituted by Board of the Company or to any Director of the Company or to any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution."

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

"Resolved that pursuant to the provisions of Section 62(1)(c) of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the provisions of the Articles of Association of the Company, the Listing Agreement(s) entered into by the Company with Stock Exchange(s), where the shares of the Company are listed and in accordance with the applicable guidelines issued by Securities and Exchange Board of India (**"SEBI"**), Reserve Bank of India (**"RBI"**), Government of India (**"GOI"**) or any other authority and clarifications thereon issued from time to time, if any, and subject to all such statutory, regulatory and government approvals, permissions or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company and/ or duly authorised Committee of the Board of Directors of the Company (hereinafter referred to as the **"Board"**), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot upto (i) 80,510,749 (Eighty Million Five Hundred Ten Thousand Seven Hundred Forty Nine) Warrants, having 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 of upto Rs.805,107,490 (Rupees Eight Hundred Five Million One Hundred Seven Thousand Four Hundred Ninety) to M/s Kal Airways Private Limited (**"KAL"**), Promoter of the Company; and (ii) 26,900,000 (Twenty Six Million Nine Hundred Thousand) Warrants, having 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 of upto Rs.269,000,000 (Rupees Two Hundred Sixty Nine Million) to Mr. Kalanithi Maran (**"KM"**), Promoter of the Company; (KAL and KM jointly referred to as **"Allottees"** and individually as **"Allottee"**) on preferential basis, in one or more tranches at an issue price to be determined in accordance with Regulation 76 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") and on such terms and conditions as the Board may deem fit.

Resolved further that the equity shares allotted consequent upon conversion of Warrants shall not in aggregate exceed five percent of the voting rights during the financial year April 1, 2016 to March 31, 2017.

Resolved further that the "Relevant Date" for calculating the minimum issue price of the Warrants (including resultant equity shares arising out of exercise of option attached to the Warrants), in terms of Regulation 71 of SEBI ICDR Regulations shall be August 25, 2014.

Resolved further that the terms and conditions of the Warrants including resultant equity shares arising out of exercise of option attached to Warrants shall be as follows:

a) Amount equivalent to at least twenty five per cent of the consideration determined in terms of Regulation 76 of SEBI ICDR Regulations shall be paid against each Warrant on or before the date of allotment of Warrants and the balance consideration shall be paid on or before December 31, 2015 or such other date as the Board may determine (with the consent of Allottees) to make the Warrants fully paid. Provided that the Allottees shall not be entitled to apply for equity shares against such Warrants on or before March 31, 2016.

b) The consideration for allotment of Warrants and/or equity shares arising out of exercise of option attached to Warrants shall be paid to the Company from the Bank Account of the Allottees.

c) Pursuant to Regulation 74(4) of SEBI ICDR Regulations, the allotment shall only be made in dematerialised form.

d) The currency of Warrants to subscribe to equity shares shall be eighteen months from the date of allotment of Warrants. Provided that the Allottees shall not be entitled to apply for equity shares against such Warrants on or before March 31, 2016. In case the option to subscribe to equity shares against such Warrants is not exercised by the Allottee within eighteen months, the consideration paid by the Allottee in respect of such Warrant shall be forfeited by the Company. However, if the Allottee has fully paid the Warrants and not exercised the option to convert the Warrants to equity shares, the fully paid Warrants shall be automatically converted to equivalent number of equity shares on the last day of expiry of eighteen months period, subject always to Regulation 72(3) of SEBI ICDR Regulations.

e) The equity shares allotted pursuant to exercise of options attached to Warrants issued on preferential basis shall be locked-in for a period of three years from the date of trading approval granted by the Stock Exchange for equity shares allotted pursuant to exercise of the option attached to Warrants in accordance with Regulation 78 of SEBI ICDR Regulations. Provided that equity shares allotted in excess of the twenty per cent of the total capital of the Company shall be locked-in for a period of one year from the date of trading approval granted by the Stock Exchange for equity shares allotted pursuant to exercise of options.

f) The entire pre-preferential allotment shareholding of the Allottees if any shall be locked-in from the Relevant Date upto a period of six months from the date of trading approval granted by the Stock Exchange.

g) The Warrants will neither give any voting rights nor will entitle its holders any dividend until option attached to Warrants are exercised and underlying equity shares are allotted.

Resolved further that the Board be and is hereby authorized to apply for and get the equity shares arising out of exercise of the Warrants listed on the Stock Exchange(s), where the equity shares of the Company are listed and the equity shares so allotted on exercise of option attached to Warrants shall rank pari-passu in all respect with the existing equity shares of the Company.

Resolved further that for the purpose of giving effect to the above resolution, the Board be and is hereby authorised 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 the offer, issue, allotment, listing and utilisation of the proceeds and to finalise and execute all deeds, documents and writings as may be necessary, proper, desirable or expedient as it may deem fit without being required to seek any further consent or approval of the shareholders of the Company to the intent that the shareholders shall be deemed to have given their approval thereto by the authority of this resolution.

Resolved further that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee constituted by Board of the Company or to any Director of the Company or to any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution."

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

"Resolved that in accordance with the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or enactments thereof for the time being in force) read with Clause 48 of the Articles of Association of the Company, the authorised share capital of the Company be and hereby increased from Rs.10,000,000,000 (Rupees Ten Thousand Million) divided into 1,000,000,000 (One Thousand Million) equity shares of Rs.10 (Rupees Ten) each to Rs. 15,000,000,000 (Rupees Fifteen Thousand Million) divided into 1,500,000,000 (One Thousand Five Hundred Million) equity shares of Rs.10 (Rupees Ten) each ranking pari- passu with the existing shares of the Company and that in Clause V of the Memorandum of Association of the Company, for the words and figures:

"The Authorised Share Capital of the Company is Rs.10,000,000,000 (Rupees Ten Thousand Million) divided into 1,000,000,000 (One Thousand Million) equity shares of Rs.10 (Rupees Ten) each."

the following shall be substituted:

"The Authorised Share Capital of the Company is Rs. 15,000,000,000 (Rupees Fifteen Thousand Million) divided into 1,500,000,000 (One Thousand Five Hundred Million) equity shares of Rs.10 (Rupees Ten) each."

Resolved further that the Board of Directors of the Company be and is hereby authorised to take necessary steps and do all such acts, deeds and things as may be deemed expedient and necessary to give effect to the aforesaid Ordinary Resolution."

By order of the Board of Directors

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

Place : Chennai
Date : August 22, 2014

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.**

3. 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.

4. The Register of Members and Share Transfer Books will remain closed from September 19, 2014 to September 24, 2014 (both days inclusive).

5. 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.

6. Members are requested to bring their attendance slip along with their copy of Annual Report at the AGM.

7. 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 1:00 p.m. and 3:00 p.m. upto the date of the AGM.

8. 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.

9. 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.

10. 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.

11. 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.

12. Copies of the Annual Report 2013-2014 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 2013-2014 are being sent through permitted mode.

13. Additional information pursuant to Clause 49 of the Listing Agreement in respect of the Directors seeking appointment / re-appointment at the AGM are furnished and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.

14. The Company is pleased to provide 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 e-voting process are provided alongwith the user ID and password sent with this Notice. The Company has appointed Mrs. Lakshmmi Subramanian (CP No. 1087), 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. August 15, 2014, may cast their vote electronically.

15. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The Results on resolutions shall be declared on or after the AGM and shall be deemed to be passed on the date of the AGM. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.spicejet.com and on the website of Karvy within two days of passing of the resolutions at the AGM and communicated to the Stock Exchanges.

16. Poll will also be conducted at the AGM and any Member who has not cast his vote through 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 Nos. 4 to 7

In accordance with Clause 49 of Listing Agreement and the erstwhile provisions of the Companies Act, 1956, Mr. M. K. Harinarayanan, Mr. J. Ravindran, Mr. Nicholas Martin Paul and Mr. R. Ravivenkatesh were appointed by the Members of the Company as Independent Director. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect and as per the said provisions; the Independent Directors shall hold office for a term up to five consecutive years on the Board of a company and shall be eligible for re-appointment on passing of a special resolution. Any tenure of an Independent Directors on commencement of the Companies Act, 2013 shall not be counted and further such Independent Director shall not be liable to retire by rotation at every Annual General Meeting.

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. M. K. Harinarayanan, Mr. J. Ravindran, Mr. Nicholas Martin Paul and Mr. R. Ravivenkatesh as Independent Directors of the Company up to March 31, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 proposing the appointment of aforesaid Independent Directors.

The Board of Directors believe that the association of the aforementioned Independent Directors with the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appointment of Mr. M. K. Harinarayanan, Mr. J. Ravindran, Mr. Nicholas Martin Paul and Mr. R. Ravivenkatesh as Independent Directors as set out in Item Nos. 4 to 7 for the approval of the Members at this Annual General Meeting.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management. All the aforesaid Independent Directors have given a declaration to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Further aforesaid are not disqualified from being appointed as Independent Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as the Directors of the Company.

Other than the Independent Directors of the Company and their relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item Nos. 4 to 7 of this Notice.

Item Nos. 8 to 9

Section 62 of the Companies Act, 2013 provides, *inter-alia*, that when it is proposed to increase the subscribed capital of a company by the issue of further shares, such further shares may be offered to any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of Section 62 of the Companies Act, 2013, if it is authorised by a special resolution.

Hence, consent of the Members by way of special resolution is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 and in terms of the provisions of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 (**"SEBI ICDR Regulations"**) and the Listing Agreement executed by the Company with the Stock Exchange where the shares of the Company are listed.

The allotment of equity shares consequent upon exercise of option attached to Warrants proposed to be issued on preferential basis shall be made in following manner:

(i) The allotment of equity shares arising out of exercise of option attached to 81,680,629 Warrants proposed to be issued on preferential basis under Resolution No. 8 shall be made after March 31, 2015 but not later than eighteen months from the date of allotment of Warrants (hereinafter referred as **"Tranche I Allotment")**; and

(ii) The allotment of equity shares arising out of exercise of option attached to 107,410,749 Warrants proposed to be issued on preferential basis under Resolution No. 9 shall be made after March 31, 2016 but not later than eighteen months from the date of allotment of Warrants (hereinafter referred as **"Tranche II Allotment")**

Terms and conditions of Warrants (including resultant equity shares) and certain information as required under Chapter VII of SEBI ICDR Regulations are as under:

a) Objects of the Issue

The proceeds of the preferential issue are proposed to be utilized for expansion program of the Company, its working capital requirements and repayment of loans.

b) The intention of the promoters/ directors/ key management persons to subscribe to this offer

The proposed issue of Warrant shall be acquired by M/s. Kal Airways Private Limited and Mr. Kalanithi Maran, Promoters of the Company.

c) Pricing of the Issue

The issue of equity shares on preferential basis shall be made at a price not less than higher of the following:

i) The average of the weekly high and low of the closing prices of the related equity shares quoted on the stock exchange during the twenty six weeks preceding the Relevant Date;

OR

ii) The average of the weekly high and low of the closing prices of the related equity shares quoted on a stock exchange during the two weeks preceding the Relevant Date

Explanation

"Relevant Date" for this purpose means the date thirty days prior to the date on which the meeting of shareholders is held to consider proposed issue in terms of Section 62(1)(c) of the Companies Act, 2013. Where the Relevant Date falls on a Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date.

Both the resolutions are proposed for consent of Members by way of special resolution in the Thirtieth Annual General Meeting to be held on September 24, 2014. Accordingly the Relevant Date for both proposed preferential issue is August 25, 2014.

"Stock Exchange" for this purpose shall mean any of the recognised stock exchanges in which the equity shares are listed and in which the highest trading volume in respect of the equity shares of the Company has been recorded during the preceding twenty six weeks prior to the Relevant Date.

d) Proposed time within which allotment will be completed

The allotment of Warrants shall be completed within a period of fifteen days from the date of passing the resolution by the Members, provided that when the allotment on preferential basis is pending on account of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within fifteen days from the receipt of such approval.

e) Identity of Proposed Allottees

Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottee.

S. No.	Name of proposed allottee	Status	Fresh equity shares under Tranche I Allotment	Post Allotment holding after Tranche I Allotment**		Fresh equity shares under Tranche II Allotment	Post Allotment holding after Tranche II Allotment ***	
			No. of Shares	No. of Shares	%age	No. of Shares	No. of Shares	%age
1.	Kal Airways Pvt. Ltd.*	Promoter	60,880,629	262,398,634	38.52%	80,510,749	342,909,383	43.49%
2.	Mr. Kalanithi Maran	Promoter	20,800,000	169,710,753	24.92%	26,900,000	196,610,753	24.93%
	Total		**81,680,629**	**432,109,387**	**63.44%**	**107,410,749**	**539,520,136**	**68.42%**

* *Mr. Kalanithi Maran, Promoter of the Company ultimately controls M/s. Kal Airways Private Limited.*

** *The Post Allotment holding mentioned above assumes that outstanding 64,169,000 Warrants have been allotted consequent upon conversion of warrants.*

*** *The Post Allotment holding mentioned above assumes that all equity shares under Tranche I Allotment have been allotted consequent upon conversion of warrants.*

The proposed allotment of Warrants on preferential basis (if made) and exercise of option attached to such Warrants will not result in change in management or control of the Company as per the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereof.

f) Pre-issue & Post-issue Shareholding Pattern of the Company

i) Tranche I Allotment

The shareholding pattern of the Company Pre and Post excercise of option attached to Warrants issued on preferential basis is as mentioned below:

Category of shareholder	Pre-Issue as on August 15, 2014		Post- Issue after Tranche I Allotment	
Shareholding of Promoter and Promoter Group	**Total no. of shares**	**Percentage of total no. of shares**	**Total no. of shares**	**Percentage of total no. of shares**
Indian Promoters	350,428,758	58.46%	432,109,387	63.44%
Foreign Promoters	-	-	-	-
Total Indian Promoter and Foreign Promoter	**350,428,758**	**58.46%**	**432,109,387**	**63.44%**
Public shareholding				
Institutions	4,617,353	0.77%	4,617,353	0.68%
Non-institutions	244,404,072	40.77%	244,404,072	35.88%
Total Public Shareholding	**249,021,425**	**41.54%**	**249,021,425**	**36.56%**
Grand Total	**599,450,183**	**100.00%**	**681,130,812**	**100.00%**

Note: The aforesaid percentages are based on capital as on August 15, 2014 considering full conversion of outstanding Warrants aggregating to 64,169,000 and without taking into consideration any potential dilutions by way of issuance of shares under the ESOP scheme.

ii) **Tranche II Allotment**

The shareholding pattern of the Company Pre and Post excercise of option attached to Warrants issued on preferential basis is as mentioned below:

Category of shareholder	Pre-Issue as on August 15, 2014		Post- Issue after Tranche II Allotment	
Shareholding of Promoter and Promoter Group	**Total no. of shares**	**Percentage of total no. of shares**	**Total no. of shares**	**Percentage of total no. of shares**
Indian Promoters	432,109,387	63.44%	539,520,136	68.42%
Foreign Promoters	-	-	-	-
Total Indian Promoter and Foreign Promoter	**432,109,387**	**63.44%**	**539,520,136**	**68.42%**
Public shareholding				
Institutions	4,617,353	0.68%	4,617,353	0.59%
Non-institutions	244,404,072	35.88%	244,404,072	30.99%
Total Public Shareholding	**249,021,425**	**36.56%**	**249,021,425**	**31.58%**
Grand Total	**681,130,812**	**100.00%**	**788,541,561**	**100.00%**

Note: *The aforesaid percentages are based on capital as on August 15, 2014 considering full conversion of (i) outstanding Warrants aggregating to 64,169,000; (ii) outstanding Warrants under Tranche I Allotment; and without taking into consideration any potential dilutions by way of issuance of shares under the ESOP scheme.*

g) **Undertaking**

The Company undertakes to re-compute the price of the specified securities in terms of the provision of the SEBI ICDR Regulations, where it is required to do so. If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the Allottee.

h) **Auditors' Certificate**

A copy of the certificate from Company's statutory auditors, M/s S. R. Batliboi & Associates LLP, Chartered Accountants certifying that the preferential issue of equity shares are being made in accordance with the requirements contained in Chapter VII of the SEBI ICDR Regulations shall be placed before the general meeting.

