



# Spreading Wings



MORE  
CONNECTIVITY



MORE  
ENTERTAINMENT



MORE  
DELIGHT

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To read this report online or to download, please visit  
[www.spicejet.com](http://www.spicejet.com)

#### Forward-Looking Statements

This annual report may contain 'forward-looking statements' that are based on our current expectations, assumptions, estimates and projections about the Company, our industry, economic conditions in the markets in which we operate, and certain other matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will', 'project', 'seek', 'should' and similar expressions. Those statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources. These statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results or outcomes to differ materially from those implied by the forward-looking statements. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in aviation sector including those factors which may affect our cost advantage, wage fluctuations, our ability to attract and retain highly skilled professionals, time and cost overruns on various parameters, our ability to manage international operations, reduced demand for air travel, liability for damages, withdrawal or expiration of governmental fiscal incentives, political instability, legal restrictions on raising capital or general economic conditions affecting our industry. In light of these and other uncertainties, you should not conclude that the results or outcomes referred to in any of the forward-looking statements will be achieved. All forward-looking statements included in this annual report are based on information available to us on the date hereof, and we do not undertake to update these forward-looking statements unless required to do so by law.



# SpiceJet has been a story of extraordinary transformation.

From being on the verge of shutdown, to turning around operations, consolidating our position and establishing our market presence, we have come a long way.

We are today connecting India and several international locations unlike any other. Our 535 daily operational flights cover 185 routes across 58 destinations, including several underserved routes. Our inspiring innovation is ensuring safe, comfortable and superior flying experience. Our technology and people competencies are enabling industry leading performance.

5 years on since this, we are now committed more than ever to spread our wings and take flying experience to a whole new level. We are enabling unmatched connectivity for our guests by continuously adding new locations and connecting them seamlessly to expansive international network of partner airline by leveraging relationships. We are capitalising on our operational capabilities to induct aircraft and skilled manpower at record speed as we scale our operations. We are investing in freighter business to provide unmatched delivery experience as we look to add a new dimension to our operations.

**At SpiceJet, we  
are Spreading  
Wings for  
more  
connectivity,  
more  
entertainment  
and more  
delight!**

## SpiceJet: India's Favourite Airline

SpiceJet is India's second-largest airline in terms of domestic passenger volume and the largest in terms of regional connectivity. We are driven by the vision of making flying accessible and enjoyable to all. We are doing this by consistently adding more destinations, expanding our fleet and employing better technologies and passenger-friendly people to deliver impeccable customer service. Our operational excellence is enabling us to deliver sustained on-time performance and achieve passenger load factor of over 90% for a continuous 48 months in a row.

### More with SpiceJet

#### Cost effective fleet


**48**

mainline Boeing  
fleet for key  
destinations

**27**

Q400 for  
regional  
connectivity

**1**

Boeing 737 for  
cargo services

**7.07**

Average Fleet age

#### Strong management team


**23**

years of  
average senior  
management  
experience

CMD Mr. Ajay  
Singh, a pioneer  
of low-cost  
aviation in India

#### Leader in regional connectivity


**42**

daily UDAN  
flights

**12**

operational  
regional  
destinations

#### Stable and diversified revenue streams

##### Primary

Passenger air travel



##### Ancillary

Preferred seating, Spice Max, Insurance, Meals, Spice Vacations, Lounge, Visa, Cab, Cargo, Onboard Merchandise

#### Increased market presence


**13.7%**

domestic market  
share

**9.1%**

international  
market share

#### Proven low-cost model


**92%**

load factor

**12.2**

hours  
average aircraft  
utilisation  
(Boeing and  
Q400)

#### Growing relationship

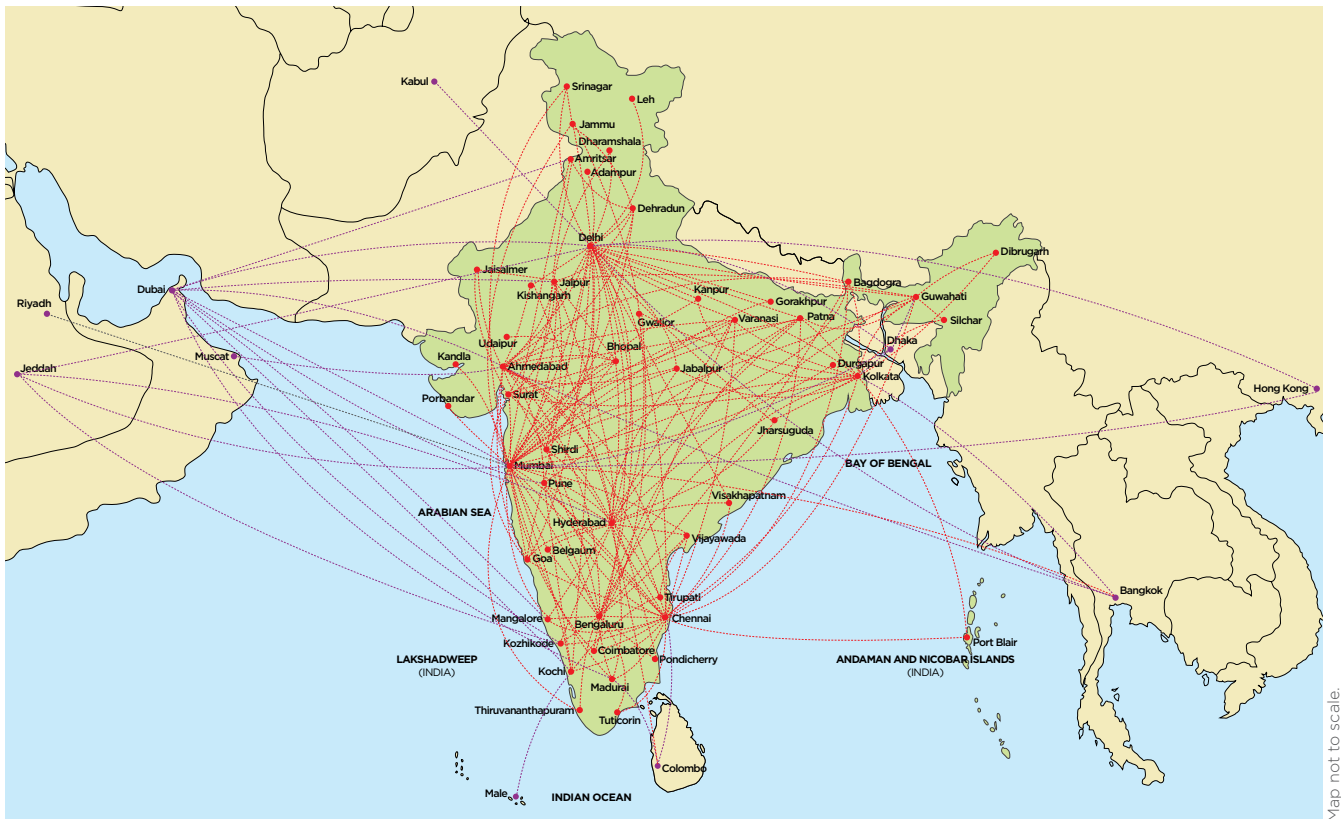
MoU with Emirates for  
Interline and codeshare  
agreement



Appointed Amadeus as first global  
distribution partner that gives Amadeus'  
global network of travel sellers access  
to the airline's range of fares and prices  
through the Amadeus Travel Platform

Data as on March 31, 2019.

## More Connectivity with SpiceJet



# 111

Fleet size

# 535

Daily flights

# 62

Destinations

- 53 domestic
- 9 international

### Domestic

Adampur, Amritsar, Ahmedabad, Aurangabad®, Bhopal, Bengaluru, Belgaum, Bagdogra, Chennai, Coimbatore, Dharamshala, Dehradun, Delhi, Dibrugarh, Durgapur, Gorakhpur, Guwahati, Goa, Gwalior, Hyderabad, Jammu, Jaisalmer, Jaipur, Jharsuguda, Jabalpur, Jodhpur\*, Kishangarh, Kandla, Kanpur, Kozhikode, Kolkata, Kochi, Leh, Mangalore, Madurai, Mumbai, Pune, Patna, Pondicherry, Port Blair, Pakyong\*, Porbandar, Rajahmundry\*, Srinagar, Surat, Shirdi, Silchar, Thiruvananthapuram, Tuticorin, Tirupati, Udaipur, Varanasi, Vijayawada, Visakhapatnam

### International

Bangkok, Dubai, Muscat, Kabul\*, Hong Kong, Colombo, Male, Dhaka, Riyadh#, Jeddah

© Effective October 8, 2019.

\* Operations to be restarted soon.

# Effective August 15, 2019.

Data as on July 31, 2019

# More Performance in a Challenging Year

## Operational Performance: FY 2018-19

### 81%

Average on-time performance

### 90%

Passenger load factor

### 10%

Growth in passengers carried in FY 2018-19 to 19.90 million

### 80

New routes introduced in FY 2018-19

### SpiceXpress

Dedicated freighter services launched

### 14%

Growth in capacity (ASKM)

## Financial Performance: FY 2018-19 vs FY 2017-18

### 18%

Growth in total income from operations

### 16%

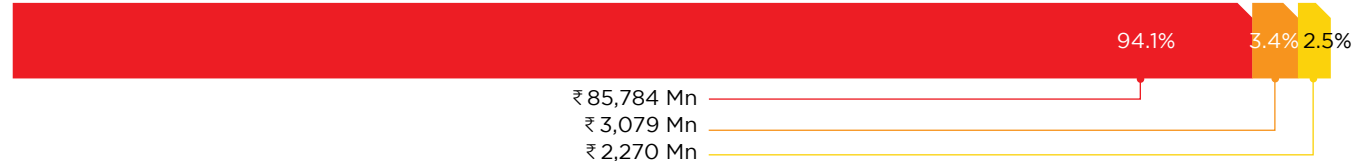
Growth in passenger revenue

### 3%

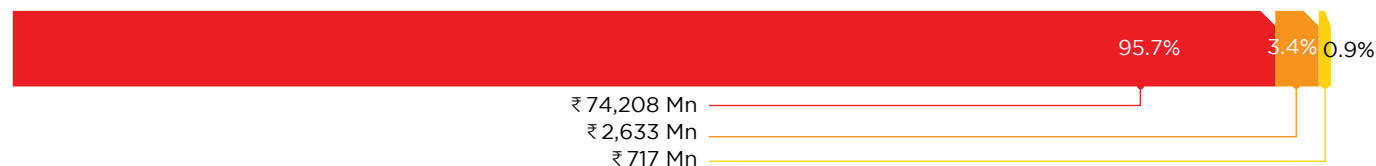
Growth in passenger yield (revenue per seat kilometre)

## Operating Revenue break-up

FY 2018-19



FY 2017-18



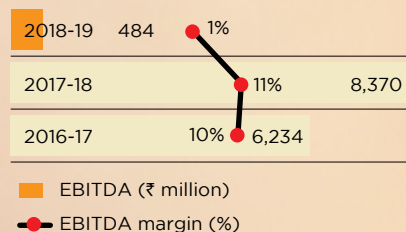
■ Pax Revenue 
 ■ Cargo Revenue 
 ■ Other Operating Revenue

### Net Revenue from Operations

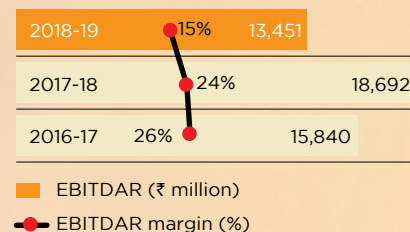
₹ Mn

2018-19	91,133
2017-18	77,557
2016-17	61,913

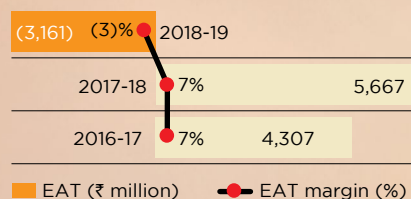
### EBITDA & EBITDA margin



### EBITDAR & EBITDAR margin



### EAT & EAT margin



### Net Debt

₹ Mn

2018-19	10,319
2017-18	11,569
2016-17	10,881

### Net Debt:Equity

2018-19	(2.94)
2017-18	(26.93)
2016-17	(1.79)

### Available seat kilometre

Mn

2018-19	22,317
2017-18	19,510
2016-17	16,438

### Revenue passenger kilometre

Mn

2018-19	20,504
2017-18	18,254
2016-17	15,056

### No. of passengers

Mn

2018-19	19.90
2017-18	18.09
2016-17	14.91



## Message from the Chairman



Dear Shareholders,

In May 2019, SpiceJet turned fourteen years young and I feel extremely happy about the glorious journey we have traversed over the last fourteen years. In May 2005, when we commenced our operations, low-cost airline model was still an emerging concept in India. However, we dared to dream big, challenged ourselves to push beyond our limits, broke every barrier that came our way, innovated at every step and today we are proud to stand as India's favourite airline. Fourteen years of flying high and ready to Spread Our Wings.

The year gone by in many ways has been a launch-pad year for SpiceJet towards its future objectives. We not only successfully navigated several industry-wide disruptions and cost head-winds to make a strong recovery in the performance, but also undertook multiple business strengthening initiatives.

The year started off on a challenging note for the Indian aviation industry. The fuel prices peaked, and rupee depreciated, resulting in significant increase in fuel costs and foreign exchange losses. The crises deepened further with the worldwide grounding of the Boeing 737 MAX fleet and cessation of operations of another full service carrier in India which significantly impacted the capacity in the market. Having said that, the good thing is that the passenger volumes remained strong and the prospects better amidst rising per capita income and increasing shift of passengers to air travel.

Obviously, these external factors impacted our performance, but I am happy with the agility with which our team responded. For us, the rise in fuel costs and rupee depreciation during the year resulted in a cost escalation of ₹ 6,958 million and ₹ 2,854 million respectively. This translated into a loss of ₹ 4,275 million in the most critical quarters. Despite this, we posted a strong recovery in the last two quarters, narrowing down our loss to ₹ 3,161 million for the full FY 2018-19. This recovery was despite the unprecedented challenge of our thirteen Boeing 737 MAX aircraft being grounded to which we responded swiftly by inducting additional aircraft along with rationalising and optimising the existing fleet. This just goes on to exemplify the strength of our operations to scale up and our unrelenting focus towards passenger services.

Our efforts led to income from operations growing by 18% from ₹ 77,557 million in FY 2017-18 to ₹ 91,133 million in FY 2018-19 with a capacity increase of 14%. Alongside, we continued to maintain industry leading operational performance on the back of on-going initiatives to enhance efficiency by upgrading technology, hiring efficient manpower and training them. On the operational front, we have achieved a feat which is unparalleled in global aviation history. SpiceJet has flown for 48 months-in-a-row with highest loads in India firmly establishing our standing as the country's favourite airline.