As per Section 62(1)(c) of the Companies Act, 2013, approval of the Members by way of special resolution is required for allotment of further shares on preferential basis. Accordingly, the consent of the Members is being sought, pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 and rules made thereunder and SEBI ICDR Regulations, and in terms of the provisions of the Listing Agreements, to issue and allot equity shares under the Preferential Issue as stated in the Special Resolution.

The Directors recommend the resolution for your approval.

Mr. Kalanithi Maran (Promoter and Director) alongwith his spouse Mrs. Kavery Kalanthi (Directors) hold the entire share capital of M/s. Kal Airways Private Limited (i.e. one of the proposed Allottee).

Mr. S. Natrajhen (Managing Director) is also acting as Managing Director of M/s. Kal Airways Private Limited.

Except Mr. Kalanithi Maran, Mrs. Kavery Kalanithi and Mr. S. Natrajhen none of the directors and key managerial personnel of the Company including their relatives are, in any way, concerned or interested in the said resolution.

Item No. 10

The present authorised share capital of the Company is Rs.10,000,000,000 (Rupees Ten Thousand Million) divided into 1,000,000,000 (One Thousand Million) equity shares of Rs.10 (Rupees Ten) each. With a view to facilitate infusion of fresh share capital in the Company, it is necessary to increase the authorised share capital to Rs. 15,000,000,000 (Rupees Fifteen Thousand Million) divided into 1,500,000,000 (One Thousand Five Hundred Million) equity shares of Rs.10 (Rupees Ten) each. It is therefore proposed to increase the authorised shares capital of the Company from Rs.10,000,000,000 (Rupees Ten Thousand Million) divided into 1,000,000,000 (One Thousand Million) equity shares of Rs.10 (Rupees Ten) each to Rs. 15,000,000,000 (Rupees Fifteen Thousand Million) divided into 1,500,000,000 (One Thousand Five Hundred Million) equity shares of Rs.10 (Rupees Ten) each.

The Directors recommend the resolution for your approval.

None of the directors and key managerial personnel of the Company including their relatives are, in any way, concerned or interested in the said resolution except to the extent of that new equity shares as may be allotted to them as per terms of offer for allotment of these shares.

ADDITIONAL INFORMATION AS PER CLAUSE 49 (IV)(G)(i) OF THE LISTING AGREEMENT

Brief resumes and other information in respect of Directors seeking appointment/ re-appointment at the Annual General Meeting are given below:

Mr. S. Natrajhen

Mr. S. Natrajhen aged about 56 years holds a Bachelor's degree in Commerce from the University of Madras with distinction. He has been Chief Operating Officer of the Company from November 2010 upto November 2011. Prior to joining SpiceJet Limited, Mr. Natrajhen was the Chief Financial Officer of Sun TV Network Limited and was responsible for the accounting and financial functions as well as execution of strategic initiatives of Sun TV Network Ltd. Mr. Natrajhen carries more than 34 years of rich and successful experience in Finance, Governmental liaison and General Management.

He holds does not hold any share in SpiceJet Limited.

Mr. Natrajhen also holds directorship in Kal Airways Private Limited, Sun Distribution Services Private Limited and Kal Radio Limited.

Mr. M. K. Harinarayanan

Mr. M. K. Harinarayanan, aged about 51 years hails from a traditional family who pioneered the brick industry in 1941. He is a developer of residential layouts in the western part of Chennai and owns and operates Service Apartments to cater to the present influx of entertainment, communication and IT industries.

He is a Director in Sun TV Network and also holds committee Memberships/ chairmanships as per following details:

Company Name	Committee Name	Membership/ Chairmanship
Sun TV Network Limited	Audit Committee	Member
Sun TV Network Limited	Remuneration Committee	Member
Sun TV Network Limited	Investors Grievance Committee	Chairman
SpiceJet Limited	Audit Committee	Member
SpiceJet Limited	Investors Relation Committee	Member
SpiceJet Limited	Compensation Committee	Chairman

Mr. M. K. Harinarayanan does not hold any share in SpiceJet Limited.

Mr. J. Ravindran

Mr. J. Ravindran aged about 39 years holds a bachelor's degree in Arts and law degree from the University of Madras. Mr. Ravindran is an advocate by profession and was former Assistant Solicitor General of India, Madras High Court.

He is a Director in Sun TV Network Limited, Kal Radio Limited and South Asia FM Limited. He also holds committee Memberships/ chairmanships as per following details:

Company Name	Committee Name	Membership/ Chairmanship
Sun TV Network Limited	Investors Grievance Committee	Member
Sun TV Network Limited	Audit Committee	Chairman
Sun TV Network Limited	Remuneration Committee	Chairman
South Asia FM Limited	Remuneration Committee	Chairman
South Asia FM Limited	Audit Committee	Chairman
Kal Radio Limited	Audit Committee	Chairman
Kal Radio Limited	Remuneration Committee	Chairman
SpiceJet Limited	Compensation Committee	Member
SpiceJet Limited	Audit Committee	Chairman
SpiceJet Limited	Investors Relation Committee	Chairman

Mr. J. Ravindran does not hold any share in SpiceJet Limited

Mr. Nicholas Martin Paul

Mr. Nicholas Martin Paul aged about 47 years holds a Bachelor's Degree in History from University of Madras. Mr. Paul was inducted as a Member of the Board of SpiceJet in November 2010. He brings with him experience in general business management.

Mr. Paul is Director in Sun TV Network Limited, Tan Business Ventures Private Limited, Tan Retail Ventures Private Limited, Splendid Fine Foods Private Limited, P & N Business Ventures Private Limited and Sol Ventures Private Limited. He also holds committee Memberships/ chairmanships as per following details:

Company Name	Committee Name	Membership/ Chairmanship
Sun TV Network Limited	Investors Grievance Committee	Member
Sun TV Network Limited	Audit Committee	Member
Sun TV Network Limited	Remuneration Committee	Member
SpiceJet Limited	Compensation Committee	Member
SpiceJet Limited	Audit Committee	Member
SpiceJet Limited	Investors Relation Committee	Member

Mr. Paul does not hold any share in SpiceJet Limited.

Mr. R. Ravivenkatesh

Mr. R. Ravivenkatesh aged about 48 years holds a Bachelor's degree in Arts. He has rich experience in Textile Industry which includes garment export, handling of textile mill and manufacturing of textile machineries. Mr. Ravivenkatesh was appointed as Director on Board of SpiceJet with effect from April 19, 2012.

Mr. Ravivenkatesh is also a Director in Sun TV Network Limited and holds Membership of Audit Committee, Remuneration Committee and Investors Grievance Committee of Sun TV Network Limited.

He holds 16,000 shares in SpiceJet Limited.

DIRECTORS' REPORT

Dear Members,

The Directors hereby present the Thirtieth Annual Report of the Company and the Audited Accounts for the year ended March 31, 2014.

1. Financial Results

(Amount in Rs. Million)

Particulars	March 31, 2014	March 31, 2013
Gross Income	**64,370.53**	**58,051.41**
Operating Expenses	60,081.98	48,104.77
Employee Benefit Expenses	5,756.95	5,267.99
Selling Expenses	3,521.47	2,791.45
Other Expenses	2,193.82	1,805.33
Finance Cost	1,366.15	1,157.18
Depreciation and Amortisation Expenses	1,482.60	835.45
Profit/ (Loss) before taxation and prior period items	(10,032.44)	(1,910.76)
Tax Expenses	-	-
Prior Period items	-	-
Profit/ (Loss) after taxation	**(10,032.44)**	**(1,910.76)**

2. Business

The Company completed its ninth year of operations on May 23, 2014. During its ninth year of operations, the Company focused on consolidating its operations on key routes and as on March 31, 2014 maintained its fleet size to 58 aircraft covering 51 destinations and operating 331 flights per day.

During the year ended March 2014, the Company carried 13.54 million passengers. Further, the average load factor of 72% was recorded, with a market share of over 17.8% for the month of March 2014. The Company also improved its average deployed fleet to 53.50 aircraft versus 45.90 aircraft for previous year.

Your Company also focused on processes to generate ancillary revenues which effectively offset cost of operations. The Company's operating revenue per ASKM has come down to Rs. 3.42 from Rs.3.50 in previous year.

Members are also requested to refer to Section 3 under Management Discussion and Analysis for developments at SpiceJet.

3. Share Capital

- Consequent upon exercise of option attached to Warrants, 15,000,000 (Fifteen Million) 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.26.18 allotted to Mr. Kalanithi Maran, Promoter of the Company on preferential basis during the financial year 2012-13 were converted into equity shares on November 30, 2013.
- In March 2014, the Company has also allotted (i) 45,000,000 (Forty Five Million) 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 to M/s Kal Airways Private Limited, Promoter of the Company; and (ii) 19,169,000 (Nineteen Million One Hundred and Sixty Nine Thousand) 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 to Mr. Kalanithi Maran, Promoter of the Company.

  These Warrants are convertible into equity shares (at the option of Allottee) effective April 1, 2014 in accordance with terms of issue of these Warrants.

4. Postal Ballot

In February, 2014 the Members of the Company approved the following proposals by way of postal ballot:

(a) Create, offer, issue and allot upto (i) 45,000,000 Warrants, having option to apply for and be allotted equivalent number of equity shares of the face value of Rs.10 each to M/s Kal Airways Private Limited; and (ii) 19,169,000 Warrants, having option to apply for and be allotted equivalent number of equity shares of the face value of Rs.10 each to Mr. Kalanithi Maran; and

(b) Consent to the Board of Directors of the Company under Section 180(1)(c) of the Companies Act, 2013 to borrow money from time to time up to a limit not exceeding in aggregate Rs.5,000 Crore.

5. Dividend

The Board of Directors have not recommended any dividend in view of the performance of the Company for the financial year ended March 31, 2014.

6. Directors

In terms of the provision of Section 152(6) of the Companies Act, 2013, Mr. S. Natrajhen is liable to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

The Company has received requisite notices under Section 160 of the Companies Act, 2013 in writing proposing the appointment of Mr. M. K. Harinarayanan, Mr. J. Ravindran, Mr. Nicholas Martin Paul and Mr. R. Ravivenkatesh as Independent Directors of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

The profiles of these Directors, as required by Clause 49 of the Listing Agreement, are given along with the Notice of the Annual General Meeting.

7. Personnel

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, readwith Companies (Particulars of Employees) Rules, 1975 as amended, forms part of the Directors' Report. However, as per provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the Members of the Company, excluding the statement of particulars under Section 217 (2A) of the Companies Act, 1956. The Statement is open for inspection at the Registered Office of the Company during working hours.

8. Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the operating management, confirm:

(i) that in the preparation of the accounts for the year ended March 31, 2014, except otherwise disclosed, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) that except otherwise disclosed in the Notes to the Accounts, they 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 or loss of the Company for that period;

(iii) that, except otherwise disclosed in the Notes to the Accounts, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that they have prepared the accounts for the year ended March 31, 2014 on a going concern basis.

9. Response on Auditors' Report:

In accordance with Section 217(3) of the Companies Act, 1956, 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, 2014.

10. 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	1,407,225
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.	131,175
g)	Variations of terms of options	Nil
h)	Money realised by exercise of options	Not applicable
i)	Total number of options in force	1,276,050
j)	Employee wise details of options granted to:	
	i) senior management personnel	No grants were made to any senior management personnel during the year under review.
	ii) 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
	iii) 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"	(19.16)			
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.			
	Assumptions	**Grant 1**	**Grant 2**	**Grant 3**	**Grant 4**
	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

11. Conservation of Energy & Technology Absorption

The management is highly conscious of the criticality of the conversation 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 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company and hence not furnished.

12. Foreign Exchange Earnings & Outgo

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

13. Public Deposits

The Company has not invited/ accepted any deposits from the public during the financial year ended March 31, 2014.

14. Auditors

The 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.

15. 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.

16. Information as required under the listing agreement

Shares of the Company are presently listed at BSE Limited, P. J. Towers, Dalal Street, Mumbai and the Company has paid listing fee upto March 31, 2015 in respect of above stock exchange.

17. Acknowledgement

The Directors are thankful to the Members and Investors for their confidence and continued support. The Directors are grateful to Central and State Government, Stock Exchange, Securities & Exchange Board of India, Reserve Bank of India, Ministry of Civil Aviation, DGCA, Custom and other Government Authorities, Banks and last but not the least, its trusted passengers for their continued support.

The Directors would like to express their sincere thanks and appreciation to all the employees for their commendable teamwork and professionalism.

For and on behalf of the Board

	Sd/-	Sd/-
Place : Chennai	S. Natrajhen	Nicholas Martin Paul
Date : August 14, 2014	Managing Director	Director

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, 2014, 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.

(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 Gupta
Proprietor
FCS 2870::CP 1999

Date : August 14, 2014
Place : New Delhi

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
27th AGM (2010-11)	September 29, 2011 at 10.00 a.m.	The Kalaignar 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.
28th AGM (2011-12)	September 26, 2012 At 10.00 a.m.	The Kalaignar Arangam, Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai- 600018	Not applicable
29th AGM (2012-13)	September 25, 2013 At 10.00 a.m.	The Kalaignar 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: *Total no. of postal ballot treated as invalid*	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 30th Annual General Meeting	Venue: The Kalaignar 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*

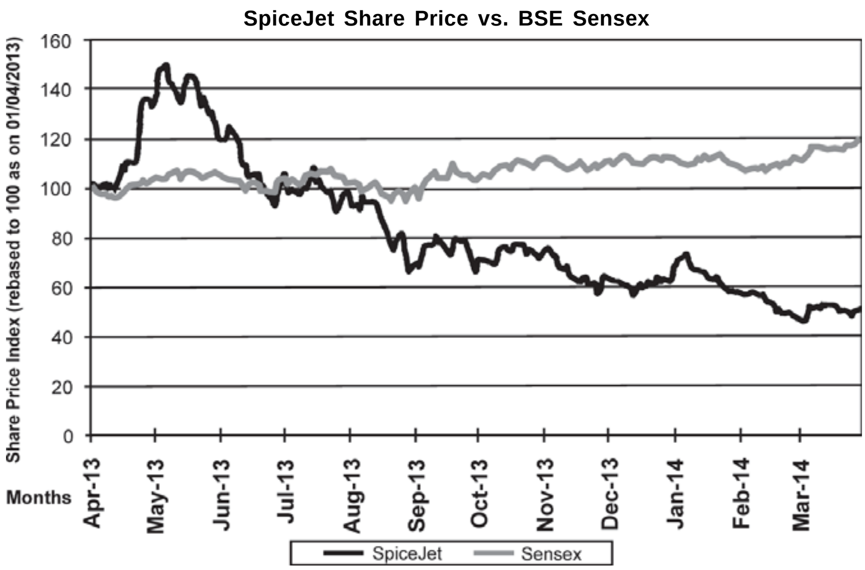
The market capitalisation of the Company is included in the computation of BSE 500 Index. The table below sets out the monthly high and low quotations of the shares traded at BSE Limited during the period under review:

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 PATTERN 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

MANAGEMENT DISCUSSION AND ANALYSIS

Investors are cautioned that this discussion contains forward looking statements that involve 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

India, Asia's third-largest economy grew 4.7% in FY 2013-14, slower than an official estimate of 4.9% and higher than 4.5% growth in FY 2012-13. It marks the second straight year of sub-5 percent growth - the worst slowdown in more than a quarter of a century. This was driven by the slow-down in the industrial sector which grew only 0.4% from 1% a year earlier, and a moderate growth in the services sector of 6.8% in FY14 compared to 7.0% in FY 2012-13. The CAGR of the services sector GDP was 10% for the period FY2004-05 to FY2011-12.

While a fragile global economy has weighed on growth, delays in tackling structural impediments, such as rising inequality, high inflation, infrastructure shortages and public spending effectiveness have also been important factors. Although WPI (Wholesale Price Index) inflation declined to 5.9% in FY2013-14 from 7.4% in FY2012-13, seasonal spikes in fruits and vegetable prices along with a sustained price increase in some other food items remained a cause of concern, as this eroded the purchasing power of large sections of the society. CPI (Consumer Price Index) also continued to remain high at 9.5% in FY2013-14, compared to marginally higher rate of 10.2% in FY2012-13. Tight monetary policy to contain inflationary expectations and capital flight also had an impact on domestic demand. Consumer confidence deteriorated, fixed investment also slowed, in line with sluggish demand and higher interest rates in FY2013-14.

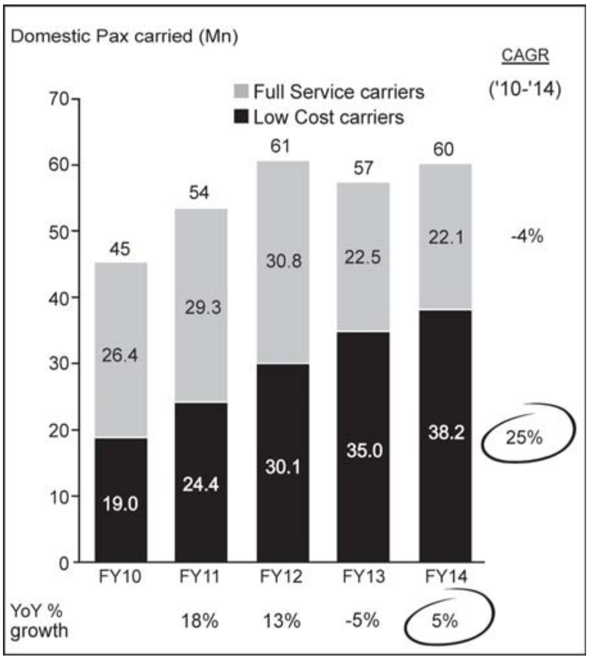
b) Prospects, Short Term and Medium Term

Going forward in FY2014-15, World Bank has projected an economic growth rate of 5.7% for India due to a more competitive exchange rate and several significant investments going forward. Industrial growth is expected to improve to ~3-4% in FY2014-15 helped by rural consumption and exports demand and is likely to be the highest since FY2011-12. Exports are likely to continue to grow in FY 2014-15 due to an economic recovery, though still fragile, in the US and Euro-zone. Rural demand is expected to remain strong in view of the robust FY2013-14 growth and stable FY 2014-15 growth in the agricultural sector. A stable agricultural and partial industrial recovery is likely to improve services growth to 7-8% in FY2014-15.

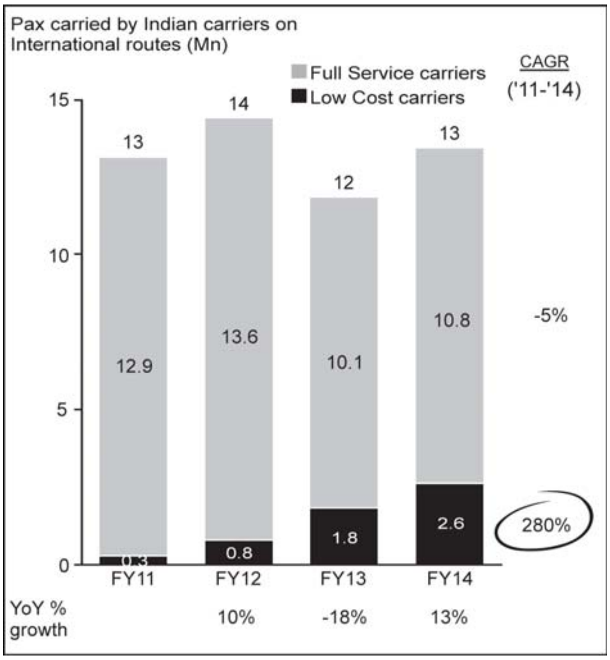
Also, with the national elections mandating a new majority government, there is renewed optimism over the de-blocking of many issues, projects and policies that had been on hold pending the election. While foreign direct investment into India grew 8% year-on-year to $24.3 billion in FY2013-14, improved global investor sentiment is expected to result in higher inflows of FDI in FY2014-15. The Indian economy is expected to start turning around as inflation is abating, the current account deficit is narrowing, forex reserves are accumulating and growth is just starting to rise. The meteoric rise of the stock market in the first few months of FY 2014-15 is testament to the fact that Indian economy is on its right path. Ultimately, all this is expected to lead to higher consumer confidence and spending and as a result likely higher demand for services like air travel.

2. Indian Aviation

The Indian Domestic Aviation market registered a growth of 5% in FY 2013-14. Domestic passengers carried during this year stood at 60.3 million. Market share of Low Cost Carriers ("LCC") comprising SpiceJet, Indigo, Jet Lite, Go Air continues to increase at the cost of the full service carriers. The market shares of the LCCs increased to 64% in the domestic space, with ~25% growth CAGR for domestic passengers carried over the last 4 years. Indian LCCs (Indigo, SpiceJet) have also increased their foothold on International routes, making up ~20% of the passengers carried by Indian carriers on International routes. This clearly demonstrates that LCCs have the business model to drive growth and sustain its operations.

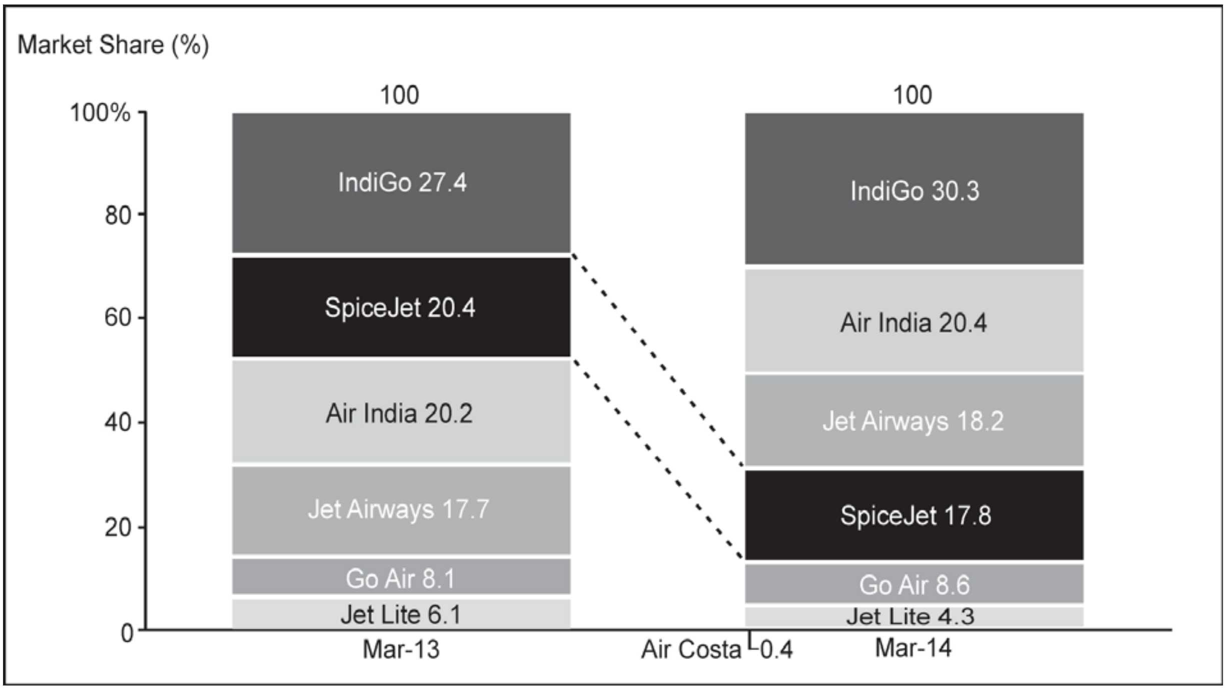


Domestic Market share of LCCs



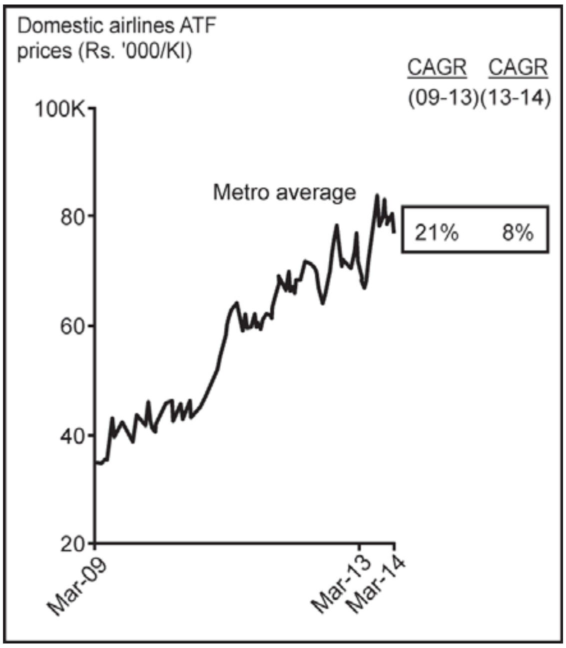
International Market share of Indian LCCs

During the fiscal FY 2013-14, SpiceJet's domestic market share varied from 17.2% to 20.0% for the different months. As on March 2014, SpiceJet's market share stood at 17.8%.

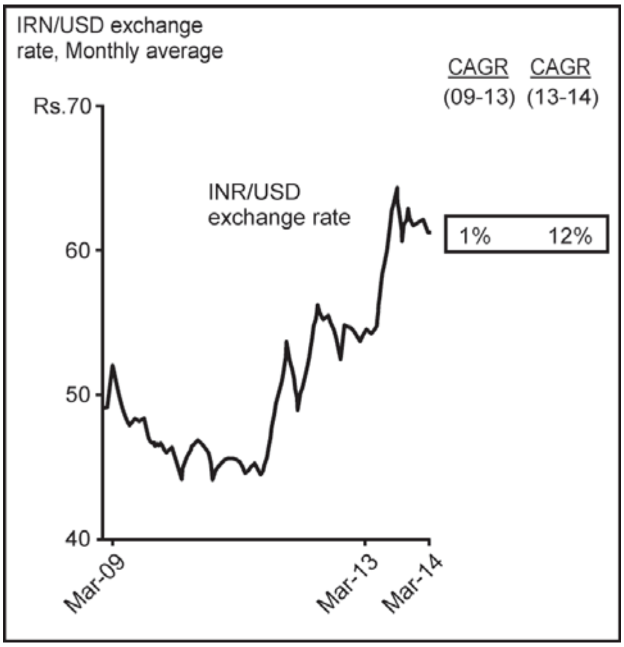


Macro-economic factors have been a significant driver of Indian aviation industry losses.

- **ATF prices** have been consistently rising over the past few years. In FY 2013-14, there was ~8% rise in domestic ATF prices. Fuel costs in India are 30-40% higher than international levels and contribute to ~50% of an airline's operating expenses in India. While International crude prices remained around USD 95 per barrel there was no respite in domestic ATF prices.
- **Rupee weakened** by 12% in FY 2013-14, from Rs.54.2 per USD in FY 2012-13 to Rs.60.4 per USD in FY 2013-14, thereby contributing to higher fuel costs and other structural costs.



High ATF prices



Week Rupee

The profitability of all the airlines was stressed on account of fuel and dollar rates, impacting the profitability substantially.

However, the new government has outlined a number of important initiatives on it's agenda to help the struggling aviation sector in India:

- Developing a consensus on reducing VAT on jet fuel across the states to 4%; Currently, VAT on jet fuel (a state subject) is around 28-30% in most states;
- Making loans available to airlines at lower rates to help them meet challenges like access to the working capital;
- Identification of 50 locations for developing new airports in smaller cities and towns across the country.