In another strategic move, we progressed with our aggressive expansion plan across both domestic and international network. As a part of international expansion strategy, we entered into a Memorandum of Understanding with Emirates, one of the world's largest airline to integrate our operations through codeshare and interline arrangements. This move will immensely benefit the passengers of both airlines and will significantly boost operating revenues. It will enable our passengers to enjoy seamless connectivity to Emirates' vast network across Europe, Africa, America and the Middle East.

With our continued focus to expand international reach, in March 2019, SpiceJet became member of the prestigious International Air Transport Association (IATA), making it the first low-cost carrier in India to join the global trade association of the airline industry representing over 290 airlines. IATA membership will further enable us to inculcate global best practices and innovations and provide our passengers with a world-class experience each and every time they fly with us. IATA also provides us a platform to closely work and collaborate with other airline members and expand our network through codeshares and agreements with partner airlines.

We also appointed Amadeus as our first global distribution partner that gives Amadeus' global network of travel sellers access to the airline's range of fares and prices through the Amadeus Travel Platform. This is the first time SpiceJet is working with a distribution partner to reach out to global travellers and will be able to showcase its products on a global scale, access new markets and partners, and grow its customer base.

During FY 2018-19, we have inducted 19 aircraft (including 1 Freighter) to our fleet and 13 new destinations which include 6 UDAN destinations. Today, we are the largest participant in the regional connectivity scheme providing air connectivity to the remotest corners of India. *Flying for Everyone* has always been the grand vision for SpiceJet and providing affordable air connectivity to our fellow citizens is an achievement we are all very proud of.

With this, SpiceJet is now operational in 53 domestic and 9 international destinations. Our capacity (available seat kilometre) has expanded by 14% resulting in 16% growth in passenger revenue to ₹ 85,784 million.

During the year, we also made a breakthrough in our dedicated freighter services business, SpiceXpress, commercialising operations starting with Guwahati-Hong Kong sector. We have now become the first airline in India to offer end-to-end cargo services and the first globally to connect North East India with South East Asia. The entry into this business exemplifies the strength of our operations in extending competencies of passenger business to cargo services. It provides a whole new dimension to our operation in terms of diversification. We are optimistic of this business as the exponentially growing e-commerce industry in India along with rising demand for faster delivery will see the cargo volume grow manifold. We are presently operating 3 dedicated cargo freighter planes and are strongly focussed on growing this business in the coming years.

Safety remains our utmost priority and earlier in the year the airline received IATA Operational Safety Audit (IOSA) certificate, the benchmark for global safety management in airlines. The IOSA certification is an endorsement of our reputation as one of the safest airlines in the world.

The financial year 2020 is going to be an exciting year for us and will be remembered as a key milestone in the history of SpiceJet. In the first few months, the airline has successfully inducted thirty-five aircraft to its fleet. Nowhere in the world has an airline expanded at this pace, increased capacity and added new stations and flights as SpiceJet has done in the last few months. We successfully minimised the impact of Boeing 737 MAX grounding and reduction of industry capacity. This would not have been possible without the relentless efforts of the regulators and meticulous, untiring and unwavering support of each of our employees.

It has been exciting journey to lead SpiceJet from a near shutdown to being one of the finest airlines in India. We have accomplished many unparalleled feats in the years gone by and perhaps this is the beginning of breaking new barriers as we start to Spread Our Wings...

Warm regards,

**Ajay Singh**

Chairman and Managing Director

More with SpiceJet

# Widening Connectivity by Leveraging Relationships

Over the years, SpiceJet has worked towards growing its passenger volumes responsibly. The focus now is to utilise these volumes effectively to generate additional revenues and improve passenger experience by leveraging relationships and forging partnerships. In line with this, we have signed a Memorandum of Understanding with Emirates for interline and codeshare partnership. This will allow SpiceJet passengers from across 54 domestic destinations to enjoy seamless connectivity on Emirates' expansive network across America, Europe, Africa and the Middle East.

We have also appointed travel technology solutions provider Amadeus as our global distribution partner. With this, our seat inventory will be available on their platform, enabling us to reach out to new markets and travellers globally.

## How SpiceJet will benefit from leveraging partnership

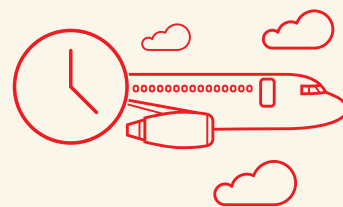
Open new routes and destinations for passengers travelling between India and popular international destination



International connectivity to passengers from regional destinations



Market share and revenue growth



Optimisation in scheduling with minimal transit time between Indian and global destinations

More with SpiceJet

# Building Capabilities to Scale Sustainably

In an airline business, scaling operations sustainably is a challenge. It requires knowledge, appropriate skill sets, managerial and administrative capabilities and strong financial position to resist shocks.

At SpiceJet, scaling up operations sustainably has been one of our key differentiators, enabling us to effectively manage growing passenger volumes and widening network. It is this ability of ours that despite grounding of our Boeing 737 MAX fleet, we were able to swiftly move and induct new aircraft to avoid and mitigate operational disruption. Our strong operational strength also enabled us to seamlessly enter the freighter business. As we move forward with this additional capacity to serve the growing passenger traffic and new destinations, we have undertaken multiple initiatives to build future capabilities including:



## Investing in automation and technology upgradation

- Invested in automation and leave management system to better manage operations and support rationalisation and optimisation of fleet
- Migration to SAP S4 HANA
- Introduced new software for engineering



## Manpower planning

- Streamlined hiring process and introduced Human Resource Management System
- Hired 2,564 highly trained professional in FY 2018-19
- Skill development training
- Structured cabin crew training through Spice Star Academy



**SpiceJet demonstrated the robustness of its systems and processes to scale operations by successfully inducting 25 aircraft during first quarter of FY 2020**

More with SpiceJet

# Delivering Delight with Best Flying Experience

We are focussed on being the best rather than just the largest. We are doing this by striving to provide our guests a safe, comfortable and memorable journey with superior experiences.



## Innovations for hassle-free experience

We introduced several products for the comfort and convenience of passengers including:

- Reward for travellers with only hand baggage
- Baggage handling facility for passengers carrying heavy baggage, but not heavy enough to be checked-in
- Bigger choice of meal onboard
- Seat and meal of choice
- Extra leg space
- Add-on service allowing flexibility of cancelling or modifying tickets to suit travel plan



## Maximising flying experience with SpiceMax

We offer a range of bundled services and priority privileges to provide a unique flying experience for our guests. These include:

- Welcome drink and refreshing towel (international)
- Ergonomic seat with extra leg-room
- Complimentary meal with non-alcoholic beverage (alcoholic beverage available on international flights)
- Priority services (check-in, boarding, baggage delivery)
- Comfortable 4-way adjustable headrest, pillow and blanket (international)



## Single reservation for connecting flight

Our partnership with Emirates will allow travellers to book connecting flights in a single reservation on the codeshare routes.

## A Journey of Excellence



### ASSOCHAM 12<sup>th</sup> International Conference-cum-Awards

(Civil Aviation & Cargo)

Best Domestic Low-Cost Airline



### Airline Strategy Awards 2018

Global 'Low-Cost' Leadership to CMD Mr. Ajay Singh



### US-India Strategic Partnership Forum Leadership Award

to CMD Mr. Ajay Singh in Annual Leadership Summit at Washington DC, USA



### ASSOCHAM 11<sup>th</sup> International Conference-cum-Awards

(Civil Aviation & Cargo)

Best Domestic Airline



### BML Munjal Award 2018

Business Excellence through Learning and Development to CMD Mr. Ajay Singh



### Times Travel Awards 2018

Editor's Choice Award for Best Domestic Low-Cost Airline

### Past accolades

- 'Best Domestic Airline Award' at the Wings India Awards 2018
- 'Outstanding Entrepreneur of the Decade and Best Airline operating under RCS Award' at the Air Passengers Association of India
- 'Indian Entrepreneur of the Year Award 2017' to CMD Mr. Ajay Singh for Business Transformation by Ernst & Young
- The CAPA Chairman's Order of Merit for Excellence Award' for the remarkable turnaround of SpiceJet

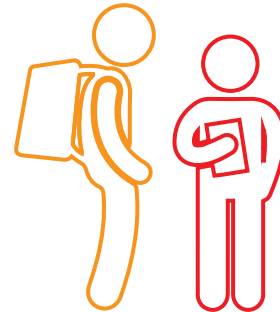
## Corporate Social Responsibility

We are committed to ensuring holistic and inclusive development of the communities and society in which we operate. Through our CSR initiatives in the sphere of Health, Education, and Rural Development, we strive to create a meaningful and sustainable difference in the lives of people and we extended our helping hand to:

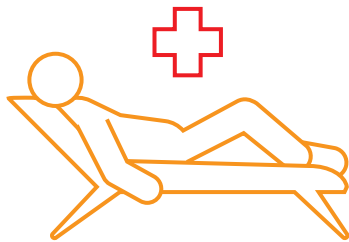


**Sapna NGO** for its social welfare activity Sapna Shikshalaya – a primary school for underprivileged girls at Alwar, Rajasthan and Anandam – a home for sick and destitute at Noida

**Shanti Narayan Memorial Trust** towards providing support and assistance to slum children through the medium of Gyan Shakti Vidyalaya



**Sewa Panthi Hospital** to conduct health care activities for cancer patients



Our initiative '**Roshan Hoga Desh Hamara**' aims to provide electricity to the unelectrified villages in the country. Towards this, we have adopted the remote village of Baruahchuck in the Majuli district of Assam to provide sustainable energy access through solar microgrid in the village and enhance the quality of life of the villagers.

## CORPORATE INFORMATION

### Board of Directors

**Mr. Ajay Singh**  
Chairman & Managing Director

**Mrs. Shiwani Singh**  
Non-Executive and Non-Independent Director

**Mr. Anurag Bhargava**  
Independent Director

**Mr. Harsha Vardhana Singh**  
Independent Director

**Mr. Ajay Chhotelal Aggarwal**  
Independent Director

**Mr. Manoj Kumar**  
Independent Director

### Registered Office

Indira Gandhi International Airport,  
Terminal 1D,  
New Delhi – 110 037

### Corporate Office

319, Udyog Vihar, Phase-IV  
Gurugram – 122 016,  
Haryana  
Website: [www.spicejet.com](http://www.spicejet.com);  
Email: [investors@spicejet.com](mailto:investors@spicejet.com)  
Phone: +91 124 3913939

### Statutory Auditors

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

### Registrar & Share Transfer Agents

**Karvy Fintech Private Limited**  
Karvy Selenium Tower B, Plot No. 31-32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad – 500 032  
Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Phone: +91 40 67162222

### Accountable Manager

**Mr. G P Gupta**  
Chief Strategy Officer & Accountable Manager

### Key Managerial Personnel

**Mr. Kiran Koteswar**  
Chief Financial Officer

**Mr. Chandan Sand**  
Sr. VP (Legal) & Company Secretary

### Bankers

Allahabad Bank  
Axis Bank Limited  
Bank of Baroda  
Barclays Bank Plc  
BNP Paribas Bank  
City Union Bank Limited  
HDFC Bank Limited  
ICICI Bank Limited  
IDFC First Bank Limited  
Jammu & Kashmir Bank Limited  
JP Morgan Chase Bank, N.A.  
Kotak Mahindra Bank Limited  
Punjab National Bank  
Standard Chartered Bank  
State Bank of India  
The Hongkong and Shanghai Banking Corporation Limited  
Union Bank of India  
Yes Bank Limited

# Notice of Annual General Meeting

Notice is hereby given that the thirty fifth Annual General Meeting of the members of SpiceJet Limited (the “Company”) will be held on Monday, the 30<sup>th</sup> day of September, 2019 at 4:00 p.m. at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 to transact the following business:

## Ordinary Business:

1. To receive, consider and adopt:
  - (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2019, together with the Report of the Board of Directors and the Statutory Auditors thereon; and
  - (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2019, together with the Report of the Statutory Auditors thereon.
2. To appoint a Director in place of Mrs. Shiwani Singh (DIN: 05229788), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

## Special Business:

3. Appointment of Mr. Ajay Chhotelal Aggarwal (DIN: 00001122) as an Independent Director of the Company.  
 To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
 “Resolved that pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Mr. Ajay Chhotelal Aggarwal (DIN: 00001122), who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 11, 2019 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period up to February 10, 2024, not liable to retire by rotation.”
4. Appointment of Mr. Manoj Kumar (DIN: 00072634) as an Independent Director of the Company.  
 To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
 “Resolved that pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Mr. Manoj Kumar (DIN: 00072634), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 28, 2019 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period up to May 27, 2024, not liable to retire by rotation.”
5. Remuneration to Mr. Ajay Singh (DIN: 01360684), Managing Director of the Company in case of no profits/ inadequacy of profits of the Company.  
 To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
 “Resolved that pursuant to recommendation of the Nomination and Remuneration Committee and approval of Board of Directors of the Company and pursuant to provisions of Sections 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for payment of following remuneration as minimum remuneration to Mr. Ajay Singh (DIN: 01360684), Managing Director of the Company (who was re-appointed at the 34<sup>th</sup> Annual General Meeting of the Company held on November 29, 2018 for a period of five years with effect from May 21, 2018) during the period of three financial years with effect from April 1, 2018:
  - (a) Fixed pay: ₹6,000,000 (Rupees Six Million only) per month (with such component as may be agreed and decided by the Board);
  - (b) Variable pay: 2.5% of annual net profit of the Company payable upon completion of relevant financial year; and
  - (c) Other benefits of employment as per Company's rules viz. company maintained car with driver, mobile expense reimbursement, provident fund, gratuity, personal accident insurance, medical insurance for self and dependents.

Resolved further that the tenure of Mr. Ajay Singh as Managing Director of the Company for a period of five years with effect from May 21, 2018, as appointed by the members at the 34<sup>th</sup> Annual General Meeting of the Company held on November 29, 2018, shall remain unchanged.

Resolved further that the Board of Directors of the Company may at any time alter terms and conditions of appointment of Mr. Ajay Singh including payment of remuneration, in such manner as may be agreed to between the Board and Mr. Ajay Singh subject always to and in compliance with all applicable provisions of the Companies Act, 2013 and rules made thereunder including any amendment, modification, variation or re-enactment thereof.

Resolved further that for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board) be and is hereby authorised to do all such acts, deeds 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 respect of aforesaid without being required to seek any further consent or approval of the members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By order of the Board of Directors

Sd/-

Chandan Sand

Sr. VP (Legal) & Company Secretary

Date : August 9, 2019

Place : Gurgaon

SpiceJet Limited

Indira Gandhi International Airport,

Terminal 1D, New Delhi - 110037

CIN: L51909DL1984PLC288239

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

Email: [investors@spicejet.com](mailto:investors@spicejet.com)

Tel: +91 124 3913939; Fax: +91 124 3913844

## 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") shall be entitled to appoint a proxy to attend and vote at the AGM instead of himself/herself, and the proxy need not be a member of the Company. The duly completed and signed instrument appointing proxy should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the AGM.**

During the period beginning twenty-four hours before the time fixed for the commencement of the AGM and until the conclusion of the AGM, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided not less than three days' of notice in writing is given to the Company.