Furthermore, the gap between rail and air fares has narrowed down further after the 14.2% rail tariff hike announced in the Rail Budget for FY 2014-15, an event that could encourage some railway passengers to shift to air travel. As per CAPA estimates, domestic traffic is expected to increase by 6-8%, while International traffic is expected to strengthen to ~10% in FY 2014-15.

3. Developments at SpiceJet

a) Shareholders Consolidation

During the year under review the Promoter infused additional capital into the Company thereby increasing their stake from 48.59% to 53.48%. The Promoters have further subscribed to 64.169 million Warrants having option to apply for any be allotted equivalent number of equity shares. With the above conversion of Warrants the Promoters stake in the Company shall increase to 58.46% which re-affirms Promoter's long term vision and commitment of building SpiceJet a reliable and profitable airline.

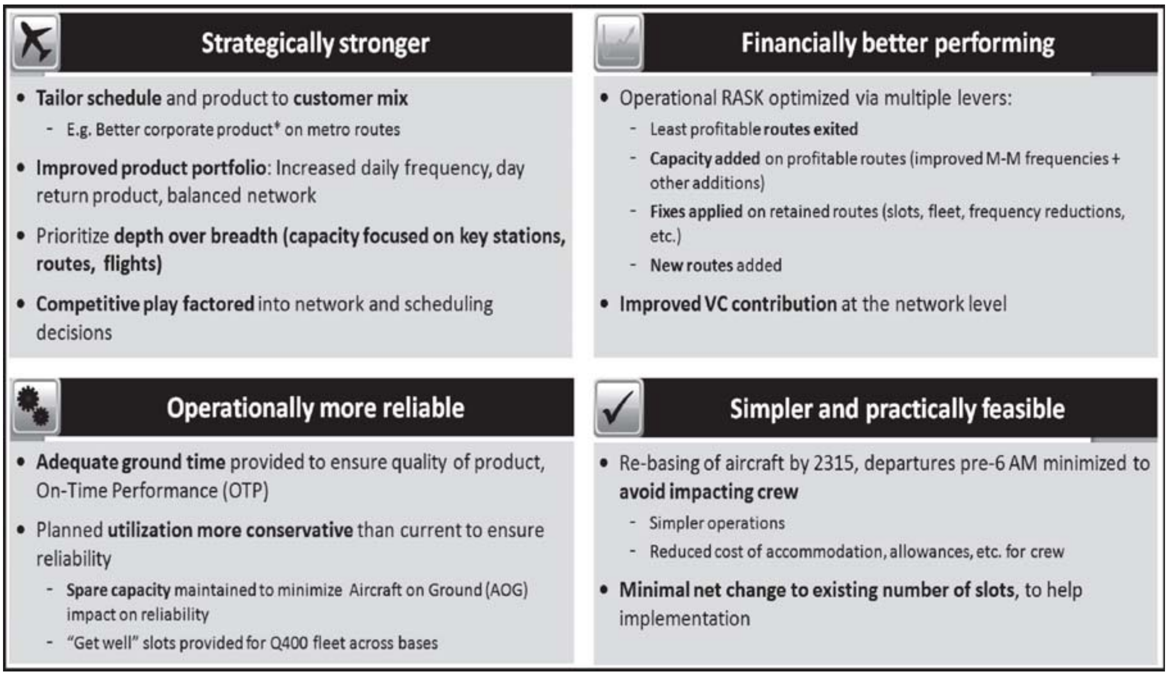
b) Fleet additions and network consolidation

During the year, SpiceJet inducted seven (7) Boeing 737NGs and re-delivered one (1) aircraft taking its fleet size to fifty eight (58) at the end of the year. One (1) domestic station (Dharamshala) was added to the network while one (1) international airport (Muscat) came under SpiceJet's growing international presence.

SpiceJet launched its new network and schedule for better loads and improved financial performance from March 30, 2014. In the new network, twenty six (26) routes and seven (7) stations were discontinued, along with capacity reduction on fourteen (14) routes. Stations dis-continued include Bhopal, Allahabad, Pondicherry, Tiruchirappalli, Guangzhou, Riyadh and Bangkok.

With the new and revamped network SpiceJet now has national presence with healthy exposure in three key segments, viz. Main line domestic routes (amongst Tier I & Tier II cities), Regional domestic routes (amongst Tier II & Tier III cities) and International routes.

The new network has been put in place keeping in mind 4 key principles, as outlined below:



c) Pricing and Inventory management strategy

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

a. Improving loads through advance purchase sales and promotions designed to stimulate the market, properly fenced to minimize dilution.
b. Improving yields through a combination of
   i. Increased close-in pricing (where SpiceJet has been taking the lead in recent times)
   ii. Improved customer mix (increase share of customers who book in the highest fare D0-7 window, traditionally a sweet spot of our competitor)
c. Advance purchase sales and promotions, which are strictly inventory controlled, also act as free advertising due to huge media coverage
d. Sales and promos largely targeting low season, which in India are much deeper troughs than typical, and have improved month entry loads year-over-year.

d) Cabin Reconfiguration of Boeing 737 fleet

All other LCCs in India have premium seats, while SpiceJet had the fewest. Keeping in mind the market demand, the first 5 rows and exit rows of SpiceJet Boeing fleet have been re-configured to be premium seats at 35" pitch. This is saleable for incremental cost or provided complimentary to corporate passengers at certain fare level. The seat reconfiguration has been achieved with removal of only 3 seats (down to 186 from 189) which results in highest number of premium seats for sale (between 30 to 42 depending upon use of exit rows), thereby providing additional revenue opportunity for the airline.

e) Improved Service offerings

- SpiceJet launched SpiceMAX to provide priority service to corporates and premium passengers.
- SpiceJet has significantly improved its offerings of Best meals in Indian skies today, with added choices with photographs when booking on the web. Customers can now pick their specific choice of meal from an extensive menu on spicejet.com at time of booking, or after booking using Manage My Booking.

f) Branding overhaul

SpiceJet has reinforced it's distinct identity and personality, conveyed through stronger, more confident positioning and messaging.

g) Interlines and alliances

With the launch of our interline program with Tiger Airways of Singapore, passengers can now travel to Singapore via Hyderabad and Bangalore, thereby giving more travel options to its passengers.

For details and bookings, log on to SpiceJet.com or call ✆ 0987-180-3333 / 0965-400-3333

h) SOCCH ("Think right")

A unique program called SOCCH has been launched to deliver excellence in service at each and every customer touch point.

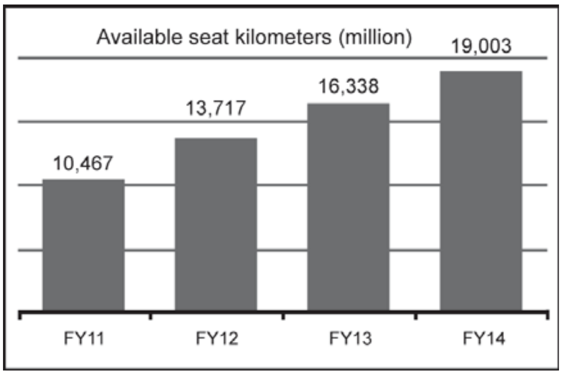
SOCCH: SAFE ON TIME CLEAN COURTEOUS HASSLE FREE

SOCCH program launched to emphasize the importance of great product and superior customer service

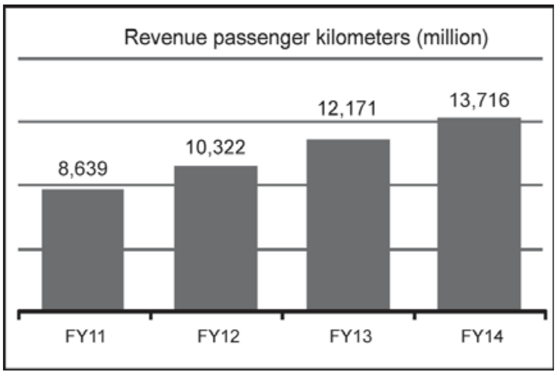
BOOKING AND PRE-FLIGHT	AIRPORT - DEPARTURE	AIRCRAFT AND INFLIGHT	ARRIVAL AND AIRPORT	POST FLIGHT / OTHER
• **Improved web-site** • Improved call center processes • New customer-friendly e-ticket • New products, offers and promos • Improved visibility and distribution • **Revamped premium seats** • No more commercial cancellations • No more flight advancements • Improved IROPS handling	• Cleaner, fresher check-in areas • Standardized ribbon queues • **Return of MAX priority service** • **Personal attention training and focus** • Flat-tyre rule for pax who miss flight • Softer approach to baggage (2-3 kg) • More accurate FIDS displays • Fewer, better announcements • On-the-spot service recovery	• Cleaner aircraft inside and out • Improved cabin maintenance • Flexible food service including swaps • Menus displayed clearly in seats • **2x choices for hot meals** • Shorter, sharper cabin announcements • Focus on warmth and "Little delights" • **Re-vamped inflight magazine** • **Smarter cabin crew appearance**	• "Recommend us" in the farewell announcement • Pilots bid pax goodbye • Faster baggage delivery • **More informative announcements** • More visible staff presence at belt • **On-the-spot service recovery** • Station manager emails in magazine	• Express customer emails channel • **Senior mgmt. responses to emails** • Faster service recovery • Better capture of contact info • **More regular email blasts** • **Corporate FFP program launched** • More premium seats • **Better legroom across whole cabin** • **New interline agreements**

4. Operational and Financial Highlights

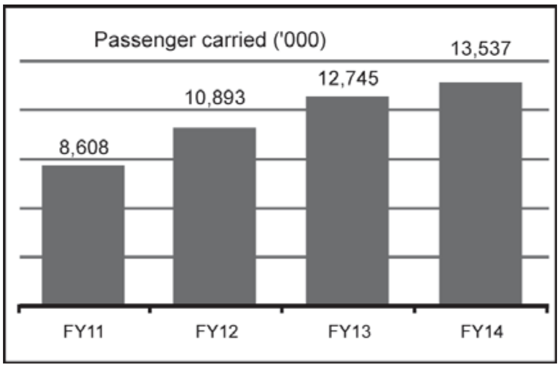
a) Operational highlights:



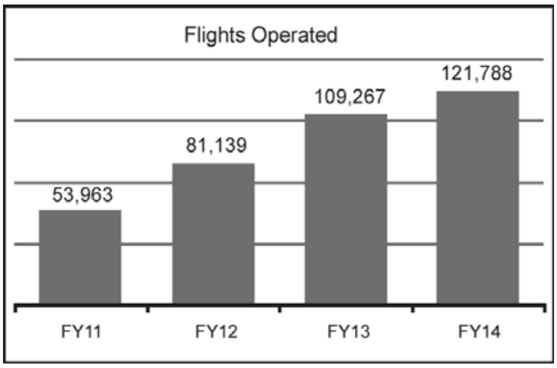
Capacity deployed in ASKM increased by 16.3% due to aircraft induction of Boeing 737.



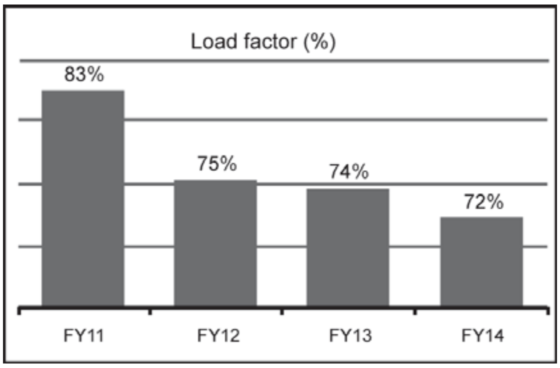
RPK's grew by 12.7% and this growth was impacted by marginally lower load factors during the financial year and deployment of the aircraft on relatively shorter sectors.



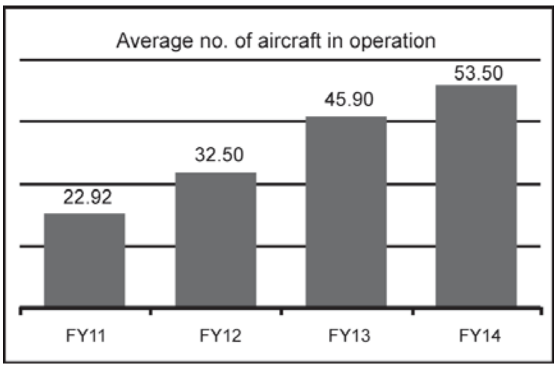
Passengers carried witnessed a growth of 6.2%.



Flights operated increased by 11.5% due to induction of new Boeing 737.

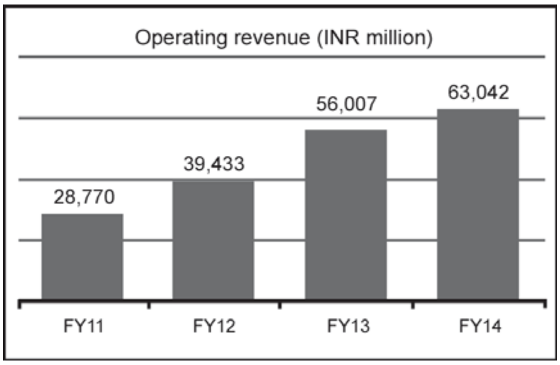


Load factors marginally decreased due to general state of economy and the company increasing fares to offset costs.

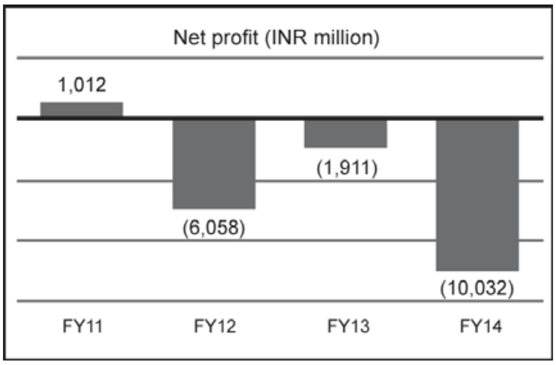


Average number of Aircraft in operation increased by 16.5% due to induction of new Boeing 737.

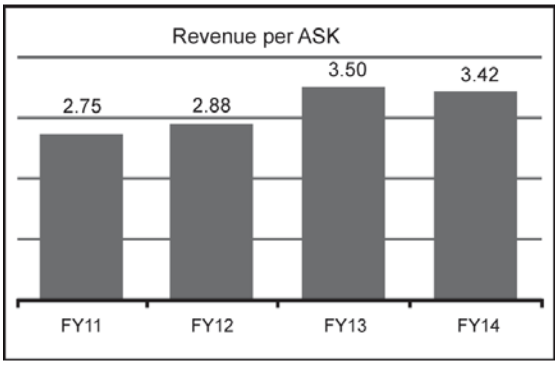
b) Financial highlights



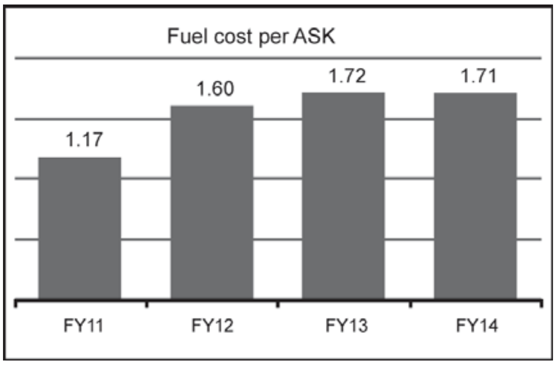
Operating revenue increased by 12.6% due to addition of aircraft and introduction of new destinations.



Net loss of company increased due to continued weakness in the rupee and higher fuel prices. Yields and load factor were under pressure due to tough economic environment especially in Quarter 2,3 and 4.



2.2% reduction in Revenue per ASKM due to decrease in load factor.



0.6% reduction in fuel cost per ASK is due to increase in international operations.

c) Revenues

SpiceJet's total revenues increased by 10.89% to Rs. 64,370 million in FY 2013-14 from Rs. 58,051 million in FY 2012-2013.

Revenue from operations increased by 12.56% to Rs. 63,042 million in FY 2013-14 from Rs.56,007 million in FY 2012-13.This increase was driven by better capacity utilization.

Other Income during FY 2013-14 decreased by 41.68% to Rs.944 million from Rs.1,618 million in FY 2012-13.

d) Expenses

Total operating expenses for FY 2013-14 increased by 25% to Rs.60,082 million from Rs. 48,105 million in FY 2012-13.

Operating Expense	FY 2014 (Rs. in million)	FY 2013 (Rs. in million)	Variance
Aircraft fuel and oil	32,526.60	28,033.15	16%
Lease rental-aircraft, rotable and engines	10,531.74	8,081.02	30%
Aircraft maintenance cost	9,932.53	6,737.56	47%
Aviation insurance	329.28	322.22	2%
Landing, navigation and other airport charges	4,740.10	3,540.11	34%
Inflight and other passenger amenities	534.50	523.96	2%
Operating software charges	741.84	571.03	30%
Aircraft delivery and re-delivery costs	291.48	80.04	264%
Other operating expenses	453.91	215.67	110%

i) Aircraft Fuel & Oil

Expenditure on aircraft fuel increased by 16% to Rs.32,527 million in FY 2013-14 from Rs.28,033 million in FY 2012-13. This increase is mainly due to increase in consumption of aviation turbine fuel and average price increase.

ii) Lease Rental-Aircraft, Rotable and Engines

Expenditure on lease rental-aircraft, rotable and engines increased by 30% to Rs.10,532 million in FY 2013-14 from Rs.8,081 million in FY 2012-13. This increase in mainly due to increase in the fleet size and rupee depreciation.

iii) Aircraft Maintenance Cost

Expenditure on aircraft maintenance cost increased by 47%. The increase in maintenance and repair costs in FY 2013-14 is essentially due to increased volume of operations, depreciating rupee and engine repairs.

iv) Other Operating Expenses

Other operational expenses increased by 35%. The increase in landing, navigation, other airport charges, in flight & other passenger amenities and other operating costs was primarily due to the increase in the rates by authorities; this year also witnessed some additional cost due to re-delivery cost as against the previous year.

v) Employee Benefits/ Expenses

Expenses with regard to employee remuneration and benefits increased by 9% to Rs.5,757 million in FY 2013-14 from Rs.5,268 million in FY 2012-13. The increase was mainly due to increase in operations.

vi) **Selling Expenses**

Selling expenses increased by 26% to Rs.3,521 million for FY 2013-14 from Rs.2,791 million for FY 2012-13. This increase was mainly due to increase in revenue.

vii) **Other Expenses**

Other expense increased by 22% mainly due to increase in crew costs, travel and conveyance due to increase in operation.

viii) **Finance Cost**

Finance cost have increased during the fiscal year 2014 by 18% to Rs.1,366 million from Rs.1,157 million due to depreciating Rupee.

ix) **Depreciation**

Depreciation increased by 77% to Rs.1,483 million in FY 2013-14 from Rs.835 million in FY 2012-13. This increase was mainly due to full year impact of 15 Bombardier Q400 aircraft and rupee depreciation.

5. Opportunities, Risks, Concerns and Threats

Demand for air travel has risen steadily over the years, and posted a 5% growth over the last fiscal. This however, by any means is nowhere close to the true potential of this market. With the new buoyancy in the markets and the formation of a majority government, industrial activity has increased which will give rise to increased travel. Additionally, the lifting of economic gloom will generate additional general travel of visiting friends & relatives, off -site family vacations. These are evident from the current trends. It is expected that the demand should grow around 8-9% year on year for this fiscal; and if this feel-good factor along with increased economic activity stays around 6-7% in terms of GDP growth, this industry has the potential to grow around 9-10%.

The underlying risks and concerns emanate from (a) the high cost structure posed due to the fuel prices and its taxation thereof, and due to the rising foreign exchange rates and (b) fragile nature of demand which is sensitive to the prices. Fuel prices has been a big concern over the years. Its 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. Of course there are indications that there may be a rethink during the next fiscal – hence it remains a clear obstacle towards airline profitability.

With the emergence of new airlines, and the advantages inherent to a couple of airlines who have come under the new FDI regulations, we will have to wait and see on what their strategies are going to be. If they start expanding too fast and in the process load this market with over capacity, just when the incumbent airlines are lifting itself on an increasing demand in travel, the realisations by way of load factors will be lower and hence profitability will be challenged. This will be a threat which needs to be countered.

6. Future Outlook for SpiceJet

Clearly the opportunities due to the economic activity outweigh the risks and concerns. Your company is well in the process of consolidating its position in this market. Your company's management have refrained from adding additional capacity during FY 2014-15 and have reduced its capacity entering into Q1 of FY 2014-15. Thereafter the capacity will remain flat over the next two years. However, the company will strive to increase its asset utilisation to produce more seat-kilometers depending on windows of opportunities. Your company has strengthened (a) its product offerings by introducing variants like SpiceMax, etc. which will enhance its ancillary revenue potential, (b) its revenue management practices through which passenger revenues shall be maximised, (c) its constant efforts to drive the costs down by optimising resources, increased asset utilisation, etc. and (d) its focus on customer centricity by improvements ranging from Ontime performance, hassle free travel, Clean aircraft, increased courtesies and instant communications.

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

We as an organization believe in building and sustaining a strong culture of positive working relationships between employees and we recognise that the success of the Company is deeply embedded in the success of its human capital. Over the review period the emphasis was on smooth functioning of HR operations through dedicated HR professionals – not just an employee grievances channel, but by implementing HR processes and devising ways of ensuring effectiveness and accuracy. We have worked through continuous assessment to 'value add' over the Human Resource policies and programs.

We reviewed and rolled a strong and transparent Performance Management system to ensure merit as a key indicator along with internal and external pay parity for growth and development of employees. There is an ongoing inclination towards improving individual contribution and driving overall organizational performance with individual development. As a Company we applied to our employees to work towards more effective deliveries and productivity in work performance which clearly lead towards getting opportunities internally through career progression plans.

We work to identify both internal and external best practices in order to benchmark HR activities. Execute Employee Engagement activities to create energy, enthusiasm and fun at the workplace. We also encourage employee bonding events/ engagements which are designed to create team experiences that bring the team together, stimulating team identity, spirit and belonging.

The Company also facilitated and organized training programs in various team building and soft skills to optimize employee motivation and overall development. There has been a constant effort in terms of providing best physical conditions, clean environment and basic amenities to employees with ongoing knowledge sharing through our communication channel to all employees.

We have a legal system to ensure required legal compliance on all statutory matters related to employees while we create positive external relationships with a view to further benefits to the organization.

Overall, it is our endeavour to help employees in nurturing their aspirations while enhancing their productivity. The strength of the Company workforce as on March 31, 2014 was 5,639 and we laid high emphasis on employee work productivity by creating a high performance culture and an enabling environment through alignment of business requirements and individual goals.

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, 2014, and 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

Management is responsible for 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 notified under the Companies Act, 1956, read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

Basis for qualified opinion

As more detailed in note 34 (a) (i) of the financial statements, no provision has been made for interest of Rs. 74.71 million up to March 31, 2014 (Rs. 74.71 million in the previous year), relating to earlier years, on the outstanding inter-corporate deposits taken by the Company. Had the same been accounted for, the net loss for the year ended March 31, 2014 and accumulated losses as at that date would have been higher by Rs. 74.71 million (Rs. 74.71 million in the previous year). Our audit report for the year ended March 31, 2013 was also qualified in respect of the above matter.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 (a) which indicates that the Company has incurred a net loss of Rs 10,032.44 million during the year ended March 31, 2014 and as of that date, the Company's total liabilities exceed its total assets by Rs 10,194.76 million. These conditions, along with other matters as set forth in Note 2 (a), indicate the existence of a material uncertainty regarding the Company's ability to continue as a going concern. Management's plans in this regard are more fully described in the said note.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   (a) We have 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 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) *Except for the matter described in the Basis for Qualified Opinion paragraph*, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs; and

   (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

per S. Balasubrahmanyam
Partner
Membership Number: 053315

Place : Chennai
Date : May 16, 2014

Annexure 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) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There was no disposal of a substantial part of fixed assets during the year.

(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) (a) 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 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (a) to (d) of the Companies (Auditor’s Report) Order, 2003 (as amended) (“CARO” or “Order) are not applicable to the Company and hence not commented upon.

(b) The Company has taken loan from a person covered in the register maintained under section 301 of the Companies Act, 1956. During the previous year, the Company had issued compulsorily convertible debentures to the same person, which was converted into equity shares during the year. The maximum amount involved during the year was Rs. 1,300.00 million, and the year-end balance of loans taken from such person, together with interest thereon was Rs. 758.98 million.

(c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

(d) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.

(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) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs relating to sale of air tickets, advertisement costs of Rs. 14.49 million, voice processing charges and interest on short term borrowings have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

As regards the transactions made in pursuance of contracts and arrangements with persons covered under section 301 relating to advertisement expenses aggregating to Rs. 50.00 million relating to sponsorship charges, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products / services of the Company.

(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including value added tax, investor education and protection fund, provident fund, employees' state insurance, customs duty, cess and other material statutory dues applicable to it *except for undisputed statutory dues relating to remittance of tax deducted at source and service tax, which 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 dues in respect of tax deducted at source which 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	Due date	Date of payment
Income Tax Act, 1961	Tax deducted at source	45.40	June 2013	July 7, 2013	NA
Income Tax Act, 1961	Tax deducted at source	94.10	July 2013	August 7, 2013	NA
Income Tax Act, 1961	Tax deducted at source	85.74	August 2013	September 7, 2013	NA

(c) According to the records of the Company, the dues outstanding of provident fund, income tax, sales-tax, wealth-tax, service tax, customs duty, excise duty 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

(x) *Without considering the consequential effects, if any, of matter described in the Basis for Qualified Opinion paragraph of our auditors' report, 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.*

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order (as amended) are not applicable to the Company.

(xv) 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.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, *we report that funds amounting to approximately Rs.21,001.41 million raised on short term basis in the form of short term borrowings from banks and excess of current liabilities over current assets have been used for funding the operating losses of the Company*.

(xviii) The Company has made preferential allotment of shares to a party covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion the price at which shares have been issued is not prejudicial to the interest of the Company.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues and accordingly, provisions of clause 4(xx) of the Order are not applicable to the Company.

(xxi) 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

per S Balasubrahmanyam
Partner
Membership No.: 053315

Place : Chennai
Date : May 16, 2014

Balance Sheet as at March 31, 2014

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

	Notes	March 31, 2014	March 31, 2013
Equity and Liabilities			
Shareholders' Funds			
Share capital	3	5,352.81	4,843.50
Money received against share warrants	4	333.04	135.68
Reserves and surplus	5	(15,880.61)	(7,223.63)
		(10,194.76)	**(2,244.45)**
Non-Current Liabilities			
Long-term borrowings	6	12,362.83	14,299.62
Trade payables	7 (i)	1,103.55	1,003.37
Other long-term liabilities	7 (ii)	291.18	225.28
Long-term provisions	8	160.22	116.76
		13,917.78	**15,645.03**
Current Liabilities			
Short-term borrowings	9	2,800.00	2,481.52
Trade payables	10 (i)	10,403.76	6,715.22
Other current liabilities	10 (ii)	12,361.38	8,058.58
Short-term provisions	11	56.51	54.20
		25,621.65	**17,309.52**
Total		**29,344.67**	**30,710.10**
Assets			
Non-current Assets			
Fixed Assets			
Tangible assets	12	18,728.45	17,925.45
Intangible assets	13	38.19	9.77
Capital work-in-progress		7.73	12.05
Long-term loans and advances	14	3,285.56	2,279.04
Other non-current assets	15	2,664.50	2,627.05
		24,724.43	**22,853.36**
Current Assets			
Inventories	16	451.52	456.23
Trade receivables	17 (i)	1,557.35	1,050.32
Cash and bank balances	18	50.56	2,170.82
Short-term loans and advances	19	1,228.63	1,905.04
Other current assets	17 (ii)	1,332.18	2,274.33
		4,620.24	**7,856.74**
Total		**29,344.67**	**30,710.10**
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	**For and on behalf of the Board of Directors**		
Chartered Accountants			
ICAI Firm Registration No.: 101049W			
per S Balasubrahmanyam	**Kalanithi Maran**	**S Natrajhen**	**Chandan Sand**
Partner	**Chairman**	**Managing Director**	**Company Secretary**
Membership No: 053315			
Place : Chennai	Chennai	Chennai	Chennai
Date : May 16, 2014	May 16, 2014	May 16, 2014	May 16, 2014

Statement of Profit and Loss for the year ended March 31, 2014
(All amounts are in millions of Indian Rupees except in respect of number and per share information unless otherwise stated)