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

3. The Register of Members and Share Transfer Books will remain closed from September 24, 2019 to September 30, 2019 (both days inclusive).
4. Corporate members intending to send their Authorised Representatives to attend and vote at the AGM are requested to ensure that the Authorised Representative carries a duly certified true copy of the board resolution, authorising him/her to attend and vote at the AGM and any one of the photo identity proofs (viz. Aadhaar Card, Driving License, PAN Card, Election Card, Passport or any other valid proof).
5. Relevant documents referred to in the notice are open for inspection by the members at the registered office of the Company on all working days (i.e. except Saturdays, Sundays and Public Holidays) between 10:00 a.m. to 12:00 noon upto the date of the AGM.
6. The physical copy of Annual Report 2018-19, the notice of the AGM and instructions for e-voting, along with the attendance slip and proxy form, are being sent to those members whose e-mail addresses are not registered with the Company and

by electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories, unless a member has requested for a physical copy of the documents. All the above documents are also available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the “Investors section”.

7. To support the “Green initiative”, the members who have not registered their e-mail addresses, are requested to register the same with their DPs to enable the Company to send communication electronically.
8. Members are requested to kindly bring their copy of the Annual Report with them at the AGM, as no extra copy of Annual Report would be made available at the AGM.
9. Members are informed that, in case of joint holders attending the AGM, the member whose name appears as the first holder in the order of names as per the register of members of the Company will be entitled to vote.
10. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank account details, nominations, power of attorney, change of name, change of address, PIN code etc., only to their Depository Participants (DPs) and not to the Registrar and Share Transfer Agent or the Company.
11. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements maintained under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
12. Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India in respect of appointment or re-appointment and/or fixation of remuneration of directors is provided hereinafter and forms part of the notice.
13. In terms of Secretarial Standard - 2 issued by the Institute of Company Secretaries of India, route map for the location of the venue of the AGM is given hereinafter and forms part of the notice.
14. Members are requested to make all other correspondence in connection with the equity shares held by them by addressing letters directly to the RTA viz., Karvy Fintech Private Limited, Unit: SpiceJet Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or to the Company at its registered office as mentioned in this notice, quoting reference of their Client ID and DP ID or Folio No.
15. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014 as amended read with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided e-voting facility to the members to cast their votes electronically on all resolutions set out in this notice. The Company has engaged the services of Karvy Fintech Private Limited (“**Karvy**”) to provide the e-voting facility. Detailed instructions for remote e-voting process are as under:
  - (a) Open your web browser during the voting period and navigate to <https://evoting.karvy.com>.
  - (b) Enter the login credentials (i.e. User ID and password mentioned on e-voting ballot form sent with this notice). If you have already registered with Karvy for e-voting, you can use your existing User ID and password for casting your votes.
  - (c) After entering these details appropriately, click on “LOGIN”.
  - (d) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - (e) You need to login again with the new credentials.
  - (f) On successful login, the system will prompt you to select the “EVENT” i.e. SpiceJet Limited.
  - (g) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as mentioned therein. You may also choose the option ABSTAIN. If the member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
  - (h) Members holding multiple Folios/Demat Accounts shall choose the voting process separately for each Folios/Demat Accounts.

- (i) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
  - (k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
  - (l) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID mkg1999@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_ EVENT No."
  - (m) A person who has become the member of the Company after the dispatch of AGM notice but on or before the cut-off date i.e. September 23, 2019, may write to the Karvy on the email ID evoting@karvy.com or to Ms. C Shobha Anand, Contact No. 040-67162222, at [Unit: SpiceJet Limited], Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and password.
  - (n) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Karvy at Tel No. 1800 345 4001 (Toll Free).
16. The e-voting period commences on Thursday, September 26, 2019 at 9:00 a.m. and ends on Sunday, September 29, 2019 at 5:00 p.m. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off of date i.e. September 23, 2019, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter.
17. The member who have cast their vote electronically shall not be debarred from participation in the AGM, however, they shall not be able to vote in the AGM again and their earlier vote cast through electronic means shall be treated as final.
18. Mr. Mahesh Kumar Gupta (CP No. 1999), Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner.
19. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company. He shall make a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, on or before October 1, 2019. The Scrutiniser's Report shall be given to the Chairman or a person authorised by him in writing who shall countersign the same. The Results on resolutions shall be declared on or after the AGM of the Company and shall be deemed to be passed on the date of the AGM.
20. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website i.e. [www.spicejet.com](http://www.spicejet.com) and on the website of Karvy i.e. <https://evoting.karvy.com> and communicated to the Stock Exchange.

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

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

### Item No. 3

The Board of Directors, at its meeting held on February 11, 2019, appointed Mr. Ajay Chhotelal Aggarwal as an Additional Director of the Company with effect from February 11, 2019, pursuant to Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Ajay Chhotelal Aggarwal will hold office up to the date of the ensuing AGM. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing candidature of Mr. Ajay Chhotelal Aggarwal for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received a declaration from Mr. Ajay Chhotelal Aggarwal under Section 149(7) of the Companies Act, 2013 that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The resolution seeks the approval of the members for the appointment of Mr. Ajay Chhotelal Aggarwal as an Independent Director of the Company for a period up to February 10, 2024 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the Board, Mr. Ajay Chhotelal Aggarwal, fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and he is independent of the Management. Considering his area of expertise, rich experience and independence towards the Company, the appointment of Mr. Ajay Chhotelal Aggarwal has been proposed.

A copy of the draft letter for the appointment of Mr. Ajay Chhotelal Aggarwal as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office on working days, except Saturday/ Sunday and other public holidays, between 10:00 a.m. to 12:00 noon upto the date of the AGM.

Your Directors recommend the resolution for your approval.

Except, Mr. Ajay Chhotelal Aggarwal, none of the directors and key managerial personnel of the Company including their relatives are, in anyway, concerned or interested in the said resolution.

#### Item No. 4

The Board of Directors, at its meeting held on May 28, 2019, appointed Mr. Manoj Kumar as an Additional Director of the Company with effect from May 28, 2019, pursuant to Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company.

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

The Company has received a declaration from Mr. Manoj Kumar under Section 149(7) of the Companies Act, 2013 that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The resolution seeks the approval of the members for the appointment of Mr. Manoj Kumar as an Independent Director of the Company for a period up to May 27, 2024 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the Board, Mr. Manoj Kumar, fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and he is independent of the Management. Considering his area of expertise, rich experience and independence towards the Company, the appointment of Mr. Manoj Kumar has been proposed.

A copy of the draft letter for the appointment of Mr. Manoj Kumar as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office on working days, except Saturday/ Sunday and other public holidays, between 10:00 a.m. to 12:00 noon upto the date of the AGM.

Your Directors recommend the resolution for your approval.

Except, Mr. Manoj Kumar, none of the directors and key managerial personnel of the Company including their relatives are, in anyway, concerned or interested in the said resolution.

#### Item No. 5

The members of the Company at the 34<sup>th</sup> Annual General Meeting held on November 29, 2018 re-appointed Mr. Ajay Singh as Managing Director of the Company for a period of five years with effect from May 21, 2018 at a remuneration of ₹6,000,000 (Rupees Six Million only) per month as fixed pay (with such component as may be agreed and decided by the Board) and two and a half percent of annual net profit of the Company payable upon completion of relevant financial year as variable pay effective April 1, 2018 along with other benefits of employment as per Company's rules viz. company maintained car with driver, mobile expense reimbursement, provident fund, gratuity, personal accident insurance, medical insurance for self and dependents.

The financial year ended March 31, 2019 posed multiple challenges such as adverse foreign exchange rates, steep rise in fuel prices during the second quarter and worldwide grounding of the Boeing 737 MAX. All these encounters have adversely impacted the profitability and the Company has reported net loss during financial year March 31, 2019. Though, the Company is paying remuneration to Mr. Ajay Singh as per special resolution dated November 29, 2018, but due to unexpected net loss during the financial year ended March, 31, 2019, the remuneration paid/payable to Mr. Ajay Singh is exceeding the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 (i.e. remuneration payable by the companies having no profit or inadequate profit). Therefore, in terms of the said provisions of the Companies Act, 2013, the Company is required to obtain the approval of the members by way of a special resolution for payment of remuneration to Mr. Ajay Singh in case of no profits/ inadequacy of profits of the Company for a period of three years.

Further, effective April 1, 2019, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated that the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in a general meeting, if the annual remuneration payable to such executive director exceeds Rupees five crore or 2.5 percent of the net profits of the Company, whichever is higher; or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 percent of the net profits of the Company. This proposed special resolution being approved will be in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

It is specifically clarified that no increase in remuneration of Mr. Ajay Singh is proposed and the same is in line with the remuneration already approved by the members at the 34<sup>th</sup> Annual General Meeting of the Company held on November 29, 2018.

In view of the above, approval of the members by way of special resolution is sought for remuneration paid/payable to Mr. Ajay Singh as Managing Director of the Company for a period of three financial years with effect from April 1, 2018.

The Company, as on date, is not in default in payment of dues to any bank or public financial institution or to non-convertible debenture holders or to any other secured creditor, and accordingly their prior approval is not required, for approval of the proposed special resolution.

The Nomination and Remuneration Committee and Board of Directors of the Company at their respective meetings held on August 9, 2019 have considered this proposal and recommended/ approved the remuneration payable/ paid to Mr. Ajay Singh, subject to the approval of members by special resolution.

The directors recommend the resolution for your approval.

Except, Mr. Ajay Singh and Mrs. Shiwani Singh, 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.

A written memorandum under Section 190 of the Companies Act, 2013 setting out the terms of payment of remuneration to Mr. Ajay Singh is available for inspection by the members at the registered office of the Company on all working days (i.e. except Saturdays, Sundays and Public Holidays) between 10:00 a.m. to 12:00 noon.

The information as required to be given pursuant to Section II of Part II of Schedule V of the Companies Act, 2013, for payment of remuneration to Managing Director in excess of limits specified in case of no profit or inadequate profit is as under:

#### (a) General Information

- (i) Nature of industry: The Company is engaged in the business of providing schedule airline services throughout India and abroad.
- (ii) Date or expected date of commencement of commercial production: The Company has already commenced its airline operations effective May 23, 2005.
- (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable
- (iv) Financial performance based on given indicators:

(Amount in ₹ million)

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
<b>Total Revenue</b>	<b>91,715.44</b>	<b>78,352.09</b>	<b>62,714.00</b>
<b>Expenses</b>			
Operating Expenses	73,000.54	55,449.97	44,325.13
Employee Benefit Expenses	10,570.07	8,625.67	6,735.40
Selling Expenses	2,074.41	1,890.62	2,092.90
Other Expenses	5,586.40	4,015.84	3,326.42
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>484.02</b>	<b>8,369.99</b>	<b>6,234.15</b>
Depreciation and amortisation expense	(2,562.25)	(2,312.00)	(1,986.05)
Interest income on bank deposits	864.90	530.42	324.04
Finance Cost	(1,312.84)	(921.90)	(650.40)
<b>Profit/ (Loss) before taxation and extraordinary items</b>	<b>(2,526.17)</b>	<b>5,666.51</b>	<b>3,921.74</b>
Tax Expenses		-	-
Extraordinary items	(634.66)	-	385.54
<b>Profit/ (Loss) after taxation</b>	<b>(3,160.83)</b>	<b>5,666.51</b>	<b>4,307.28</b>

- (v) Foreign investments or collaborations, if any: Foreign holdings by FIIs, body corporate, NRIs etc. as on March 31, 2019 is 5.52%.

**(b) Information about the appointee:**

- (i) Background details: Mr. Ajay Singh is a first generation entrepreneur. He has extensive experience in the information technology and airline operations having successfully contributed to the launch of the Company during the year 2005. Previously, Mr. Singh has served in government as Advisor to the Ministry of Communication and Information Technology and the Ministry of Information and Broadcasting. He has also served on the Board of the Delhi Transport Corporation.
- (ii) Past remuneration: ₹147.36 million during financial year 2017-18.
- (iii) Recognition or awards: Mr. Ajay Singh has received numerous recognitions over the years. In January 2019, he became the first Indian to chair the prestigious Aviation, Travel and Tourism (ATT) Governor's Meeting at the World Economic Forum, Davos. Mr. Singh is also the Chairman of the CII National Committee on Civil Aviation and Vice Chairman of the World Travel & Tourism Council, India Initiative (WTTICII). He has recently been appointed on the Board of Governors of International Air Transport Association (IATA).

He is the recipients of multiple accolades including Global 'Low-Cost Leadership Award' at the Airline Strategy Awards 2018; Indian Entrepreneur of the Year 2017 for Business Transformation by Ernst & Young; CAPA Chairman's Order of Merit for Excellence in Indian aviation; US-India Strategic Partnership Forum Leadership Award in Annual Leadership Summit at Washington, D.C.; 'DDP Game Changer' award 2016 at the North India Travel Award; and 'World Travel Leaders' award 2016 at the World Travel Market Awards in London.

- (iv) Job profile and his suitability: Mr. Ajay Singh was appointed as Managing Director of the Company on May 21, 2015. Through his extensive and rich experience, he successfully turnaround the Company by undertaking and implementing various measures in revenue and cost management, customer retention and employee welfare.
- (v) Remuneration proposed: Please refer resolution. There is no change in remuneration.
- (vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): After taking into consideration the size of the Company, the profile of the appointees, the respective responsibilities to be shouldered by him, the remuneration proposed appears to be reasonable and at par with other companies of same size in the industry.
- (vii) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Mr. Ajay Singh is a promoter of the Company. He is relative (Husband) of Mrs. Shiwani Singh (Non-Executive Director).

**(c) Other information:**

- (i) Reasons of loss or inadequate profits: The financial year ended March 31, 2019 posed multiple challenges such as adverse foreign exchange rates, steep rise in fuel prices, worldwide grounding of the Boeing 737 MAX etc. All these encounters have adversely impacted the profitability and the Company has reported net loss during financial year March 31, 2019.
- (ii) Steps taken or proposed to be taken for improvement: The Company has implemented and continues to implement various measures such as enhancing customer experience, improving selling and distribution, revenue management, fleet rationalization, optimizing aircraft utilization, redeployment of capacity in key focus markets, renegotiation of contracts and other cost control measures, to help the Company establish consistent profitable operations and cash flows.
- (iii) Expected increase in productivity and profits in measurable terms: Historically, the Company's operating results were materially affected by various factors, including high cost structure, significant depreciation in the value of the currency, and certain other adverse market conditions. However, as a result of various operational, commercial and financial measures implemented over the last four years, the Company has significantly improved its liquidity position and generated operating cash flows during that period. The Company is committed to continuously implement such measures to improve profitability. Further, macroeconomic factors are expected to improve having regard to industry outlook in the markets in which the Company operates.

**Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India in respect of appointment or re-appointment and/or fixation of remuneration of directors**

<b>Name</b>	<b>Mrs. Shiwani Singh</b>	<b>Mr. Ajay Chhotelal Aggarwal</b>	<b>Mr. Manoj Kumar</b>	<b>Mr. Ajay Singh</b>
DIN	05229788	00001122	00072634	01360684
Date of Birth	November 21, 1971	November 16, 1959	November 16, 1965	December 29, 1965
Date of first Appointment on the Board of SpiceJet Limited	May 21, 2015	February 11, 2019	May 28, 2019	May 21, 2015*
Qualification	Graduate	B.Sc. (Hons) (Bombay University), Diploma in Multi-Track Recording Tech (USA) and Diploma in Financial Management (K.C. College)	B.Com. (Hons) (Delhi University) and Executive Management Program from IIM Ahmedabad	B. Tech from IIT, Delhi M.B.A. from Cornell University LL.B. from University of Delhi
Brief resume and experience	Mrs. Singh is competent businesswoman who takes care of her family's real estate and fashion accessories business. She brings rich and successful experience in general business management and also provides benefit of gender diversity to the Board of Directors.	Mr. Aggarwal have rich experience of over 37 years in providing training resources (videos/simulations/games/e-learning etc.) for Management Skills Development and Maritime Safety Training to Corporates and Shipping Companies across India. With his vast experience in training and development, Mr. Aggarwal will bring rich diversity to our Board and will also add great value to future training and development plans. He is an active member of Rotary Club of Mumbai Queen's Necklace since 1985 and served as Club President during year 1991-92.	Mr. Kumar is a businessman and he has interest in textile business/trading. He is also a trustee of Hindu College, Lady Shri Ram College of Delhi University and Rtn. Naqshband Institute for Physically Challenged. Mr. Kumar is also an active member of Rotary Club of Delhi Midtown. He brings with him multilevel experience in business management which will also help the Company in having diversified knowledge based portfolio of the Board.	Mr. Singh is a first generation entrepreneur. He has extensive experience in the information technology and airline operations having successfully contributed to the launch of the Company during the year 2005. Previously, Mr. Singh has served in government as Advisor to the Ministry of Communication and Information Technology and the Ministry of Information and Broadcasting. He has also served on the Board of the Delhi Transport Corporation. He was appointed as Managing Director of the Company on May 21, 2015. Through his extensive and rich experience, he successfully turnaround the Company by undertaking and implementing various measures in revenue and cost management, customer retention and employee welfare.
No. of Board meetings attended during the year 2018-19	4 (Four)	Not applicable	Not applicable	5 (Five)
Relationship with directors and Key Managerial Personnel	Mrs. Shiwani Singh is relative (wife) of Mr. Ajay Singh	Nil	Nil	Mr. Ajay Singh is relative (Husband) of Mrs. Shiwani Singh.

Name	Mrs. Shiwani Singh	Mr. Ajay Chhotelal Aggarwal	Mr. Manoj Kumar	Mr. Ajay Singh
Directorship in other companies	Argentum Electric Vehicles Pvt. Ltd. Canvin Real Estate Pvt. Ltd. Greenline Communication Pvt. Ltd. Greenline Transit System Pvt. Ltd. I2N Technologies Pvt. Ltd. Multipurpose Trading & Agencies Ltd. Pan India Motors Pvt. Ltd. Spice Fresh Pvt. Ltd. Spice Wecare Pvt. Ltd. SpiceJet Innovate Pvt. Ltd. SpiceJet Merchandise Pvt. Ltd. SpiceJet Technic Pvt. Ltd. Star Bus Services Pvt. Ltd.	Multi Media HRD Pvt. Ltd. The Cricket Club of India Ltd. Viridis Chemicals Pvt. Ltd.	BHPC Clothing Pvt. Ltd. M.R. Ramchand & Co. Pvt. Ltd. Raghushree Sales Pvt. Ltd. Select World Tours (India) Pvt. Ltd.	Canvin Real Estate Pvt. Ltd. Crosslink Finlease Pvt. Ltd. Greenline Transit System Pvt. Ltd. Greenline Communication Pvt. Ltd. I2N Technologies Pvt. Ltd. Indiverse Broadband Pvt. Ltd. Intel Constructions Pvt. Ltd. One City Promoters Pvt. Ltd. Pan India Motors Pvt. Ltd. Spice Fresh Pvt. Ltd. Spice Wecare Pvt. Ltd. SpiceJet Innovate Pvt. Ltd. SpiceJet Merchandise Pvt. Ltd. SpiceJet Technic Pvt. Ltd. Star Bus Services Pvt. Ltd.
Chairperson/Member of the Committee of the Board of Directors of SpiceJet Limited	Audit Committee – Member Nomination and Remuneration Committee – Member Stakeholders Relationship Committee – Member Corporate Social Responsibility Committee – Member	Audit Committee – Member Nomination and Remuneration Committee – Member	Nil	Nomination and Remuneration Committee – Member Corporate Social Responsibility Committee – Member Stakeholders Relationship Committee – Member
Chairperson/Member of the Committee of other companies in which he is a Director	Multipurpose Trading & Agencies Ltd. Nomination and Remuneration Committee – Member Stakeholders Relationship Committee – Chairperson	Nil	Nil	Nil
Shareholding in the company (equity shares of Rs.10 each)	6,000	4,250	8,000	304,443,450
Remuneration to be paid	Nil	Nil	Nil	₹6,000,000 per month as fixed pay and 2.5% of annual net profit of the Company payable upon completion of relevant financial year. Please see resolution no. 5 for further details.
Remuneration last drawn	Nil	Nil	Nil	14736 million during financial year 2017-18

\*Mr. Ajay Singh was originally appointed as director on November 4, 2004 and subsequently resigned on August 27, 2010. Thereafter, he was appointed as Managing Director of the Company on May 21, 2015.

# Board's Report

Dear Members,

Your Directors hereby present the report of the business and operations of your Company along with the audited financial statements for the financial year ended March 31, 2019.

## 1. Financial Performance

The Company's performance during the year ended March 31, 2019 compared to the previous financial year, is summarised below:

(Amount in ₹ million)

Particulars	Standalone		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Total Revenue</b>	<b>91,715.44</b>	<b>78,352.09</b>	<b>91,797.65</b>	<b>78,396.52</b>
<b>Expenses</b>				
Operating Expenses	73,000.54	55,449.97	72,948.77	55,449.95
Cost of inventory consumed	-	-	138.91	32.11
Employee Benefit Expenses	10,570.07	8,625.67	10,584.24	8,616.93
Selling Expenses	2,074.41	1,890.62	2,081.66	1,900.38
Other Expenses	5,586.40	4,015.84	5,421.59	4,085.83
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>484.02</b>	<b>8,369.99</b>	<b>622.48</b>	<b>8,311.32</b>
Depreciation and amortisation expense	(2,562.25)	(2,312.00)	(2,563.54)	(2,313.18)
Interest income on bank deposits	864.90	530.42	864.90	497.22
Finance Cost	(1,312.84)	(921.90)	1,313.03	(923.30)
<b>Profit/ (Loss) before taxation and extraordinary items</b>	<b>(2,526.17)</b>	<b>5,666.51</b>	<b>(2,389.19)</b>	<b>5,572.06</b>
Tax Expenses	-	-	0.26	-
Extraordinary items	(634.66)	-	(634.66)	-
<b>Profit/ (Loss) after taxation</b>	<b>(3,160.83)</b>	<b>5,666.51</b>	<b>(3,024.11)</b>	<b>5,572.06</b>
<b>Profit/ (Loss) brought Forward</b>	<b>(16,362.66)</b>	<b>(22,031.51)</b>	<b>(16,492.19)</b>	<b>(22,066.59)</b>
Depreciation expense adjusted against reserves	-	-	-	-
<b>Profit/ (Loss) for the year</b>	<b>(3,160.83)</b>	<b>5,666.51</b>	<b>(3,024.11)</b>	<b>5,572.06</b>
Other comprehensive income	(14.45)	2.34	(14.45)	2.34
<b>Amount transferred to Balance Sheet</b>	<b>(19,537.94)</b>	<b>(16,362.66)</b>	<b>(19,530.75)</b>	<b>(16,492.19)</b>

During the year under review, the standalone income of the Company increased to ₹91,715.44 million compared to ₹78,352.09 million in the previous year, registering growth of 17.06% and the consolidated income increased to ₹91,797.65 million compared to ₹78,396.52 million in the previous year, registering growth of 17.09%. This financial year saw a 25% increase in aviation turbine fuel prices and 9% depreciation of the Indian Rupee that resulted in cost escalations and the Company reported standalone net loss of ₹3,160.83 million.

## 2. State of Affairs and Material Development

- The Company completed its fourteenth year of operation on May 23, 2019 and continued to focus on consolidating its operations on key routes and as on March 31, 2019 maintained a fleet size of 76 aircraft with which it operated approximately 460 flights per day covering 53 domestic and 9 international destinations.
- This fiscal year again witnessed the Company's unyielding commitment towards Regional Connectivity Scheme of Government of India which aimed at making air travel affordable and widespread, enabling inclusive job growth and infrastructure development of all regions and states of India. During the year under review, the Company on-boarded

6 destinations across the country onto the national aviation map including Adampur, Kanpur, Kishangarh, Pakyong, Lakhimpur and Jharsuguda. The Company is the largest and most organised regional player in the country with 42 daily flights and operates to 12 destinations under the Regional Connectivity Scheme providing air connectivity to the most remote destinations in India.

- (c) The Company is eyeing an aggressive expansion plan across both its domestic and international network. As part of its international expansion strategy, the Company has signed a Memorandum of Understanding for interline and codeshare arrangement with Emirates, one of the world's largest airlines. This will enable the passengers from India to enjoy seamless connectivity leveraging Emirates vast network across Europe, Africa, America and the Middle East. Those travelling to India on Emirates will be able to travel all destinations across Company's domestic network.
- (d) SpiceXpress: The Company had announced the launch of its dedicated air cargo services namely "SpiceXpress" in September 2018 and inducted its first freighter aircraft at a grand ceremony held at the Indira Gandhi International Airport in New Delhi. The cargo services operates on both domestic and international routes and is powered by fully integrated transportation network including air cargo, ground transportation and warehousing facilities across the country. SpiceXpress operates on an incremental direct operating cost model thereby extending its operations through its common pool of resources like pilots, engineers, ground staff and airport infrastructure.
- (e) Spice Star Academy: With a vision to develop and train world class cabin crew and also to attract best talent, the Company has also launched Spice Star Academy in June 2018, a first of its kind initiative by an airline. Spice Star Academy has collaborated with various universities which offers Bachelor of Business Administration degree. It provides a launch pad to aspiring young women and men who want to join the exciting world of aviation. The academy nurtures talent through world-class training programs in order to deliver the finest quality of resources to airlines. The academy facilitates skill development for potential and aspiring cabin crew members.
- (f) 737 MAX Grounding: Following the tragic crash of two Boeing 737 MAX aircraft ("**MAX aircraft**") operated by Lion Air and Ethiopian Airlines on October 29, 2018 and March 10, 2019, all civil aviation authorities including the Directorate General of Civil Aviation (India) and the Federal Aviation Administration (USA) issued order(s) to suspend operations of MAX aircraft leading to worldwide grounding of MAX aircraft during March 2019. Consequent to these orders, the Company's fleet of thirteen MAX aircraft continues to be grounded and despite its inability to undertake revenue operations, the Company continues to incur various costs with respect to MAX aircraft. There continues to be uncertainty in the timing of the return to operations of MAX aircraft and the Company continues to work with the aircraft manufacturer to address the above, including seeking reimbursement of ascertained costs and losses based on its assessment.
- (g) Dispute with erstwhile promoters: The Company had, in earlier financial years, received amounts aggregating ₹5,790.9 million from its erstwhile promoters as advance money towards proposed allotment of certain securities (189,091,378 share warrants and 3,750,000 non-convertible cumulative redeemable preference shares, issuable based on approvals to be obtained), to be adjusted at the time those securities were to be issued. Pursuant to the legal proceedings in this regard before the Hon'ble High Court of Delhi ("**Court**") between the erstwhile promoters, the present promoter and the Company, the Company was required to secure an amount of ₹3,290.9 million through a bank guarantee in favour of the Registrar General of the Court ("**Registrar**") and to deposit the balance amount of ₹2,500.0 million with the Registrar. The Company has complied with these requirements within the stipulated time.

The parties to the aforementioned litigation concurrently initiated arbitration proceedings before a three member arbitral tribunal (the "**Tribunal**"), which pronounced its award on July 20, 2018 (the "**Award**"). In terms of the Award, the Company was required to (i) refund an amount of ₹3,082.2 million to the counterparty, (ii) explore the possibility of allotting preference shares in respect of ₹2,708.7 million, failing which, refund such amount to the counterparty, and (iii) pay interest calculated to be ₹924.7 million (being interest on the amount stated under (i) above, in terms of the Award). The amounts referred to under (i) and (ii) above, aggregating ₹5,790.9 million, continue to be carried as current liabilities without prejudice to the rights of the Company under law. Further, the Company was entitled to receive from the counterparty, under the said Award, an amount of ₹290.0 million of past interest/servicing charges. The Company, its present promoter and the counterparties have challenged various aspects of the Award, including the abovementioned interest obligations and rights, petitions for which have been admitted by the Court and notices issued, as a result of which the matter is currently *sub-judice*.

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year under review and the date of this report to the extent stated elsewhere in this report.

### 3. Board of Directors

- (a) In terms of the provision of Section 152(6) of the Companies Act, 2013, Mrs. Shiwani Singh is liable to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, has offered herself for re-appointment.
- (b) Mr. Ajay Chhotelal Aggarwal was appointed as additional director on the Board of the Company on February 11, 2019 and shall hold office upto the date of ensuing Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and the members are requested to consider the same.
- (c) Mr. Manoj Kumar was appointed as additional director on the Board of the Company on May 28, 2019 and shall hold office upto the date of ensuing Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and the members are requested to consider the same.
- (d) The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down under Section 149(6) of the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (e) Mr. R. Sasiprabhu (Independent Director) has resigned from the directorship of the Company with effect from May 9, 2018. The Board extends its gratitude for his contributions during his tenure as director.

### 4. Share Capital

There is no change in authorised share capital of the Company during the financial year 2018-19. However, the paid-up share capital of the Company has increased from ₹5,994,501,830 to ₹5,997,183,560 pursuant to allotment of 268,173 equity shares of ₹10 each under SpiceJet Employee Stock Option Scheme - 2017.

### 5. Dividend

The Board of Directors have not recommended any dividend for the financial year 2018-19.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company has adopted the Dividend Distribution Policy of the Company which is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the "Investor section".

### 6. Transfer to Reserves

The Company has made no transfers to reserves during the financial year 2018-19.