	Notes	March 31, 2014	March 31, 2013
Income			
Revenue from operations	20	63,042.33	56,006.78
Other income	21	943.60	1,618.03
Total Revenue [I]		**63,985.93**	**57,624.81**
Expenses			
Operating expenses	22	60,081.98	48,104.77
Employee benefit expense	23	5,756.95	5,267.99
Selling expenses	24	3,521.47	2,791.45
Other expenses	25	2,193.82	1,805.33
Total Expenses [II]		**71,554.22**	**57,969.54**
Earnings before interest, tax, depreciation and amortization (EBITDA) [I-II]		**(7,568.29)**	**(344.73)**
Depreciation and amortisation expense	12 & 13	(1,482.60)	(835.45)
Interest income on bank deposits		384.60	426.60
Finance costs	26	(1,366.15)	(1,157.18)
Profit / (Loss) for the y\ear		**(10,032.44)**	**(1,910.76)**
Earnings per share information (in Indian rupees):	27		
- Basic earnings per share		(19.16)	(3.95)
- Diluted earnings per share		(19.16)	(3.95)
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 S Balasubrahmanyam
Partner
Membership No: 053315

Place : Chennai
Date : May 16, 2014

For and on behalf of the Board of Directors

Kalanithi Maran	**S Natrajhen**	**Chandan Sand**
Chairman	**Managing Director**	**Company Secretary**
Chennai	Chennai	Chennai
May 16, 2014	May 16, 2014	May 16, 2014

Cash Flow Statement for the year ended March 31, 2014
(All amounts are in millions of Indian Rupees, unless otherwise stated)

		March 31, 2014	March 31, 2013
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (Loss) before tax	(10,032.44)	(1,910.76)
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and Amortisation	1,482.60	835.45
	Provision for doubtful claims / advances	118.26	4.09
	Provision for doubtful debts	91.85	-
	Advances written off	14.74	-
	Interest income	(384.60)	(426.60)
	Interest expense	1,366.15	1,157.18
	Loss / (profit) on sale of assets (net) / assets written off	17.36	(22.11)
	Translation loss / (gain) on monetary assets and liabilities	(53.66)	(52.58)
	Operating profit / (loss) before working capital changes	**(7,379.74)**	**(415.33)**
	Movements in working capital:		
	(Increase) / Decrease in trade receivables	(507.03)	(846.23)
	(Increase) / Decrease in loans and advances	547.73	(2,629.02)
	(Increase) / Decrease in inventories	4.71	(139.70)
	Increase / (Decrease) in trade payables and other liabilities	7,923.49	3,541.38
	Increase / (Decrease) in provisions	45.77	20.61
	Cash generated / (used) in operations	**634.93**	**(468.29)**
	Income taxes paid (net of refunds)	(45.33)	(69.76)
	Net Cash flow from / (used) in operating activities (A)	**589.60**	**(538.05)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	(820.90)	(7,583.78)
	Sale of fixed assets	5.09	46.89
	Margin money deposits placed	(12,847.24)	(1,999.73)
	Margin money deposits withdrawn	12,803.40	1,702.83
	Interest received	363.01	421.77
	Net Cash flow from / (used) in investing activities (B)	**(496.64)**	**(7,412.02)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of share capital (including share premium)	407.02	994.42
	Money received against share warrants	333.04	135.68
	Advance received against share warrants	250.00	-
	Proceeds from long-term borrowings	-	8,167.36
	Proceeds from issue of 13% compulsorily convertible debentures	-	1,300.00
	Proceeds from short-term borrowings	1,250.00	431.52
	Repayment of long-term borrowings	(2,176.54)	(1,932.78)
	Repayment of short-term borrowings	(931.52)	-
	Interest paid (including ancillary cost for arranging the borrowings)	(1,344.92)	(1,182.08)
	Net Cash flow from / (used) in financing activities (C)	**(2,212.92)**	**7,914.12**

Cash Flow Statement for the year ended March 31, 2014
(All amounts are in millions of Indian Rupees, unless otherwise stated)

		March 31, 2014	March 31, 2013
D.	**NET DECREASE IN CASH AND CASH EQUIVALENTS (A + B + C)**	**(2,119.96)**	**(35.95)**
	Effects of exchange difference on cash and cash equivalents held in foreign currency	(0.30)	2.70
	Cash and cash equivalents at the beginning of the year	2,170.82	2,204.07
	Cash and cash equivalents at the end of the year	50.56	2,170.82
	Notes :		
	Components of cash and cash equivalents		
	On current accounts	39.13	97.03
	Deposits with original maturity less than 3 months	-	2,050.00
	Cash on hand	11.43	23.79
	Total cash and cash equivalents (Note 18)	50.56	2,170.82

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W

per S Balasubrahmanyam
Partner
Membership No: 053315

Place : Chennai
Date : May 16, 2014

For and on behalf of the Board of Directors

Kalanithi Maran	**S Natrajhen**	**Chandan Sand**
Chairman	**Managing Director**	**Company Secretary**
Chennai	Chennai	Chennai
May 16, 2014	May 16, 2014	May 16, 2014

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 in the business of providing air transport services for the carriage of passengers. The Company is a low cost carrier ('LCC') operating under the brand name of 'SpiceJet' in India since May 23, 2005. The Companycurrently operates a fleet of 58 aircrafts across various routes in India as at March 31, 2014. SpiceJet has also obtained permission of the Directorate General of Civil Aviation (DGCA) to operate on selected routes outside India and has commenced international operations from October 2010.

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 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 the Companies Act, 1956, read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs. 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 previous year.

The Company's operating results continue to be materially affected by various factors, particularly high aircraft fuel costs, significant depreciation in the value of the currency, pricing pressures from competition and general economic slowdown. The Company has incurred a net loss of Rs. 10,032.44 during the year ended March 31, 2014, and as of that date, the Company's total liabilities exceeded its total assets by Rs. 10,194.76. The Company is implementing various long-term measures to improve its product offering and enhancing customer experience. Considerable investments are also simultaneously being made by the Company to improve selling and distribution channels, revenue management and marketing functions. The Company has undertaken a comprehensive review of its current network to maximize profitability and improve efficiency in its operations. These measures along with consistent improvement in yields and enhancement in ancillary revenues are expected to drive growth in revenues in the future. The Company is also implementing various measures to optimize aircraft utilization, improving operational efficiencies, renegotiation of contracts and other cost control measures to improve the Company's operating results and cash flows. In addition, the Company continues to explore various options to raise finance in order to meet its short term and long term obligations. The Company believes that these measures will not only result in sustainable cash flows, but also enhance the Company's plans for expansion.

The promoters continue to be committed to providing the required operational and financial support to Company in the foreseeable future. During the year, the Promoter has converted 15,000,000 warrants into equity shares of the Company thereby infusing additional funds of Rs. 407.03 into the Company. Further, the Company's promoters have subscribed to 64,169,000 warrants (convertible into equivalent no. of equity shares) for which 25% upfront money amounting to Rs. 333.04 has been received in the current year. In addition to the above, the Company has availed of an unsecured loan of Rs. 750.00 from the promoter, as well as an amount of Rs. 250.00 which has been provided as an advance against the remaining subscription money to be received consequent to the conversion of the warrants issued during the year. The Company also believes that the amendment to FDI policy has improved the investor sentiment towards the Indian aviation industry as evidenced by entry of large international players into the Indian market. In view of the foregoing, the Company's financial statements have been prepared on a going concern basis whereby the realization of assets and discharge of liabilities are expected to occur in the normal course of business.

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.

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 derecognition 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.

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

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

Depreciation is provided using the straight line method in the manner specified in Schedule XIV to the Act, at the rates prescribed therein or at the rates based on management's estimate of the useful lives of such assets, whichever is higher, as follows:

Asset Description	Percentage
Office Equipment	4.75%
Computers	16.21%
Furniture and Fixtures	6.33%
Motor Vehicles	9.50% - 11.31%
Plant and Machinery	4.75%
Aircrafts	5.60%
Rotable and Tools	5.60%

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.

Assets individually costing Rupees five thousand or less are fully depreciated in the year of purchase.

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.

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 comprises 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, 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:

<u>Service Income</u>

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.

Revenues from special service requests in the nature of fees charged from passengers for reservation, changes in itinerary, cancellation of flight tickets etc. are recognised as revenues on rendering of the related services.

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

Income in respect of hiring / renting out of equipments 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.

<u>Sale of food and beverages</u>

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 aircrafts. As the related aircrafts are held under operating lease by the Company, these incentives are recognized as income coinciding with delivery of the related aircrafts.

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 aircrafts 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.

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.

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 *SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999* and the *Guidance Note on Accounting for Employee Share-based Payments,* the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the “Stock options outstanding account” in reserves. The cumulative expense recognized for equity-settled 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 earnings per share are 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 earnings per share, 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 extremely rare 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)

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, 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 expenseand, where applicable, prior period items.

Notes to the financial statements for the year ended March 31, 2014
(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, 2014	March 31, 2013
3	**SHARE CAPITAL**		
	AUTHORISED SHARES		
	1,000,000,000 (previous year 565,000,000) equity shares of Rs.10/- each	10,000.00	5,650.00
	ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARES		
	535,281,183 (previous year 484,349,730) equity shares of Rs.10/- each	5,352.81	4,843.50
		5,352.81	**4,843.50**

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

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	Value	Number	Value
Shares outstanding at the beginning of the year	484,349,730	4,843,497,300	441,449,730	4,414,497,300
Issued during the year				
- on preferential allotment to the promoters	-	-	42,900,000	429,000,000
- on conversion of compulsorily convertible debentures	35,931,453	359,314,530	-	-
- on conversion of share warrants	15,000,000	150,000,000	-	-
Shares outstanding at the end of the year	**535,281,183**	**5,352,811,830**	**484,349,730**	**4,843,497,300**

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 preceeding the reporting date:

The Company has issued total 1,732,865 shares (March 31, 2013 - 1,732,865 shares) during the period of five years immediately preceeding 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.

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

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

Name of Shareholder	As at Mar 31, 2014		As at March 31, 2013	
	No. of Shares held	% Holding	No. of Shares held	% Holding
KAL Airways Private Limited	156,518,005	29.2%	156,518,005	32.3%
Mr. Kalanithi Maran	129,741,753	24.2%	78,810,300	16.3%
Total	**286,259,758**	**53.5%**	**235,328,305**	**48.6%**

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 28.

ii. For details of shares reserved for issue on conversion of compulsorily convertible debentures, refer note 6.c.

iii. For details of shares reserved for share warrants, refer note 4 below.

4 MONEY RECEIVED AGAINST SHARE WARRANTS

	March 31, 2014	March 31, 2013
	333.04	135.68
	333.04	**135.68**

Money received against share warrants represents amounts 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.

During the previous year, the Company had issued to its promoter 15,000,000 warrants of a face value of Rs.10 each, having option to apply for and be allotted an equivalent number of equity shares of the face value of Rs.10 each at a premium of 26.18 each determined in accordance with Regulation 76 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”). During the current year, the promoter exercised his right to convert the warrants into equity shares, and consequently 15,000,000 equity shares were issued to the promoter for an aggregate consideration of Rs.542.70.

During the current year, the Company issued to its promoters 64,169,000 warrants of a face value of Rs.10 each, having option to apply for and be allotted an equivalent number of equity shares of a face value of Rs.10 each at a premium of Rs.10.77 each determined in accordance with Regulation 76 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”). The holder of the warrants would need to exercise the option to subscribe to shares before September 12, 2015 upon payment of the balance amount of Rs. 999.75.

Notes to the financial statements for the year ended March 31, 2014
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note No		March 31, 2014	March 31, 2013
5	**RESERVES AND SURPLUS**		
	Securities Premium Account		
	Opening balance	7,841.08	7,275.66
	Add: Premium Received during the year on account of		
	Preferential allotment to the promoters	-	565.42
	Conversion of compulsorily convertible debentures	940.69	-
	Conversion of warrants	392.70	-
	Closing balance	**9,174.47**	**7,841.08**
	General Reserve		
	Opening balance	9.89	5.16
	Add: Transferred from employee stock options outstanding	3.65	4.73
	Closing balance	**13.54**	**9.89**
	Employee Stock Option Outstanding		
	Opening balance	39.20	43.93
	Less: Deletions during the year	(3.65)	(4.73)
	Closing balance	**35.55**	**39.20**
	Surplus / (Deficit) in the Statement of Profit and Loss		
	Opening balance	(15,180.64)	(13,269.88)
	Surplus / (Deficit) in the Statement of Profit and loss	(10,032.44)	(1,910.76)
	Net Surplus / (Deficit) in the Statement of Profit and Loss	(25,213.08)	(15,180.64)
	Foreign Currency Monetary Item Translation Difference Account		
	Opening balance	66.84	58.31
	Add : Reserve created during the year	(17.07)	59.39
	Less: Amortised during the year	(59.14)	50.86
	Closing balance	108.91	66.84
	Total reserves and surplus	**(15,880.61)**	**(7,223.63)**

Notes to the financial statements for the year ended March 31, 2014
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note No		March 31, 2014	March 31, 2013
6	**LONG TERM BORROWINGS (SECURED)**		
	Term Loans		
	From bank	717.59	734.63
	Less: Current maturities of long term borrowings (refer note 10)	(574.07)	(17.04)
		143.52	**717.59**
	Other loans		
	External commercial borrowing (Unsecured)	13,571.56	13,505.79
	Less: Current maturities of long term borrowings (refer note 10)	(1,352.25)	(1,223.76)
		12,219.31	**12,282.03**
	Debentures		
	13,000,000 14% Unsecured Compulsorily Convertible	-	1,300.00
	Debentures of Rs.100/- each	**-**	**1,300.00**
		12,362.83	**14,299.62**

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

The loan and other facilities granted by the said 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, pledge of shares of the Company owned by KAL Airways Private Limited ("KAL Airways") and an unconditional and irrevocable guarantees from KAL Airways and Mr. Kalanithi Maran.

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 aircrafts are owned by the lessor until the repayment of all outstanding by the Company under respective finance leases. 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 commencing from the date of delivery of the aircraft to the lessor or its nominees.

c. 13,000,000 14% unsecured compulsorily convertible debentures are convertible into 35,931,453 equity shares at a price of Rs 36.18 per equity share effective from April 1, 2013 and July 30, 2014, (being 18 months from the date of allotment). If the conversion option is not exercised, all of these debentures will compulsorily be converted into equity shares on the expiry of 18 months from the date of allotment.

During the year, upon exercise of the option by the debenture holder, these debentures have been converted into equity shares of the Company.

7	**OTHER LONG-TERM LIABILITIES**		
	i) Trade payables (refer note 35)	1,103.55	1,003.37
	ii) Other liabilities		
	Deferred incentive	310.21	248.31
	Less: Current portion of above	(19.03)	(23.03)
		291.18	**225.28**
		1,394.73	**1,228.65**

Notes to the financial statements for the year ended March 31, 2014

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

Note No		March 31, 2014	March 31, 2013
8	**LONG TERM PROVISIONS**		
	Provision for gratuity (Refer note 29)	160.22	116.76
		160.22	**116.76**
9	**SHORT TERM BORROWINGS (UNSECURED)**		
	Inter corporate deposits (Refer note no 34 (a) (i))	50.00	50.00
	Short term loan from bank	1,000.00	1,000.00
	Loan from promoter	750.00	-
	Working capital demand loan from bank	1,000.00	1,431.52
		2,800.00	**2,481.52**

Short term loan from bank is repayable at the end of every quarter unless renewed, with the first repayment falling due in July 2013. The loan is secured by fixed deposits placed by third parties.

Working capital demand loan from bank is secured by the personal guarantee of the Company's promoter, Mr. Kalanithi Maran and is repayable on demand. Also refer note 32.

The interest on these borrowings range between 11% to 14%.

Loan from promoter is repayable after one year from the date of commencement of the loan, with the repayment falling due in December 2014. The interest on this loan is payable at 14%.

Note No		March 31, 2014	March 31, 2013
10	**OTHER CURRENT LIABILITIES**		
i)	**Trade payables** (Refer note 35)	10,403.76	6,715.22
ii)	**Other liabilities**		
	Current maturities of long-term borrowings (note 6) (includes current maturities of ECB Rs. 1,352.24 million (March 31, 2013 - Rs. 1223.76 million)	1,926.32	1,240.80
	Current portion of deferred incentives	19.03	23.03
	Unearned revenue	4,810.94	3,543.78
	Advance received against subscription money for equity shares consequent upon conversion of warrants	250.00	-
	Book overdraft	199.10	40.87
	Capital creditors	-	43.03
	Advance received from agents	2,334.81	1,694.59
	Employee compensation payable	1.00	62.11
	Interest accrued and due on borrowings	37.85	20.42
	Interest accrued but not due on borrowings	30.73	32.64
	Statutory dues (including interest thereon)	2,461.79	1,106.97
	Others	289.81	250.34
		12,361.38	**8,058.58**
		22,765.14	**14,773.80**
11	**SHORT TERM PROVISIONS**		
	Provision for employee benefits		
	Provision for gratuity (Refer note 29)	13.96	13.25
	Provision for leave benefits / compensated absences	42.55	40.95
		56.51	**54.20**

Notes to the financial statements for the year ended March 31, 2014
(All amounts are in millions of Indian Rupees, unless otherwise stated)

12 Tangible Assets

Particulars	Plant & Machinery	Rotable & Tools	Office Equipment	Comp-uters	Furniture & Fixtures	Motor Vehicles	Leasehold Improve-ments	Aircrafts^	Total
Cost of Valuation									
As at April 1, 2012	283.83	824.96	42.77	150.32	24.69	247.28	87.14	7,394.54	**9,055.53**
Additions during the year	91.40	314.47	34.95	11.02	1.39	16.09	245.54	9,310.00	**10,024.86**
Disposals	1.67	30.80	-	-	-	4.08	-	-	**36.55**
Other adjustments*	-	-	-	-	-	-	-	260.69	**260.69**
As at March 31, 2013	**373.56**	**1,108.63**	**77.72**	**161.34**	**26.08**	**259.29**	**332.68**	**16,965.23**	**19,304.53**
Additions during the year	113.74	302.69	12.40	26.95	1.48	167.10	103.44	-	**727.80**
Disposals	7.46	13.84	2.35	11.58	0.87	27.30	-	-	**63.40**
Other Adjustments*	-	-	-	-	-	-	-	1,539.75	**1,539.75**
As at March 31, 2014	**479.84**	**1,397.48**	**87.77**	**176.71**	**26.69**	**399.09**	**436.12**	**18,504.98**	**21,508.68**
Depreciation									
As at April 1, 2012	49.34	141.81	8.46	69.18	8.34	67.43	26.08	188.24	**558.88**
Charge for the Year	14.26	57.19	3.80	21.79	1.95	25.03	52.52	655.43	**831.97**
Disposals	0.65	8.15	0.06	-	-	2.91	-	-	**11.77**
As at March 31, 2013	**62.95**	**190.85**	**12.20**	**90.97**	**10.29**	**89.55**	**78.60**	**843.67**	**1,379.08**
Charge for the Year	21.50	74.60	4.81	20.77	2.03	38.80	314.42	965.17	**1,442.10**
Disposals	3.12	2.85	1.08	10.11	0.50	23.29	-	-	**40.95**
As at March 31, 2014	**81.33**	**262.60**	**15.93**	**101.63**	**11.82**	**105.06**	**393.02**	**1,808.84**	**2,780.23**
Net Block									
As at March 31, 2013	**310.61**	**917.78**	**65.52**	**70.37**	**15.79**	**169.74**	**254.08**	**16,121.56**	**17,925.45**
As at March 31, 2014	**398.51**	**1,134.88**	**71.84**	**75.08**	**14.87**	**294.03**	**43.10**	**16,696.14**	**18,728.45**

^ Under the finance lease agreements, 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.

* Represents foreign exchange loss capitalised during the year.

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

13 Intangible Assets

Particulars	Software
Cost or Valuation	
As at April 1, 2012	140.58
Additions during the year	7.79
As at March 31, 2013	**148.37**
Additions during the year	68.92
As at March 31, 2014	**217.29**
Depreciation	
As at April 1, 2012	135.11
Charge for the Year	3.49
As at March 31, 2013	**138.60**
Charge for the Year	40.50
Disposals	-
As at March 31, 2014	**179.10**
Net Block	
As at March 31, 2013	**9.77**
As at March 31, 2014	**38.19**

Note No		March 31, 2014	March 31, 2013
14	**LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)**		
	Secured,considered good		
	Capital advances	1,953.76	1,190.95
	Security deposits	1,109.39	911.01
	Advance income-tax (net of provision for taxation)	222.41	177.08
		3,285.56	**2,279.04**
15	**OTHER NON-CURRENT ASSETS**		
	Non-current bank balances* (Refer note 18)	2,625.94	2,582.10
	Ancilliary cost for arranging the borrowings	43.26	48.97
	Less: Current portion of above	(4.70)	(4.02)
		2,664.50	**2,627.05**
	* Represents margin money deposit placed with banks for non-fund based facilities sanctioned to the Company.		
16	**INVENTORIES (At lower of cost and net realisable value)**		
	Engineering stores and spares	400.84	405.00
	Other stores	50.68	51.23
		451.52	**456.23**

Notes to the financial statements for the year ended March 31, 2014
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note No		March 31, 2014	March 31, 2013
17	**TRADE RECEIVABLES AND OTHER ASSETS**		
	i) Trade receivables		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	-	18.24
	Unsecured, considered doubtful	97.09	5.24
		97.09	23.48
	Less: Provision for doubtful debts	97.09	5.24
		-	**18.24**
	Other receivables		
	Secured, considered good	835.18	-
	Unsecured, considered good	722.17	1,032.08
		1,557.35	1,032.08
		1,557.35	**1,050.32**
	ii) Other current assets		
	Claims receivable, considered doubtful	89.99	-
	Less: provision for doubtful claims	89.99	-
		-	**-**
	Claims receivable, considered good	1,174.77	2,139.19
	Current portion of ancilliary cost for arranging the borrowings	4.70	4.02
	Interest accrued on fixed deposits	118.69	131.12
	Other interest accrued	34.02	-
		1,332.18	**2,274.33**
		2,889.53	**3,324.65**
18	**CASH AND BANK BALANCES**		
	Cash and cash equivalents		
	Balance with banks		
	On current accounts	39.13	97.03
	Deposits with original maturity less than 3 months	-	2,050.00
	Cash on hand	11.43	23.79
		50.56	**2,170.82**
	Other bank balances		
	Deposits with original maturity for more than 3 months but less than 12 months	-	-
	Deposits with original maturity more than 12 months	-	-
	Margin money/Security against fund and non-fund based facilities*	2,625.94	2,582.10
		2,625.94	2,582.10
	Less: Amount disclosed under other non-current asset (note 15)	(2,625.94)	(2,582.10)
		-	**-**
		50.56	**2,170.82**

* 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, 2014
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note No		March 31, 2014	March 31, 2013
19	**SHORT TERM LOANS AND ADVANCES**		
	(Unsecured, Considered doubtful)		
	Advances recoverable in cash or in kind	96.61	68.34
	(Unsecured, Considered good)		
	Advances recoverable in cash or in kind	544.56	1,195.02
	Balances with government authorities	41.66	-
	Deposit with Hon'ble Mumbai High Court (Refer note 34 (a) (i))	50.00	50.00
	Security deposits	348.48	139.95
	Prepaid expenses	243.93	520.07
		1,325.24	1,973.38
	Less: Provision for doubtful advances	96.61	68.34
		1,228.63	**1,905.04**
20	**REVENUE FROM OPERATIONS**		
	Sale of services		
	Passenger revenue	57,578.03	51,646.53
	Cargo revenue	1,735.28	1,501.17
	Special service requests	2,649.65	1,968.70
	Sale of food and beverages	424.03	380.05
	Other operating revenues		
	Income from wet lease of aircrafts	599.52	356.45
	Others	55.82	153.88
		63,042.33	**56,006.78**
21	**OTHER INCOME**		
	Exchange fluctuation gain (net)	164.84	223.48
	Provision no longer required written back	153.48	105.00
	Insurance / warranty claims received	23.41	167.84
	Incentives received	481.06	890.85
	Income from training services	37.68	100.25
	Export incentives	1.72	56.23
	Profit on sale of assets (net)	-	22.11
	Miscellaneous income	81.41	52.27
		943.60	**1,618.03**
22	**OPERATING EXPENSES**		
	Aviation turbine fuel	32,526.60	28,033.15
	Lease charges - aircrafts, engines and auxiliary power units (Refer note 31)	10,531.74	8,081.02
	Aircraft repairs and maintenance	4,758.27	2,830.11
	Supplemental lease charges - aircrafts, engines and auxiliary power units	4,244.82	3,243.54
	Consumption of stores and spare parts	929.44	663.92
	Aviation insurance	329.28	322.22
	Landing, navigation and other airport charges	4,740.10	3,540.11
	Cost of inflight food and beverages	534.50	523.96
	Aircraft navigation software expenses	741.84	571.03
	Aircraft delivery and redelivery costs	291.48	80.04
	Other operating expenses	453.91	215.67
		60,081.98	**48,104.77**

Notes to the financial statements for the year ended March 31, 2014
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note No		March 31, 2014	March 31, 2013
23	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, wages and bonus	5,133.39	4,624.33
	Contribution to provident and other funds	173.25	148.39
	Gratuity expense (Refer note 29)	49.19	41.69
	Recruitment and training cost	268.92	301.22
	Staff welfare	132.20	152.36
		5,756.95	**5,267.99**
24	**SELLING EXPENSES**		
	Commission to agents	2,492.04	2,053.70
	Discounts	671.09	502.32
	Business promotion and advertisement	358.34	235.43
		3,521.47	**2,791.45**
25	**OTHER EXPENSES**		
	Rent	163.89	140.72
	Rates and taxes	110.56	109.68
	Repairs and maintenance		
	- buildings	15.76	26.60
	- plant and machinery	28.75	17.67
	- others	52.70	42.62
	Crew accomodation cost	363.41	380.13
	Communication	114.07	88.19
	Printing and stationery	94.43	83.08
	Travelling and conveyance	558.77	523.91
	Legal, and professional fees (Refer below for details of payment to auditors)	111.99	68.03
	Power and fuel	31.25	33.92
	Provision for doubtful claims / advances	118.26	4.09
	Advances written off	14.74	-
	Provision for doubtful debts	91.85	-
	Insurance	40.43	34.17
	Credit card charges	226.93	229.22
	Credit card chargebacks	-	2.86
	Bank charges	27.26	11.50
	Loss on sale of assets (net) / assets written off	17.36	-
	Miscellaneous expenses	11.41	8.94
		2,193.82	**1,805.33**
	Payment to auditor		
	As auditor		
	Audit fees	1.60	1.60
	Limited review	1.50	1.50
	Service tax	0.30	0.30
	In other capacity		
	Other services (certification fees)	0.95	0.23
	Reimbursement of expenses	0.45	0.15
		4.80	3.78

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

Note No		March 31, 2014	March 31, 2013
26	**FINANCE COSTS**		
	Interest		
	- on fixed loan to banks	379.65	423.56
	- on fixed loan to others	841.85	595.18
	Amortisation of ancilliary costs of borrowing	33.53	66.25
	Other borrowing cost	111.12	72.19
		1,366.15	**1,157.18**

27. Earnings per share

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Number of equity shares outstanding at the beginning of the year	484,349,730	441,449,730
Number of equity shares issued	50,931,453	42,900,000
Number of equity shares outstanding at the end of the year	535,281,183	484,349,730
Weighted average number of shares		
a) Basic	523,621,362	483,291,922
b) Effect of dilutive equity shares on account of:		
- Employee stock option plans	-	344,644
- Unsecured compulsorily convertible debentures	-	8,947,651
- Share warrants	879,027	893,836
c) Diluted	524,500,389	493,478,053
Profit / (Loss) after tax	(10,032.44)	(1,910.76)
Basic earnings / (loss) per share (Rs.)	(19.16)	(3.95)
Diluted earnings / (loss) per share (Rs.)	(19.16)	(3.95)
Nominal value per share (Rs.)	10.00	10.00

28. 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.

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

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:

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Options	Weighted average exercise price (Rs.)	No. of Options	Weighted average exercise price (Rs.)
Outstanding, beginning of year	**1,407,225**	**30.00**	**1,561,200**	**30.00**
Granted during the year	-	30.00	-	30.00
Exercised during the year	-	30.00	-	30.00
Forfeited during the year	(131,175)	30.00	(153,975)	30.00
Outstanding, end of year	**1,276,050**	**30.00**	**1,407,225**	**30.00**
Outstanding at the year-end comprise:				
Options eligible for exercise at year end	1,276,050	30.00	1,561,200	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 after tax	Basic EPS (Rs.)	Diluted EPS (Rs.)
Year ended March 31, 2014				
- Amounts as reported	-	(10,032.44)	(19.16)	(19.16)
- Amounts as per pro-forma	-	(10,032.44)	(19.16)	(19.16)
Year ended March 31, 2013				
- Amounts as reported	-	(1,910.77)	(3.95)	(3.95)
- Amounts as per pro-forma	-	(1,910.77)	(3.95)	(3.95)

(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:

	Grant Dates			
Particulars	**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.