### 7. Public Deposits

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013. Accordingly, no disclosure or reporting is required in respect of details relating to deposits covered under this Chapter.

### 8. Extract of Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is annexed as "Annexure - A" to this report.

### 9. Particulars of Contracts or Arrangement made with Related Parties

All related party transactions that were entered into during the financial year under review were at arm's length basis and were in the ordinary course of business. All related party transactions have been placed before the Audit Committee and the Board for their approval as per the provisions of the Companies Act, 2013. The Board of Directors of the Company has formulated a policy on materiality of related party transactions and also on dealing with related party transactions pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the same is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the "Investor section".

No material related party transactions (i.e. transactions exceeding the thresholds as defined under the Companies Act, 2013), were entered during this financial year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

### 10. Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

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

- a) As on March 31, 2019, the Company has made an investment of ₹0.10 million each in equity shares of its wholly owned subsidiaries namely SpiceJet Merchandise Private Limited, SpiceJet Technic Private Limited and Canvin Real Estate Private Limited; and

- b) As on March 31, 2019, the Company has an investment of ₹0.24 million in class B-shares of Aeronautical Radio of Thailand Limited to become member airline for availing advantageous rate on air navigation charges in Thailand.

As on March 31, 2019, the Company has also provided loan of (i) ₹249.44 million to SpiceJet Merchandise Private Limited; (ii) ₹54.40 million to SpiceJet Technic Private Limited; and (iii) ₹238.70 million to Canvin Real Estate Private Limited. Members may refer note 47 of the standalone financial statement of the Company for financial year ended March 31, 2019 for more details.

## 11. Subsidiaries

As on March 31, 2019, following are the subsidiaries of the Company:

S. No.	Name	Business Activity
(a)	SpiceJet Merchandise Private Limited	Business of consumer merchandise and goods through various channels
(b)	SpiceJet Technic Private Limited	Engineering related service including but not limited to maintenance, repair and overhaul services of aircraft and its parts.
(c)	Canvin Real Estate Private Limited	Real estate business

In order to ensure governance of material subsidiary companies, the Board of Directors of the Company has adopted the policy and procedures for determining 'material' subsidiary companies in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the same is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the "Investor section".

As per Section 129(3) of the Companies Act, 2013, where the Company has one or more subsidiaries, it shall, in addition to its financial statements, prepare a consolidated financial statement of the Company and of all the subsidiaries in the same form and manner as that of its own and also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiaries. Accordingly, the consolidated financial statement of the Company and all of its subsidiaries are prepared in accordance with the Companies (Accounts) Rules, 2014 and form part of the Annual Report.

Further, a statement containing the salient features of the financial statements of all subsidiaries in the prescribed Form AOC-1, is annexed as "Annexure - B" to this report. This statement also provides the details of the performance and financial position of each subsidiary.

## 12. Number of Meetings of the Board

During the financial year ended March 31, 2019, five (5) board meeting were held, the details of which are given in the Corporate Governance Report that forms part of this report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

## 13. Directors' Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for year ended March 31, 2019, the Directors of your Company hereby state that:

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

#### 14. Corporate Governance and Management Discussion and Analysis

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on the Management Discussion and Analysis and Corporate Governance along with Practicing Company Secretary's Certificate regarding compliance of conditions of corporate governance forms an integral part of this report.

#### 15. Particulars of Employees

The Company's goal is to stay invested in employee's growth, provide them with development opportunities, recognise their efforts and enable them to absorb our value system. The Company focus on the workplace that promotes a transparent and participative organisation culture.

The Company has constituted an internal committee to consider and resolve all sexual harassment complaints reported by women and has also adopted a policy as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year 2018-19, ten complaints were received and disposed off under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report and annexed as "Annexure - C".

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. In terms of the provisions of Section 136(1) of the Companies Act, 2013 read with the rules made thereunder, this report is being sent to all members of the Company excluding the said annexure. Any member interested in obtaining a copy of the annexure may write to the Company.

#### 16. Employees Stock Option Scheme

The members of the Company at its 33<sup>rd</sup> Annual General Meeting held on November 27, 2017 approved "SpiceJet Employee Stock Option Scheme - 2017" for grant of ten million stock options representing ten million equity shares of ₹10 each. No grant has been made under this scheme during the year under review.

There has been no material variation in the terms of the options granted under this scheme and this scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The details of this scheme including terms of reference, and requirement specified under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the "Investor section".

#### 17. Corporate Social Responsibility

We believe that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society. With an objective of socioeconomic development in India, the Board of Directors of the Company has adopted a Corporate Social Responsibility ("CSR") Policy which is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the "Investor section".

The Company has also constituted CSR Committee comprising of Mr. Harsha Vardhana Singh as Chairperson and Mr. Ajay Singh and Mrs. Shiwani Singh as Member which *inter-alia* monitors the Company's CSR Policy and recommend the amount of CSR expenditure. During the year under review, the CSR Committee met once on February 11, 2019 with necessary quorum being present at the meeting.

Working in close harmony and partnering with various organisations who have done phenomenal work in this field, the Company has undertaken several initiatives in various areas including education, destitute care and rehabilitation, healthcare and rural development in line with the CSR Policy and are in accordance with Schedule VII of the Companies Act, 2013. As per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, annual report on CSR activities is attached as "Annexure - D" and forms an integral part of this report.

#### 18. Conservation of Energy and Technology Absorption

Conservation of Energy: The management is highly sensible of the criticality of the conservation of energy at all operational levels particularly of aviation turbine fuel which is leading source of energy for aviation activity. Adequate measures are taken to reduce energy consumption whenever possible by using energy efficient equipment and technology infusion. These measures among other includes maintenance of engine and airframe, flight planning, training to operational staff, regular analysis etc.

Technology absorption: The Company has used information technology comprehensively in its operations, for more details please refer to Section 9 (Information Technology) of Management Discussion and Analysis.

## 19. Green Initiatives

The electronic copies of the Annual Report 2018-19 are sent to all members of the Company whose email address are registered with the Company/Depository Participant(s). For members who have not registered their email address, physical copies are sent in the permitted mode. To support this green initiative and to receive all communications of the Company on email, members are requested to register their email addresses with M/s. Karvy Fintech Private Limited (Registrar and Share Transfer Agent), if shares are held in physical mode or with their depository participants, if the holding is in electronic mode.

## 20. Statutory Auditors

- (a) The Statutory Auditors of the Company, M/s S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No: 101049W/E300004), was appointed by members of the Company at its Annual General Meeting held on December 26, 2016 to hold office till the conclusion of 36<sup>th</sup> Annual General Meeting of the Company subject to ratification of the appointment by the members of the Company at every Annual General Meeting. However, the Companies (Amendment) Act, 2017 read with notification dated May 7, 2018, issued by the Ministry of Corporate Affairs, has removed the requirement of ratification of the appointment of Statutory Auditors at every Annual General Meeting by the members of the Company.
- (b) In accordance with Section 134(3)(f) of the Companies Act, 2013, information and explanations to various comments made by the Auditors in their Report to the members are mentioned in the Notes to the Accounts, which form part of the Balance Sheet for the year ended March 31, 2019.

## 21. Secretarial Auditors

- (a) Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed Mr. Mahesh Kumar Gupta, Practicing Company Secretary to undertake the Secretarial Audit of the Company for financial year ended on March 31, 2019. The Report of the Secretarial Auditor is annexed as "Annexure - E" to this report.

In accordance with Section 134(3)(f) of the Companies Act, 2013, response (wherever necessary) to the observations in the Secretarial Audit Report are as under:

Para 1 of the observation: The Company inadvertently missed to file the corporate governance report for quarter ended June 30, 2018 within the stipulated time. However, the same was regularised with payment of penalty with the stock exchange.

Para 2 of the observation: In view of the uncertainties involved in the matter, management believes that the manner, timing and other related aspects of adjustment of these amounts, are currently not determinable. Based on their assessment and legal advice obtained, management is of the view that any possible consequential effects, including penal consequences and any compounding thereof, will not have a material impact on the financial statements.

- (b) In terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular dated February 8, 2019 bearing no. CIR/CFD/CMD1/27/2019, the Secretarial Auditor has also issued a Secretarial Compliance Report for the year ended March 31, 2019.

## 22. Business Responsibility Report

Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate the inclusion of Business Responsibility Report as part of Annual Report for top 500 listed entities based on market capitalisation. In compliance with the said Regulation, we have annexed the Business Responsibility Report for financial year ended March 31, 2019 as "Annexure - F".

## 23. Foreign Exchange Earnings and Outgo

The details of Foreign Exchange earnings and outgo for the financial year ended March 31, 2019 are set out below:

Particulars	Amount (₹ in millions)
Foreign Exchange Earnings	12,313
Foreign Exchange Outgo	32,645

## 24. Risk Management Policy and adequacy of Internal Financial Controls

Your Company recognises that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The Company has established a framework to actively manage all the material risks faced by the Company, in a manner consistent with the company's strategy. This covers all business risks including strategic risk, operational risks including fraud and cyber risks, foreign exchange risk, fuel price risk and financial risks. The Company has laid down procedures to inform Board of Directors about risk assessment and minimisation procedures. 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.

The Company has also constituted a Risk Management Committee for monitoring and reviewing risk management plan of the Company.

## 25. Acknowledgement

We thank our valued customers, partners, vendors, investors and bankers for their continued confidence and support during the year and playing a significant role in the continued business excellence achieved by the Company. We place on record our appreciation of the contribution made by our employees at all fronts. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

We thank governments of various countries where we have our operations. We thank the Government of India particularly the Ministry of Civil Aviation, Ministry of Corporate Affairs, Ministry of Finance, Directorate General of Civil Aviation and other regulatory authorities for their cooperation, support and guidance.

For and on behalf of the Board

Sd/-

Ajay Singh

Chairman & Managing Director

Place: Gurgaon

Date : August 9, 2019

## Annexure- A

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

as on the financial year ended on March 31, 2019

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

**1. Registration and other details**

(i) Corporate Identity Number (CIN)	L51909DL1984PLC288239
(ii) Registration Date	February 9, 1984
(iii) Name of the Company	SpiceJet Limited
(iv) Category/sub-Category of the Company	Public Company/ Limited by shares
(v) Address of the Registered Office and contact details	Indira Gandhi International Airport, Terminal 1D, New Delhi - 110037 Email: investors@spicejet.com Tel: +91 124 3913939 Fax: +91 124 3913844
(vi) Whether listed company	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Email: einward.ris@karvy.com Tel: +91 40 67162222 Fax: +91 40 23001153

**2. Principal business activities of the Company**

Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
Transportation of passengers by air	51101	93.5%

**3. Particulars of holding, subsidiary and associate companies**

S. No.	Name and address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
(i)	SpiceJet Merchandise Private Limited	U52520DL2016PTC303136	Subsidiary	100%	Section 2(87)
(ii)	SpiceJet Technic Private Limited	U74999DL2016PTC306819	Subsidiary	100%	Section 2(87)
(iii)	Canvin Real Estate Private Limited	U70109DL2017PTC326068	Subsidiary	100%	Section 2(87)

#### 4. Shareholding Pattern (equity share capital breakup as percentage of total equity)

##### (i) Category-wise shareholding

Category Code	Category of Shareholders	No. of shares held at the beginning of the year (As on March 31, 2018)				No. of shares held at the end of the year (As on March 31, 2019)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	Promoters									
(1)	Indian									
	(a) Individual/HUF	359,834,068	-	359,834,068	60.03	359,834,068	-	359,834,068	60.00	(0.03)
	(b) Central Government	-	-	-	-	-	-	-	-	-
	(c) State Government(s)	-	-	-	-	-	-	-	-	-
	(d) Bodies Corporate	-	-	-	-	-	-	-	-	-
	(e) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
	(f) Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (1)</b>	<b>359,834,068</b>	<b>-</b>	<b>359,834,068</b>	<b>60.03</b>	<b>359,834,068</b>	<b>-</b>	<b>359,834,068</b>	<b>60.00</b>	<b>(0.03)</b>
(2)	Foreign									
	(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
	(b) Other - Individuals	-	-	-	-	-	-	-	-	-
	(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
	(d) Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
	(e) Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>359,834,068</b>	<b>-</b>	<b>359,834,068</b>	<b>60.03</b>	<b>359,834,068</b>	<b>-</b>	<b>359,834,068</b>	<b>60.00</b>	<b>(0.03)</b>
(B)	Public Shareholding									
(1)	Institutions									
	(a) Mutual Funds	31,227,588	37,000	31,264,588	5.22	46,407,531	37,000	46,444,531	7.74	2.53
	(b) Banks/ Financial Institutions	9,673	-	9,673	0.00	12,273	-	12,273	0.00	0.00
	(c) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
	(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(e) Insurance Companies	-	-	-	-	-	-	-	-	-
	(f) Foreign Institutional Investors	38,923,190	109,000	39,032,190	6.51	25,474,606	109,000	25,583,606	4.27	(2.24)
	(g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(h) Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1)</b>	<b>70,160,451</b>	<b>146,000</b>	<b>703,06,451</b>	<b>11.73</b>	<b>71,894,410</b>	<b>146,000</b>	<b>72,040,410</b>	<b>12.01</b>	<b>0.28</b>
(2)	Non-Institutions									
	(a) Bodies Corporate	22,814,011	4,124,172	26,938,183	4.49	15,472,443	2,235,472	17,707,915	2.95	(1.54)
	(b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹1 lakh	57,697,869	2,277,645	59,975,514	10.01	59,835,211	2,180,708	62,015,919	10.34	0.33
	ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	71,083,064	55,100	71,138,164	11.87	79,153,481	55,100	79,208,581	13.21	1.34
	(c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	(d) Others (specify)									
	i) Trusts	729,938	-	729,938	0.12	4,187	-	4,187	0.00	(0.12)
	ii) Non-Resident Indians	6,592,038	503,300	7,095,338	1.18	5,163,327	500,100	5,663,427	0.94	(0.24)
	iii) Non-Resident Indians- Repatriation	1,692,247	-	1,692,247	0.28	1,830,919	-	1,830,919	0.31	0.03
	iv) Clearing Members	1,735,280	-	1,735,280	0.29	1,406,930	-	1,406,930	0.23	(0.06)
	v) Directors	5,000	-	5,000	0.00	6,000	-	6,000	0.00	0.00
	<b>Sub-total (B) (2)</b>	<b>162,349,447</b>	<b>6,960,217</b>	<b>169,309,664</b>	<b>28.24</b>	<b>162,872,498</b>	<b>4,971,380</b>	<b>167,843,878</b>	<b>27.09</b>	<b>(0.25)</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>232,509,898</b>	<b>7,106,217</b>	<b>239,616,115</b>	<b>39.97</b>	<b>234,766,908</b>	<b>5,117,380</b>	<b>239,884,288</b>	<b>40.00</b>	<b>0.03</b>
	<b>Total (A+B)</b>	<b>592,343,966</b>	<b>7,106,217</b>	<b>599,450,183</b>	<b>100.00</b>	<b>594,600,976</b>	<b>5,117,380</b>	<b>599,718,356</b>	<b>100.00</b>	<b>0.00</b>
(C)	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>592,343,966</b>	<b>7,106,217</b>	<b>599,450,183</b>	<b>100.00</b>	<b>594,600,976</b>	<b>5,117,380</b>	<b>599,718,356</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on March 31, 2018)			Shareholding at the end of the year (As on March 31, 2019)			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1.	Ajay Singh	304,443,450	50.79	20.26	304,443,450	50.76	23.54	0.00
2.	Ajay Singh (HUF)	52,961,838	8.84	0.00	52,961,838	8.83	0.00	0.00
3.	Kalpna Singh	2,428,780	0.41	0.07	2,428,780	0.40	0.07	0.00