29. 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 Rupees one. 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, 2014**	**Year ended March 31, 2013**
Current service cost on benefit obligations	39.15	33.53
Interest cost on benefit obligations	10.92	7.68
Net actuarial loss recognized in the year	(0.88)	0.48
Past service cost	-	-
Net employee benefit expense	49.19	41.69

Balance sheet

Details of provision for gratuity

Particulars	**As at March 31, 2014**	**As at March 31, 2013**
Defined benefit obligation	(174.18)	(130.01)
Fair value of plan assets	-	-
Plan asset / (liability)	(174.18)	(130.01)

(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, 2014	As at March 31, 2013
Opening defined benefit obligation	130.01	91.43
Current service cost	39.15	33.53
Interest cost	10.92	7.68
Actuarial (gains) / losses on obligation	(0.88)	0.48
Benefits paid	(5.02)	(3.11)
Past service cost	-	-
Closing defined benefit obligation	(174.18)	130.01
Experience Gain / (Loss) adjustment on plan liabilities	0.88	(0.48)

The experience adjustments on plan liabilities and net surplus / deficit for the years ended March 31, 2012, March 31, 2011 and March 31, 2010 are as follows:.

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Defined benefit obligation at the end of the period	62.02	36.65	29.47
Net deficit	(62.02)	(36.65)	(29.47)
Experience adjustments on plan liabilities	(51.32)	21.24	N.A
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, 2014	As at March 31, 2013
Discount rate	8.40%	8.40%
Future Salary Increases	6.00%	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.

30. 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 3,672.01 as at March 31, 2014 (Rs. 3,145.16 as at March 31, 2013).

Particulars	As at March 31, 2014	As at March 31, 2013
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(3,672.01)	(3,145.16)
Deferred tax asset		
Carry forward tax losses / unabsorbed depreciation	3,672.01	3,145.16
Net deferred tax asset / (liability)	**-**	**-**

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

31. Leases

Operating lease: Company as a lessee

The Company has taken on lease aircrafts, aircraft spares, engines and premises from third parties. Lease charges for aircrafts & engines for the year ended March 31, 2014 amount to Rs.10,531.74 (Previous year Rs. 8,081.02), supplemental lease charges amount to Rs. 4,244.82 (Previous year Rs. 3,243.54) and rental expense on premises for the year ended March 31, 2014 amount to Rs. 163.89 (Previous year Rs. 140.72).

The Company has taken aircraft through dry operating lease from lessors. Under the aircraft lease agreement, 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 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, 2014	As at March 31, 2013
Aircrafts		
Not later than one year	9,905.35	8,003.35
Later than one year but not later than five years	25,746.44	21,316.70
Later than five years	9,796.86	6,494.38
Aircraft engines		
Not later than one year	160.55	116.32
Later than one year but not later than five years	161.25	219.89
Later than five years	-	-

Particulars	As at March 31, 2014	As at March 31, 2013
Premises		
Not later than one year	-	33.09
Later than one year but not later than five years	-	149.59
Later than five years	-	68.38

32. Related party transactions

Relationship	Name of the party
Party exercising control	Kal Airways Private Limited
	Mr. Kalanithi Maran
Enterprises over which parties above or their relatives have control / significant influence ('Affiliates')	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

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

Murasoli Maran Family Trust
S & 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

Relationship	Name of the party
Key management personnel	Neil Raymond Mills, Chief Executive Officer (up to August 2, 2013) S Natrajhen, Managing Director Sanjiv Kapoor, Chief Operating Officer (from November 1, 2013)

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

Particulars	March 31, 2014	March 31, 2013
Affiliates		
Sun TV Network Limited		
Transactions during the year		
Passenger revenue	17.80	11.35
Business promotion and advertisement	50.57	1.00
Rent	2.42	2.39
Outstanding balances		
Trade payables	-	-
Trade receivables	20.31	1.43
Digital Radio (Delhi) Broadcasting Limited		
Transactions during the year		
Passenger revenue	2.07	3.78
Business promotion and advertisement	6.10	3.19
Outstanding balances		
Trade payables	5.49	1.07
Sun Business Solutions Private Limited		
Transactions during the year		
Voice processing charges	99.93	-
Outstanding balances		
Advances recoverable in cash or in kind	0.83	-
Kal Publications Private Limited		
Transactions during the year		
Passenger revenue	0.79	-
Business promotion and advertisement	6.14	45.32
Outstanding balances		
Trade payables	5.38	-

Notes to the financial statements for the year ended March 31, 2014
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	March 31, 2014	March 31, 2013
Kal Airways Private Limited		
Advances received		
Advance received against subscription money for equity shares consequent upon conversion of warrants	250.00	-
Outstanding balances		
Advance received against subscription money for equity shares consequent upon conversion of warrants	250.00	-
Kalanithi Maran		
Transactions during the year		
Interest expense	38.61	45.32
Outstanding balances		
Interest payable	8.03	15.40
Loans obtained		
Short term borrowings	750.00	-
Unsecured loans payable		
Short term borrowings	750.00	-

Key management personnel	March 31, 2014	March 31, 2013
Neil Raymond Mills (up to August 2, 2013)		
Transactions during the year		
Salaries and wages	27.68	33.24
Sanjiv Kapoor (from November 1, 2013)		
Transactions during the year		
Salaries and wages	10.41	-
S. Natrajhen		
Transactions during the year		
Salaries and wages	9.99	8.91

During the year, as already mentioned, the Company has issued to Mr. Kalanithi Maran on a preferential basis:

(i) 35,931,453 equity shares at a price of Rs. 36.18 per share for a total consideration aggregating to Rs. 1,300.00.
(ii) 15,000,000 equity shares at a price of Rs. 36.18 per share for a total consideration aggregating to Rs. 542.70.
(iii) 19,169,000 warrants having option to apply for and be allotted equivalent number of equity sharesof the face value of Rs.10 each at a premium of Rs.10.77 each.

Further, the Company has issued to Kal Airways 45,000,000 warrants having option to apply for and be allotted equivalent number of equity sharesof the face value of Rs.10 each at a premium of Rs.10.77 each.

Further, Mr. Kalanithi Maran and Kal Airways, have on a free of cost basis, extended guarantees / securities for loans taken by the Company. Also refer notes 6and 9for details of the same.

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.

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

33. Capital and other commitments

a. At March 31, 2014, the Company has commitments of Rs.150,707.25 (March 31, 2013 - Rs. 153,902.47) relating to the acquisition ofaircrafts.

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 31.

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.

34. Contingent liabilities

a. Claims against the Company not acknowledged as debts

S. No	Particulars	As at March 31, 2014	As at March 31, 2013
1	Liability arising out of legal cases filed against the Company in various Courts/ Consumer Redressal Forums, Consumer Courts, disputed by the Company.	47.40	29.50
2	Liability arising out of Arbitration proceedings on account of cancellation of leased premises	33.32	33.32
3	Liability towards labour cases filed against the Company in various Courts, disputed by the Company.	Nil	0.48
4	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
5	Liability towards additional claim received from a vendor who was already covered in the settlement scheme approved by the Hon'ble High Court of Delhi.	Nil	Nil
6	Unaccrued interest as explained in note (a) below.	74.71	74.71
7	Demand in respect of provident fund dues for international workers as explained in note (iii) below	77.95	77.95
8	Show cause notice in respect of service tax dues (excluding amounts in respect of penalty as these are not yet ascertainable)	41.28	64.77
9	Liability arising out of claim made for refunds on cancelled tickets	5.42	Nil
10	Liability arising out of other legal cases filed against the Company	11.66	Nil
11	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.		

i. Under a suit filed by Leela Capital (petitioner) for recovery of the Inter Corporate Deposit ('ICD') aggregating to Rs. 50, the Company had deposited the amount of Rs. 50 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 restitute 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 has not accrued interest payable of Rs. 74.71 up to the date of deposit of the amount with the Hon'ble Court on account of its defence in the court proceedings.

ii. In another case, M/s Hindustan Development Corporation Limited ("HDCL") (now renamed as Mallanpur Steels Limited) who had lent Rs. 50 ICD to the Company, has filed a Review Petition against the Scheme of Settlement passed by the Hon'ble Delhi High Court wherein its liability was fixed at Rs. 35. The Company had made a deposit of Rs. 35 to the Official Administrator of the Schemein accordance with approved Scheme. Pending disposition of the review petition, the likelihood of the balance amount of Rs.15 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 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 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 on 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.

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

35. Dues to Micro and Small Enterprises

There are no overdue amounts payable to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not paid any interest to any Micro and Small Enterprises during the current and previous year.

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

36. Un-hedged foreign currency exposure

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

Particulars	Currency	March 31, 2014		March 31, 2013	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Advances	EUR	0.06	4.74	0.09	6.58
	GBP	0.02	1.57	0.15	12.17
	SGD	0.02	0.71	-	-
	USD	10.94	657.59	28.36	1,542.47
	AED	-	-	1.02	15.10
	CAD	0.03	1.63	0.03	1.60
	CNY	0.48	4.73	0.05	0.44
	SAR	1.33	21.27	0.07	1.08
	THB	3.67	6.77	-	-
	NPR	2.07	1.29	-	-
	LKR	27.80	12.77	-	-
Payables	EUR	0.24	19.92	0.49	34.00
	GBP	0.01	1.44	0.01	0.87
	SGD	-	-	0.01	0.22
	USD	84.60	5,084.66	29.61	1,610.62
	AED	10.20	166.76	5.60	82.93
	CAD	-	-	-	-
	SAR	0.47	7.47	0.41	6.07
	LKR	-	-	33.76	14.43
	NPR	69.82	43.60	-	-
	CNY	0.17	1.68	-	-
	OMR	0.06	9.31	-	-
	THB	0.76	1.40	-	-
External Commercial Borrowing	USD	225.82	13,571.56	248.32	13,505.79
Deposits made	USD	18.01	1,082.53	17.49	951.26
Bank Balances	USD	0.02	1.00	0.11	6.18

Notes to the financial statements for the year ended March 31, 2014
(All amounts are in millions of Indian Rupees, unless otherwise stated)

37. Imported and indigenous stores and spare parts consumed

Particulars	March 31, 2014		March 31, 2013	
	Rs.	%	Rs.	%
Indigenous	115.43	12%	42.58	6%
Imported	814.01	88%	621.34	94%
	929.44	**100%**	**663.92**	**100%**

38. Value of imports calculated on CIF basis

Particulars	March 31, 2014	March 31, 2013
Capital goods	433.91	9,674.61
Stores and spares	773.57	539.66
Aviation turbine fuel	2,048.27	574.80
	3,255.75	**10,789.07**

39. Expenditure in Foreign Currency (Accrual Basis)

Particulars	March 31, 2014	March 31, 2013
Lease charges (including supplement rent)	14,776.56	11,324.56
Aircraft repairs and maintenance	4,338.56	1,086.77
Interest expense*	389.00	317.55
Other expenses	2,213.80	1,768.42
	21,717.92	**14,497.29**

* includes Rs.6.98 (previous year Rs. 5.85) of amortization of ancillary costs associated with borrowing.

40. Earnings in Foreign Currency (Accrual Basis)

Particulars	March 31, 2014	March 31, 2013
Passenger revenue	1,968.88	1,121.28
Cargo revenue	56.38	1.93
Incentives received	458.80	311.87
Income from wet lease of aircrafts	599.52	356.45
	3,083.58	**1,791.53**

41. Transfer pricing

The Company has entered into transactions with certain related parties. For the year ended March 31, 2014, management confirms that it maintains documents as prescribed by the Income-tax Act, 1961, to prove that these transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

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

42. 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	For and on behalf of the Board of Directors		
Chartered Accountants			
ICAI Firm Registration No.: 101049W			
per S. Balasubrahmanyam	**Kalanithi Maran**	**S Natrajhen**	**Chandan Sand**
Partner	Chairman	Managing Director	Company Secretary
Membership No.: 053315			
Place : Chennai	Chennai	Chennai	Chennai
Date : May 16, 2014	May 16, 2014	May 16, 2014	May 16, 2014

SpiceJet Limited

CIN: L51909TN1984PLC082330
Regd. Office: Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai- 600 028
Website: www.spicejet.com; email: investors@spicejet.com; T: +91 124 3913939; F: +91 124 3913844

ATTENDANCE SLIP

Thirtieth Annual General Meeting
Wednesday, September 24, 2014 at 10.00 a.m.

I, hereby, record my presence at the Thirtieth Annual General Meeting of the Company held on on Wednesday, the 24th day of September, 2014 at 10.00 a.m. at The Kalaignar Arangam, Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai – 600 018

....	....	....
Member's Folio/ DP ID- Cleint ID	Member's/ Proxy's name in Block Letters	Member's/ Proxy Signature

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.*

SpiceJet Limited

Regd. Office: Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai-600 028

PROXY FORM

Thirtieth Annual General Meeting
Wednesday, September 24, 2014 at 10.00 a.m.

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]

CIN: L51909TN1984PLC082330
Name of the Company: SpiceJet Limited
Registered office: Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai- 600 028

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

Registered address: ....

E-mail Id: ....

Folio No/ Client ID: ....

DP ID: ....

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

(1) Name .... Address...
E-mail ID .... Signature..or failing him/her

(2) Name .... Address...
E-mail ID .... Signature..or failing him/her

(3) Name .... Address...
E-mail ID .... Signature..or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirtieth Annual General Meeting of the Company, to be held on Wednesday, the 24th day of September, 2014 at 10.00 a.m. at The Kalaignar Arangam, Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai – 600 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.		**Description**	**Optional***	
			For	**Against**
Ordinary Business	1.	Adoption of audited Annual Accounts and Reports of the Auditors and Directors		
	2.	Re-appointment of a Director		
	3.	Re-appointment of Statutory Auditors		
Special Business	4.	Appointment of Mr. M. K. Harinarayanan as an Independent Director		
	5.	Appointment of Mr. J. Ravindran as an Independent Director		
	6.	Appointment of Mr. Nicholas Martin Paul as an Independent Director		
	7.	Appointment of Mr. R. Ravivenkatesh as an Independent Director		
	8.	Create, offer, issue and allot upto 81,680,629 Warrants, having option to apply for be allotted equivalent no. of equity shares of Rs.10 each to Promoters of the Company.		
	9.	Create, offer, issue and allot upto 107,410,749 Warrants, having option to apply for be allotted equivalent no. of equity shares of Rs.10 each to Promoters of the Company.		
	10.	Increase in authorised share capital to Rs.15,000,000,000 (Rupees Fifteen Thousand Million		

Signed this... day of............................, 2014.

Signature of Member ....

Signature of Proxy holder(s) ....

Affix Revenue Stamp

Note:

1. 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.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of Thirtieth Annual General Meeting.
3. *It is optional to put 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolution your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of Members(s) before submission.

Please Cut Here

If undelivered, please return to :

SpiceJet Limited

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