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

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Ajay Singh</b>				
At the beginning of the year	304,443,450	50.79		
Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	-	-	304,443,450	50.76
At the end of the year			304,443,450	50.76
<b>Ajay Singh (HUF)</b>				
At the beginning of the year	52,961,838	8.84		
Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	-	-	52,961,838	8.83
At the end of the year			52,961,838	8.83
<b>Kalpna Singh</b>				
At the beginning of the year	2,428,780	0.41		
Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	-	-	2,428,780	0.40
At the end of the year			2,428,780	0.40

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)<sup>1</sup>

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Reliance Capital Trustee Company Limited</b>				
	At the beginning of the year	13,372,852	2.23		
	Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	3,500,105	0.58	16,872,957	2.81
	At the end of the year			16,872,957	2.81
2.	<b>Meenakshi Bhargava</b>				
	At the beginning of the year	12,583,991	2.10		
	Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	2,116,566	0.35	14,700,557	2.45
	At the end of the year			14,700,557	2.45

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>3.</b>	<b>Franklin Templeton Mutual Fund</b>				
	At the beginning of the year	1,080,358	0.18		
	Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	10,121,555	1.69	11,201,913	1.87
	At the end of the year			11,201,913	1.87
<b>4.</b>	<b>Vijay Bhargava</b>				
	At the beginning of the year	3,806,909	0.64		
	Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	6,165,351	1.02	9,972,260	1.66
	At the end of the year			9,972,260	1.66
<b>5.</b>	<b>National Westminster Bank PLC as Trustee of the Jupiter India Fund</b>				
	At the beginning of the year	9,365,098	1.56		
	Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	272,040	0.05	9,637,138	1.61
	At the end of the year			9,637,138	1.61
<b>6.</b>	<b>ICICI Prudential Exports and other Services Fund</b>				
	At the beginning of the year	6,570,496	1.10		
	Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	1,363,949	0.22	7,934,445	1.32
	At the end of the year			7,934,445	1.32
<b>7.</b>	<b>Jhunjhunwala Rakesh Radheshyam</b>				
	At the beginning of the year	0	0.00		
	Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	7,500,000	1.25	7,500,000	1.25
	At the end of the year			7,500,000	1.25
<b>8.</b>	<b>HDFC Trustee Company Ltd.</b>				
	At the beginning of the year	0	0.00		
	Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	4,540,291	0.76	4,540,291	0.76
	At the end of the year			4,540,291	0.76
<b>9.</b>	<b>Abakkus Growth Fund-I</b>				
	At the beginning of the year	0	0.00		
	Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	2,480,000	0.41	2,480,000	0.41
	At the end of the year			2,480,000	0.41
<b>10.</b>	<b>Cohesion India Best Ideas (Master) Fund Limited</b>				
	At the beginning of the year	1,541,500	0.26		
	Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	909,500	0.15	2,451,000	0.41
	At the end of the year			2,451,000	0.41

<sup>1</sup>Top ten shareholders as on March 31, 2019.

## (v) Shareholding of Directors and Key Managerial Personnel:

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Shiwani Singh – Director</b>				
At the beginning of the year	6,000	0.00		
Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	-	-	6,000	0.00
At the end of the year			6,000	0.00
<b>R. Sasiprabhu – Director<sup>2</sup></b>				
At the beginning of the year	5,000	0.00		
Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	(4,000)	(0.00)	1,000	0.00
At the end of the year			1,000	0.00
<b>Ajay Chhotelal Aggarwal – Director<sup>3</sup></b>				
At the beginning of the year	4,250	0.00		
Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	-	-	4,250	0.00
At the end of the year			1,000	0.00
<b>Kiran Koteswar – CFO</b>				
At the beginning of the year	1,300	0.00		
Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	110,577	0.02	111,877	0.02
At the end of the year			111,877	0.02
<b>Chandan Sand – Company Secretary</b>				
At the beginning of the year	200	0.00		
Transactions (purchase/sale) from April 1, 2018 to March 31, 2019	107,596	0.02	107,796	0.02
At the end of the year			107,796	0.02

<sup>2</sup>Resigned effective May 9, 2018.<sup>3</sup>Appointed as director on February 11, 2019.

No Director or Key Managerial Personnel other than mentioned hereinabove hold any shares in the Company during the financial year 2018-19.

5. Indebtedness<sup>4</sup>

(Amount in ₹ Millions)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount	5,246.17	7,780.75	-	13,026.92
Interest due but not paid	39.03	-	-	39.03
Interest accrued but not due	-	15.97	-	15.97
<b>Total (i+ii+iii)</b>	<b>5,285.20</b>	<b>7,796.72</b>	<b>-</b>	<b>13,081.92</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	11,743.21	351.40	-	12,136.12
Reduction	(12,874.74)	(1,211.34)	-	(14,086.08)
<b>Net Change</b>	<b>(1,090.02)</b>	<b>(859.94)</b>	<b>-</b>	<b>(1,949.95)</b>
<b>Indebtedness at the end of the financial year</b>				
Principal Amount	4,181.65	6,918.16	-	11,099.81
Interest due but not paid	13.53	-	-	13.53
Interest accrued but not due	-	18.63	-	18.63
<b>Total (i+ii+iii)</b>	<b>4,195.19</b>	<b>6,936.78</b>	<b>-</b>	<b>11,131.97</b>

<sup>4</sup> Indebtedness of the Company including interest outstanding/accrued but not due for payment.

## 6. Remuneration of Directors and Key Managerial Personnel

### (i) Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in ₹ million)

S. No.	Particulars of Remuneration	Mr. Ajay Singh, Managing Director	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72.00	72.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify	-	-
	Others, please specify	-	-
	<b>Total</b>	<b>72.00</b>	<b>72.00</b>
	<b>Ceiling as per the Act</b>	As per Schedule V of the Companies Act, 2013	

### (ii) Remuneration to other directors

(Amount in ₹ million)

Particulars of Remuneration	Fee for attending Board/ Committee Meetings	Commission	Others, please specify	Total Amount
<b>Independent Directors</b>				
Anurag Bhargava	0.50	-	-	0.50
Harsha Vardhana Singh	0.50	-	-	0.50
R. Sasiprabhu <sup>5</sup>	N.A.	-	-	N.A.
Ajay Chhotelal Aggarwal <sup>6</sup>	N.A.	-	-	N.A.
<b>Total (1)</b>	<b>1.00</b>	<b>-</b>	<b>-</b>	<b>1.00</b>
<b>Other Non-Executive Directors</b>				
Shiwani Singh	0.40	-	-	0.40
<b>Total (2)</b>	<b>0.40</b>	<b>-</b>	<b>-</b>	<b>0.40</b>
<b>Total</b>	<b>1.40</b>	<b>-</b>	<b>-</b>	<b>1.40</b>

<sup>5</sup>Resigned effective May 9, 2018.

<sup>6</sup>Appointed as director on February 11, 2019.

### (iii) Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹ million)

Particulars of Remuneration	Key Managerial Personnel			
	CEO	Company Secretary	CFO	Total
Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	12.15	17.59	29.74
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	7.47	8.20	15.67
(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission	-	-	-	-
- as % of profit	-	-	-	-
- others, specify	-	-	-	-
Others, please specify	-	-	-	-
<b>Total</b>	<b>-</b>	<b>19.62</b>	<b>25.79</b>	<b>45.41</b>

**7. Penalties/ punishment/ compounding of offences:** There were no penalties, punishment/ compounding of offences for breach of any section of Companies Act, 2013 against the Company or its directors or other officers in default, if any, during the year.

## Annexure- B

## Form No. AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

(Amount in ₹ million except % of shareholding)

Name of the subsidiary	SpiceJet Merchandise Private Limited	SpiceJet Technic Private Limited	Canvin Real Estate Private Limited
Date of Incorporation	July 18, 2016	October 5, 2016	November 16, 2017
Reporting period	March 31, 2019	March 31, 2019	March 31, 2019
Reporting Currency	INR	INR	INR
Share Capital	0.10	0.10	0.10
Reserve and surplus	(133.29)	0.75	(50.96)
Total assets	204.57	64.41	220.65
Total liabilities	337.76	63.56	271.51
Investments	0.00	0.00	0.00
Turnover	97.47	52.06	0.00
Profit before taxation	(32.34)	10.78	(30.95)
Provision for taxation	0.00	0.26	0.00
Profit after taxation	(32.34)	10.52	(30.95)
Proposed Dividend	0.00	0.00	0.00
Percentage of shareholding	100	100	100

## Annexure - C

### Disclosures pertaining to remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2019

- A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S. No.	Name of Director	Designation	Ratio of Remuneration to the median remuneration of the employees	Percentage increase in remuneration
1.	Mr. Ajay Singh	Chairman and Managing Director	304	(50.14)
2.	Mrs. Shiwani Singh	Non-Executive Director	2	Nil
3.	Mr. Anurag Bhargava	Independent Director	2	Nil
4.	Mr. Harsha Vardhana Singh	Independent Director	2	Nil
5.	Mr. R. Sasiprabhu <sup>1</sup>	Independent Director	Nil	Nil
6.	Mr. Ajay Chhotelal Aggarwal <sup>2</sup>	Independent Director	Nil	Nil
7.	Mr. Kiran Koteswar <sup>3</sup>	Chief Financial Officer	N.A.	17.19
8.	Mr. Chandan Sand <sup>3</sup>	Company Secretary	N.A.	15.60

<sup>1</sup>Resigned effective May 9, 2018.

<sup>2</sup>Appointed as director on February 11, 2019.

<sup>3</sup>The perquisite value of ESOP allotment is not included.

- B. The percentage increase in the median remuneration of employees in the financial year: (2.23%)
- C. The number of permanent employees on the rolls of Company: 8,556
- D. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase in the salaries of employees other than the managerial personnel is (7.23).	Average percentile increase in managerial personnel is (50.14).
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- E. Affirmation that the remuneration is as per the remuneration policy of the Company: It is hereby confirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

## Annexure - D

## Annual Report on Corporate Social Responsibility Activities

S. No.	Particulars	Details												
1.	Brief outline of the Corporate Social Responsibility (CSR) Policy	<p>The Company is committed to operate and grow its business in a socially responsible way. Basis this commitment, the Board of Directors of the Company has adopted the CSR Policy of the Company which is available on the website of the Company at <a href="http://www.spicejet.com">www.spicejet.com</a> under the "Investor section".</p> <p>The objective of CSR Policy is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India's economic progress. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society. The aim is to identify critical areas of development that require investments and intervention, and which can help to realise India's potential for growth and prosperity.</p>												
2.	The Composition of the CSR Committee	<table> <tr> <th>S. No.</th><th>Name &amp; Designation</th><th>Status</th></tr> <tr> <td>(a)</td><td>Mr. Harsha Vardhana Singh (Independent Director)</td><td>Chairman</td></tr> <tr> <td>(b)</td><td>Mr. Ajay Singh (Managing Director)</td><td>Member</td></tr> <tr> <td>(c)</td><td>Mrs. Shiwani Singh (Non- Independent Director)</td><td>Member</td></tr> </table>	S. No.	Name & Designation	Status	(a)	Mr. Harsha Vardhana Singh (Independent Director)	Chairman	(b)	Mr. Ajay Singh (Managing Director)	Member	(c)	Mrs. Shiwani Singh (Non- Independent Director)	Member
S. No.	Name & Designation	Status												
(a)	Mr. Harsha Vardhana Singh (Independent Director)	Chairman												
(b)	Mr. Ajay Singh (Managing Director)	Member												
(c)	Mrs. Shiwani Singh (Non- Independent Director)	Member												
3.	Financial Details	<p>Average net profit of the Company for last three financial year : ₹ 4,823.89 million</p> <p>Prescribed CSR Expenditure (2% of the average net profit) : ₹ 96.48 million</p>												
4.	Details of CSR spent during the financial year ended March 31, 2019	<p>Total amount to be spent for the financial year: ₹ 96.48 million.</p> <p>Amount unspent, if any: ₹ 91.83 million</p> <p>Manner in which amount spent during the financial year is annex as appendix to this report.</p>												
5.	In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its board report	<p>The Company witnessed 25% increase in aviation turbine fuel prices and 9% depreciation of the Indian rupee that resulted in huge cost escalations and the Company reported standalone net loss of ₹ 3,160.83 million. Therefore, the Company's spent on the CSR activities has been less than the limits prescribed under Companies Act, 2013.</p> <p>The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory requirements.</p>												
6.	A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company	<p>We hereby affirm that the CSR Policy, as approved by the Board of Directors, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.</p>												

Sd/-  
Ajay Singh  
Chairman & Managing Director

Sd/-  
Harsha Vardhana Singh  
Chairman of CSR Committee

### Appendix to the CSR Annual Report

Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹ million)

S. No.	CSR project or activity identified	Sector in which the project is covered	Location of project (District & State)	Amount Outlay	Amount Spent on the projects or programs	Cumulative expenditure till the reporting period	Amount spent through direct or through implementing Agency
1.	Sapna Shikshalaya - a primary school for underprivileged girls	Education	Alwar, Rajasthan	1.40	1.40	1.40	Sapna NGO
2.	Anandam - a home for sick and destitute	Homes for orphan	Noida, U.P.	0.60	0.60	0.60	Sapna NGO
3.	Solar electrification	Rural development	Majuli, Assam	2.15	2.15	2.15	Grassroots and Rural Innovative Development
4.	Sewa Panthi Hospital	Health care	Delhi and Punjab	0.25	0.25	0.25	Direct
5.	Gyan Shakti Vidyalaya - Education for slum children	Education	Delhi	0.25	0.25	0.25	Shanti Narayan Memorial Trust
<b>Total</b>				<b>4.65</b>	<b>4.65</b>	<b>4.65</b>	

## Annexure - E

## Secretarial Audit Report for financial year ended on March 31, 2019

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
SpiceJet Limited,  
Indira Gandhi International Airport,  
Terminal 1D, New Delhi – 110037

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the **“Act”**) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**“SCRA”**) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**“SEBI Act”**):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Nil**<sup>#</sup>
  - d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Nil**<sup>#</sup>
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Nil**<sup>#</sup>
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Nil**<sup>#</sup>
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Nil**<sup>#</sup>

<sup>#</sup>No event took place under these regulations during the financial year under review.
- (vi) The Company is engaged in the business of scheduled air transport services. The management has identified and confirmed the following laws as being specifically applicable to the Company:
  - The Aircraft Act, 1934 and Rules made thereunder;
  - The Aircraft (Carriage of Dangerous Goods) Rules, 2003;
  - The Carriage by Air Act, 1972;
  - The Regulations, Circulars, Requirements, Orders, Notifications, issued by Ministry of Civil Aviation, Bureau of Civil Aviation Security and the Directorate General of Civil Aviation.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”)

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

1. As per Regulation 27 of the Listing Regulations, the listed entity shall submit a quarterly compliance report on Corporate Governance with the stock exchange within 15 days from close of the quarter; however the Company submitted the Corporate Governance Report for quarter ended June 30, 2018 on August 08, 2018.
2. As reported in the Secretarial Audit Report for financial year ended on March 31, 2019, the Company had in earlier financial years, received amounts aggregating Rs.5,790.9 million from Mr. Kalanithi Maran and Kal Airways Private Limited as advance money towards proposed allotment of certain securities (189,091,378 share warrants and 3,750,000 non-convertible cumulative redeemable preference shares, issuable based on approvals obtained), to be adjusted at the time those securities were to be issued. In this regard, we also draw your attention to note 44 to the financial statements of the Company for financial year ended March 31, 2019.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision at Board Meeting and Committee Meetings are carried out unanimously and the views of dissenting members, if any, are captured and recorded as part of the minutes of the Meetings of Board of Directors or Committees of the Board, as the case may be.

We further report that there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the paid-up share capital of the Company has increased from ₹5,994,501,830 to ₹5,997,183,560 pursuant to allotment of 268,173 equity shares of ₹10 each on February 11, 2019 under SpiceJet Employee Stock Option Scheme - 2017.

For Mahesh Gupta & Company  
Company Secretaries

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

Date : August 9, 2019  
Place: New Delhi

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

**Appendix - I**

To,  
The Members,  
SpiceJet Limited,  
Indira Gandhi International Airport,  
Terminal 1D, New Delhi - 110037

Our Secretarial Audit Report for the financial year ended March 31, 2019 is to be read along with this Appendix.

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

For Mahesh Gupta & Company  
Company Secretaries

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

Date : August 9, 2019  
Place: New Delhi

## Annexure - F

### BUSINESS RESPONSIBILITY REPORT

We believe that a corporate enterprises must be managed not merely in the interests of its owners, but equally in those of their employees, customers, the local community and other stakeholders and therefore in our pursuit to equitably deliver benefits of the growth, we have embedded the principles of business responsibility, as prescribed under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (“NVGs”) released by the Ministry of Corporate Affairs, Government of India, in our business conduct.

This Business Responsibility Report follows the NVGs and is in accordance with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Section A: General Information

1. Corporate Identity Number (CIN) of the Company	L51909DL1984PLC288239
2. Name of the Company	SpiceJet Limited
3. Registered address	Indira Gandhi International Airport, Terminal 1D, New Delhi - 110037
4. Website	www.spicejet.com
5. E-mail ID	investors@spicejet.com
6. Financial year reported	April 1, 2018 to March 31, 2019
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Air Transportation [NIC Code: 51101 (passenger airway), 51201 (freight air transport services) and 52243 (cargo handling incidental to air transport)]
8. List three key products/services that the Company manufactures/provides	Air transport services of passengers Air transport services of cargo
9. Total no. of locations where business activity is undertaken by the Company	
No. of International Locations (Provide details of major 5)	9 (Bangkok, Colombo, Dhaka, Dubai, Hong Kong, Jeddah, Kabul, Male and Muscat)
No. of National Locations	53
10. Markets served by the Company	The Company has national and international presence

#### Section B: Financial Details

1. Paid up Capital	₹5,997.18 million
2. Total Turnover	₹91,715.44 million
3. Total profit after taxes	₹(3,160.83) million
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent ₹4.65 million towards its CSR activities in financial year 2018-19. Appropriate disclosures as prescribed under the Companies Act, 2013 have been made in the Annual Report of the financial year ended March 31, 2019.
5. List of activities in which expenditure in 4 above has been incurred	Education, destitute care and rehabilitation, healthcare and rural development.

#### Section C: Other Details

1. Does the Company have any subsidiary company(s)?	As on March 31, 2019, the Company has three subsidiary companies namely SpiceJet Merchandise Private Limited, SpiceJet Technic Private Limited and Canvin Real Estate Private Limited.
2. Do the subsidiary company(s) participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company (s)	No.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	No.

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

The Corporate Social Responsibility Committee comprises Mr. Harsha Vardhana Singh as Chairperson and Mr. Ajay Singh and Mrs. Shiwani Singh as members.

The Committee *inter- alia* is responsible for the implementation of the Corporate Social Responsibility Policy of the Company and to recommend the amount of expenditure to be incurred on the Corporate Social Responsibility activities. The details of the Committee members are as follows:

S. No.	Name	Designation	DIN
1.	Mr. Harsha Vardhana Singh	Independent Director	07110296
2.	Mr. Ajay Singh	Chairman & Managing Director	01360684
3.	Mrs. Shiwani Singh	Non-executive Director	05229788

### 2. Principle-wise (as per NVGs) BR Policy/policies

#### (a) Details of compliance (reply in Y or N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for*	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	The Code of Conduct and certain other policies are available on Company's website <a href="http://www.spicejet.com">www.spicejet.com</a> under the "Investors section". Internal policies are available at intranet.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

\* The Company has embedded the business responsibility principles in its conduct and has adopted all the policies in compliance with the Companies Act, 2013 or other applicable laws.

\*\* The spirit and content of all the policies and practices are in compliance with and are based on the applicable regulatory requirements and international laws and standards.

Principle wise index as per the NVGs:

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability: This forms part of the Code of Conduct of the Company.

- P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle: The Company has a Safety Policy in accordance with applicable regulations prescribed by Directorate General of Civil Aviation.
- P3: Businesses should promote the wellbeing of all employees: The Company have various internal policies for well-being of employees.
- P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized: The Company has adopted the principles Stakeholder Engagement. There is no specific policy on this.
- P5: Businesses should respect and promote human rights: This forms part of the Code of Conduct of the Company.
- P6: Business should respect, protect, and make efforts to restore the environment: This is covered under CSR Policy. There is no specific policy on this.
- P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner: The Company has adopted the principles of responsible advocacy.
- P8: Businesses should support inclusive growth and equitable development: This is covered under CSR Policy. There is no specific policy on this
- P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner: The Company have internal policy to resolve customer's complaint as per Civil Aviation Requirements.

**(b) If answer to the question at serial no. 1 against any principle, is 'No', please explain why: Not applicable**

### **3. Governance related to BR**

**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

Corporate Social Responsibility Committee of the Company oversees the Business Responsibility Performance on an annual basis.

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Business Responsibility Report is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the "Investors section".

## **Section E: Principle-wise Performance**

### **Principle 1: Corporate Governance for Ethics, Transparency and Accountability**

The Company adopts the highest standards of integrity, professionalism, honesty, ethical behaviour and accountability to conduct its operations in a fair and transparent manner. The Company has a comprehensive Code of Conduct and other policies with set forth guidelines and matrix for prevention, detection and reporting of any act of bribery or corruption. The Code of Conduct is applicable to directors and employees of the Company as well as the directors and employees of the subsidiary company.

We also have a Whistle Blower Policy which allows the employees and directors to raise concerns about any unethical behaviour, actual or suspected fraud, event of misconduct, violation of the Company's Code of Conduct or business practices observed in respect of the Company's operations. The Code of Conduct and Whistle Blower Policy and their implementation are explained in detail under the section 'Company Policies' of the Corporate Governance Report.

The Company has in place various mechanisms for receiving and resolving complaints from different stakeholders such as shareholders, customers, employees, vendors, etc. There are dedicated persons to respond and deal with the complaints in a timely manner. The Company did not receive any significant external stakeholder complaint in the last financial year.

### **Principle 2: Sustainability of Products and Services across Life-cycle**

SpiceJet is the largest and most organised regional player in India and through our airline operations, we have made immense contribution to the economic growth. Following announcement of Regional Connectivity Scheme by the Government of India, we have been playing a significant role in socio-economic progress of the country by way of expanding connectivity to the unserved areas in Tier II and Tier III cities. This has generated huge employment and business opportunities across the country.

We are cognizant of the alarming levels of pollution and growing importance on the usage of clean and renewable sources of energy. We undertake adequate measures to reduce energy consumption at all operational levels, particularly in respect of aviation turbine fuel which is the primary energy source in aviation industry. We are committed to use energy efficient equipment to reduce carbon footprint.

Safety and social well-being of every personnel has been our highest priority and at the core of our philosophy of sustainable business. To this end, all appropriate measures to minimise the risks associated with aviation sector are enforced on a regular basis. We have implemented a comprehensive Safety Policy to ensure safe operations across the organisation. The Policy is embedded in our processes and culture and is validated at the highest level of management. We ensure that all our employees adhere to the safety standards and policies.

### Principle 3: Employees Well-being

SpiceJet believes that employees are its greatest asset and crucial for the success of the Company. Focussed on this, we strive to foster a safe and conducive environment to boost employee morale and ensure their professional growth. We firmly believe that a healthier and happier workforce is more productive and delivers best results.

We are an equal opportunity organisation and strive to empower the woman employees at all levels. As on March 31, 2019, the Company has a total of 11,399 employees, of which 3,087 are permanent women employees. About 2,843 employees are working on a contractual or casual basis. The Company also employs differently abled persons and as on March 31, 2019, we employed 5 such employees.

We have also formulated and implemented a policy for redressal of sexual harassment complaints in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year 2018-19, ten complaints were received and disposed under this policy.

Our recruitment policy does not permit any engagement of child labour, forced labour or involuntary labour. Therefore, we neither employ any child or forced labour nor engage vendors and suppliers who resort to child and/or forced labour.

During the financial year 2018-19, the Company imparted safety and skill upgradation training to 4,425 employees (including 1,195 women employees).

The Company endeavours to upskill and augment the capabilities of its employees through several learning programmes. In view of this, the Company has launched "Learn while you earn" program, an online distance education programme.

### Principle 4: Stakeholder Engagement

We engage with our stakeholders including shareholders, investors, vendors, customers, employees, government and other local authorities through different mediums to build a sustainable business. Continuous, proactive and responsible engagement will enable us to strengthen relationships and ensure a sustainable future for the Company. We have mapped our internal and external stakeholders and have adopted well-framed systems and procedures to evaluate, prioritise and address the concerns of our stakeholders in an effective and systematic manner.

Following are some of our stakeholder engagement initiatives:

- (a) Shareholders and Investors: We regularly interact with our shareholders and investors through annual general meetings, result announcements, annual report, media releases and event specific communications. The Investor Relations department regularly engages with the shareholders to resolve queries, grievances, if any, and provides guidance to shareholders for any Company-related matter. For this purpose, we also have a dedicated e-mail address i.e. [investors@spicejet.com](mailto:investors@spicejet.com) for shareholders.
- (b) Customers: Customers are at the heart of SpiceJet's operations. Various initiatives are launched on a continuous basis to delight customers and deepen engagement with them. Additionally, the digital consumer experience management platform has been launched through which customers get a unique URL on their registered mobile numbers after the completion of their journey to rate their travel experience across every service area starting from booking to arrival. This helps to generate feedback from the customers which enables us to improve our service. We have a dedicated e-mail address i.e. [custrelations@spicejet.com](mailto:custrelations@spicejet.com) to receive customer feedback/ suggestions/ complaints. We also send intimations of our promotional offers and activities to customers through emails, SMS and advertisements.
- (c) Government and other authorities: All kinds of interactions and communications with the government, legislators and regulators are done by duly authorised and appropriately trained individuals with honesty, integrity, openness and in compliance with local laws.

- (d) Media: We proactively engage with media to keep our stakeholders updated about the important developments in the Company. Frequent interactions with the electronic, print, television and online media takes place through press releases, media events and financial results announcements.
- (e) Vendors: The Company has devised a mechanism for receiving and addressing grievances with respect to its vendors. Through this comprehensive tool, the issue/complaint of a particular vendor is transferred to the concerned department for relevant action. It enables us to maintain long-lasting relationships with our vendors.

### **Principle 5: Human Rights**

We feel it is our responsibility to protect the human rights of our employees. This includes providing equal opportunities, promoting fair and healthy working conditions and creating an environment free from discrimination and harassment. We have various internal policies on human rights applicable to our employees. These policies and their implementation are directed towards adherence to applicable laws and to uphold the spirit of human rights.

The principles of human rights are followed in the same spirit within as well as outside the organisation while engaging with business partners. Our stakeholder engagement processes are robust and have strong listening mechanisms.

Additionally, we have a grievance redressal procedure to address concerns, if any, pertaining to Human Rights and decent labour practices for our employees. All the stakeholders can access the Whistle Blower Policy of the Company through its website [www.spicejet.com](http://www.spicejet.com) under the "Investors section".

### **Principle 6: Protection and Restoration of the Environment**

As a responsible corporate, we understand the importance of operating in an environmentally sustainable manner. Keeping this in mind, we are committed to minimising the impact of carbon footprint on environment and climate change. By developing, promoting and utilising eco-friendly and sustainable resources, we ensure that our activities reduce CO<sub>2</sub> emissions and have a positive impact on the environment.

We continuously undertake adequate measures to reduce greenhouse gas emissions by using fleet renewal, investment in cleaner vehicles and equipment, maintenance of engine and airframe, flight planning, training to operational staff, etc. By investing in a modern, more energy and fuel-efficient fleet, emission free battery-operated ancillary equipment, we are improving both our economic and environmental performance. In our efforts to go green, we have encouraged the use of digital flight manuals in place of paper manuals to remove considerable paper load across our fleet and reduce wastage.

Global environmental issues are addressed as a part of our business context and our efforts include aggressive targets to reduce consumption and switch to renewable energy resources for our business.

### **Principle 7: Responsible Advocacy**

SpiceJet is a member of Federation of Indian Airlines (FIA), which is an industry body formed by scheduled carriers in India and generally represents key industry and business associations which include Federation of Indian Airlines. The Company is also a member of International Air Transport Association (IATA), which is a trade association for the world's airlines and supports aviation with global standards for safety, security, efficiency and sustainability.

Our business practice provides that any interaction or discussion by the Company or its business associates with the government, legislators, regulators or NGOs must be done with honesty, integrity, openness and within the purview of applicable laws. We allow only authorised and appropriately trained individuals to interact with these organisations. Prior internal approval is required for initiating any contact with the government, legislators, regulators etc.

### **Principle 8: Supporting Inclusive Growth and Equitable Development**

Our corporate social responsibility initiatives are aimed at ensuring inclusive growth and holistic development of communities and society in which we operate. We aim to promote economic well-being of the local communities through creation of employment and skill development opportunities and providing them access to markets. Our inclusive growth approach focusses on the betterment of the society as a whole.

As a part of CSR initiatives, the Company has provided financial assistance to:

- (a) Sapna NGO for its social welfare activities namely (i) Sapna Shikshalaya - a primary school for underprivileged girls at Alwar, Rajasthan and (ii) Anandam - a home for sick and destitute at Noida.
- (b) Shanti Narayan Memorial Trust for providing emotional support and succour to slum children through the medium of Gyan Shakti Vidyalaya.
- (c) Sewa Panthi Hospital to conduct health care activities for cancer patients.

Our initiative 'Roshan Hoga Desh Hamara' aims to provide electricity to the un-electrified villages in the country which have been devoid of the same due to several reasons. Towards this, the Company has adopted the remote village of Baruahchuck, in the Majuli district of Assam to provide sustainable energy access through solar microgrid in the village and improving the quality of life of the villagers.

### **Principle 9: Providing Value to Customers and Consumers**

Customer centricity is at the heart of everything we do at SpiceJet. We are forever focussed on enhancing customer experience by adopting newer technologies and practices to continue being the industry leader. In this day and age of relentless competition, we keep innovating and modernising our practices to stay ahead of the curve. We have multiple mechanisms in place for grievance redressal including dedicated reservation centre, customer relationship management platform, social media, etc.

The details of our services including terms of carriage, price of air tickets, special services, etc. are published on our website i.e. [www.spicejet.com](http://www.spicejet.com) as well as on the tickets as per the prevailing laws and regulations. We always emphasise on empowering our customers with "do it yourself" tools and seamless flow of critical information. Baggage handling module, self-check-in, SMS feedback surveys and flight information and status updates through WhatsApp are a few examples. These measures help us personalise customer experience and expand our services.

During the month of March 2019, the Company has received 84 complaints relating to various subject matters such as loss of baggage/ cargo, no-show, cancellation of tickets, incorrect bookings, refund of fares, flight delays, baggage mishandling and flight cancellation, which were resolved subsequently.

# Corporate Governance Report

*“Corporate governance involves a set of relationships between a company’s management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined.”*

— The OECD Principle of Corporate Governance

## 1. Company’s Philosophy on Corporate Governance

The three pillars of corporate governance are transparency, accountability and security. All three are critical in successfully running a company and forming solid professional relationships among its stakeholders which include board of directors, managers, employees and most importantly, shareholders.

We believe that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, we endeavour to ensure that highest standards of ethical and responsible conduct are met throughout the organisation. 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.

Integrity and transparency are key to our corporate governance practice to ensure that we gain and retain the trust of all stakeholders at all time. Our corporate governance framework ensures that we make timely disclosures and share accurate information about our financials and performance as well as governance of the Company. We are in compliance with the corporate governance requirements stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”), as applicable.

## 2. Board of Directors

The Board of Directors have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole.

The Board continuously reviews Company’s governance, risk and compliance framework, business plans and organisation structure to align with competitive benchmark. The Board represents an optimum mix of professionalism, knowledge and experience which enables the Board to discharge its responsibilities and provide effective leadership to the Company.

We believe that the Board needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence and separate its functions of governance and management. As on March 31, 2019, the Company has five directors, of the five directors four (i.e. 80 percent) are non-executive directors out of which three (75 percent) are independent directors. Out of five directors, one is executive director. As on the date of this report, the Company has six directors and out of those six directors five directors are non-executive directors.

None of the Directors on the Board hold directorships in more than ten public companies and member of more than ten committees or chairperson of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding Board and committee positions in other public companies as on March 31, 2019 have been made by the all the Directors.

None of the Directors are related to each other except Mr. Ajay Singh and Mrs. Shiwani Singh.

### (a) Composition, Meetings and Attendance

The composition of the Board of Directors as on March 31, 2019 was in conformity with Regulation 17 of the Listing Regulations. Category-wise composition is given below:

S. No.	Name of the Director	Category
1.	Mr. Ajay Singh	Executive Director (Chairman & Managing Director)
2.	Mrs. Shiwani Singh	Non - Executive and Non-Independent Director
3.	Mr. Anurag Bhargava	Independent Director
4.	Mr. Harsha Vardhana Singh	Independent Director
5.	Mr. Ajay Chhotelal Aggarwal <sup>1</sup>	Independent Director
6.	Mr. Manoj Kumar <sup>2</sup>	Independent Director

<sup>1</sup>Appointed as director on February 11, 2019.

<sup>2</sup>Appointed as director on May 28, 2019.

During the financial year 2018-19, five (5) Board Meeting were held on May 11, 2018; August 14, 2018; October 30, 2018; November 14, 2018 and February 11, 2019 with necessary quorum being present at all the meetings and the time gap between two meetings did not exceed one hundred and twenty days.

The names and categories of the Directors on the Board and the number of directorships and Committee chairmanships/ memberships held by them in other public limited companies as on March 31, 2019 are given herein below:

Name of the Director	Category of Director	No. of Board Meeting attended	Attendance at previous Annual General Meeting held on November 29, 2018	Directorship in other public companies <sup>3</sup>	Committees membership/ chairpersonship in other Public Companies <sup>4</sup>	Directorship in other listed entity (Category of directorship)
Mr. Ajay Singh	Executive Director	5	Yes	-	-	-
Mrs. Shiwani Singh	Non-Executive and Non-Independent Director	4	Yes	1	1	Multipurpose Trading and Agencies Ltd. (Non-Executive Director)
Mr. R. Sasiprabhu <sup>5</sup>	Independent Director	N.A.	N.A.	-	-	-
Mr. Anurag Bhargava	Independent Director	5	Yes	-	-	-
Mr. Harsha Vardhana Singh	Independent Director	5	No	-	-	-
Mr. Ajay Chhotelal Aggarwal <sup>6</sup>	Independent Director	N.A.	N.A.	1	-	-

<sup>3</sup>Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

<sup>4</sup>For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders Relationship Committee has been considered.

<sup>5</sup>Resigned effective May 9, 2018.

<sup>6</sup>Appointed as director on February 11, 2019.

## (b) Board Procedure

The agenda and notes thereon 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 of the Board to take appropriate decisions. In addition to information required under Regulation 17(7) of the Listing Regulations, the Board is also kept informed of major events/ items and approvals taken wherever necessary.

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

Details of equity shares of the Company held by non-executive directors as on March 31, 2019 are given below:

Name	Category	No. of Equity Shares
Mrs. Shiwani Singh	Non-Executive Director	6,000
Mr. R. Sasiprabhu <sup>7</sup>	Independent Director	1,000
Mr. Ajay Chhotelal Aggarwal <sup>8</sup>	Independent Director	4,250

<sup>7</sup>Resigned effective May 9, 2018.

<sup>8</sup>Appointed as director on February 11, 2019.

## (d) Board membership criteria

The Board is collectively responsible for selection of a member on the Board. The Board delegates the screening and selection process to the Nomination and Remuneration Committee. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. Members of the Board are expected to possess the required qualifications, integrity, expertise and experience for the position. In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself about the independence of the Directors vis-à-vis the Company to enable the Board to discharge its functions and duties effectively.

The criteria for appointment to the Board include:

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;

- (iii) size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- (iv) professional qualifications, expertise and experience in specific area of relevance to the Company;
- (v) balance of skills and expertise in view of the objectives and activities of the Company;

**(e) Core skills/expertise/competencies of Board of Directors**

The Company's Board comprises qualified members who bring the required skills, competence and expertise that allow them to make effective contributions to the Board and committee thereof. In terms of the Listing Regulations, the Board has identified the following core skills/ expertise/ competencies of the Directors in the context of the Company's business for effective functioning:

Skills and its description	Ajay Singh	Shiwani Singh	Harsha Vardhana Singh	Anurag Bhargava	Ajay Chhotelal Aggarwal
<b>Finance and Accounting Experience</b>					
(Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge)	✓	✓	✓	✓	✓
<b>Leadership</b>					
(Strong management and leadership experience including in areas of business development, strategic planning, investments and finance, international business, senior level government experience and academic background.)	✓	✓	✓	✓	✓
<b>Diversity</b>					
(Diversity of thoughts, experience, knowledge, perspective, gender and culture. Varied mix of strategic perspectives, and geographical focus with knowledge and understanding of key geographies.)	✓	✓	✓	✓	✓
<b>Global Business</b>					
(Understanding of diverse business environment, economic conditions, culture and regulatory framework and a broad prospective on global market opportunities)	✓	✓	✓	✓	✓
<b>Corporate Governance</b>					
(Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders' interests and Company's responsibilities towards customers, employees, suppliers, regulatory bodies and the communities in which it operates.)	✓	✓	✓	✓	✓
<b>Information Technology</b>	✓	✓	✓	✓	✓
(Information Technology expertise with knowledge of current and emerging technologies)					

**(f) Familiarisation Program for Independent Directors**

The Company conducts various induction program for the Independent Directors for their familiarisation with the Company, its management and its operations so as to gain a clear understanding of their roles, rights and responsibilities for the purpose of contributing towards the growth of the Company. They are given full opportunity to interact with senior management personnel and are provided with all the documents required and/or sought by them to have a good understanding of the Company, its business model, various operations and the industry. The Company's Policy of conducting the familiarisation program has been disclosed on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the "Investors section".

**(g) Confirmation on independence of Independent Directors**

The Company has received necessary declaration under Section 149(7) of the Companies Act, 2013 from each Independent Director that they meet the criteria of independence laid down under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations.

In the opinion of the Board, the Independent Directors fulfill the conditions of independence criteria as specified in in Section 149(6) of the Companies Act, 2013 read with the Listing Regulations and are independent from the management.

#### (h) Resignation of Independent Directors

Mr. R. Sasiprabhu was appointed by the Company as Independent Director with effect from December 1, 2015 to hold office of Independent Director for a period up to November 30, 2020. As reported in Corporate Governance for the financial year ended March 31, 2018, Mr. R. Sasiprabhu has resigned from the directorship of the Company with effect from May 9, 2018.

### 3. Committees of the Board of Directors

The Company is having the following committee as on March 31, 2019:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders Relationship Committee
- (d) Corporate Social Responsibility Committee

The composition of all the committees meets the requirements of the Companies Act, 2013 and the Listing Regulations.

The details of the role and composition of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Board, including number of meetings held during the financial year and attendance thereat, are provided hereinafter.

### 4. Audit Committee

#### (a) Terms of Reference

The powers, roles and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, as applicable, besides other terms as referred by the Board of Directors. The term of reference of the Audit Committee are as follows:

- (i) To monitor and provide an effective supervision of the financial reporting process and to ensure that the financial statements are correct, sufficient and credible.
- (ii) To ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.
- (iii) The Committee oversees the work carried out in the financial reporting process by the Management, the Internal Auditors and the Statutory Auditors, and to take note of the processes and safeguards employed by each of them.
- (iv) The Committee has all powers, roles, duties etc. as enumerated under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.
- (v) The Audit Committee is responsible to select, evaluate and, where appropriate, replace the independent auditors in accordance with the law.
- (vi) The Committee recommends the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors.

#### (b) Composition, Meetings and Attendance

During the financial year 2018-19, the Audit Committee met four (4) times on May 11, 2018, August 14, 2018, November 14, 2018 and February 11, 2019 with necessary quorum being present at all the meetings and the time gap between two committee meetings was less than one hundred and twenty days.

The Company Secretary acts as the Secretary to the Committee.

Consequent upon resignation of Mr. R. Sasiprabhu (Independent Director) effective from May 9, 2018, the Audit Committee was reconstituted on August 14, 2018 with Mr. Anurag Bhargava as Chairperson and Mr. Harsha Vardhana Singh and Mrs. Shiwani Singh as members.

The composition of the Committee is in conformity with the Listing Regulations. Details of the composition, meetings and attendance of the members at the Audit Committee meetings held during the year under review are as under:

Name of the Member	Category	Status	No of Meetings	
			Held	Attended
Mr. Anurag Bhargava	Independent Director	Chairperson	4	4
Mr. Harsha Vardhana Singh	Independent Director	Member	4	4
Mrs. Shiwani Singh	Non - Executive and Non-Independent Director	Member	4	3

Effective April 1, 2019, the Audit Committee was reconstituted with Mr. Anurag Bhargava (Independent Director) as Chairperson and Mr. Harsha Vardhana Singh (Independent Director), Mrs. Shiwani Singh (Non-Executive and Non-Independent Director) and Mr. Ajay Chhotelal Aggarwal (Independent Director) as members.

## 5. Nomination and Remuneration Committee

### (a) Terms of Reference:

The Nomination and Remuneration Committee's powers, role and terms of reference covers the area as contemplated under Section 178 of the Companies Act, 2013, Regulation 19 read with Part D of the Schedule II of the Listing Regulations and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014, as amended from time to time. The Committee has the following powers, roles and terms of reference:

- To recommend to the Board the appointment/ re-appointment and removal of managerial person (i.e. managing director or whole time director) including the payment of remuneration to them.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.
- To recommend to the Board for appointment and removal of directors and senior management.
- To carry out evaluation of every director's performance and to formulate the criteria for determining qualifications, positive attributes and independence of a director and to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To formulate, administer and implement the Employee Stock Option Scheme and also recommends to the Board in the matter related to the areas as specified.

### (b) Composition, Meetings and Attendance

Consequent upon resignation of Mr. R. Sasiprabhu (Independent Director) effective from May 9, 2018, the Nomination and Remuneration Committee was dissolved and was reconstituted on February 11, 2019 with Mr. Harsha Vardhana Singh (Independent Director) as Chairperson and Mr. Ajay Chhotelal Aggarwal (Independent Director), Mrs. Shiwani Singh (Non-Executive and Non-Independent Director) and Mr. Ajay Singh (Chairman & Managing Director) as members.

The Composition of Nomination and Remuneration Committee is in conformity with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations. No meeting of the Committee was held during the period under review.

### (c) Remuneration Policy

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

The Nomination and Remuneration Committee of the Company has framed a policy for selection and appointment of Directors including determining qualifications of Director, Key Managerial Personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Act. The Nomination and Remuneration Policy is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the "Investors section".

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

During the financial year ended March 31, 2019, there is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company except payment of sitting fees for attending the Board Meeting. Details of payment of sitting fees form part of the Board's Report.

During the financial year ended March 31, 2019, Mr. Ajay Singh, Chairman and Managing Director was paid remuneration of ₹ 72.00 million.

**(e) Performance Evaluation**

The Nomination and Remuneration Committee conducted the Board evaluation for the financial year ended March 31, 2019. The criteria for performance evaluation covers the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation was done by the entire Board of Directors and in the evaluation of directors, the directors subject to evaluation, had not participated.

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has undertaken an evaluation of its own performance and of all the individual directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning and contribution of directors at meetings.

**6. Stakeholders Relationship Committee****(a) Terms of Reference**

The Stakeholders Relationship Committee has been constituted as per the provisions of Section 178 of the Companies Act, 2013, Regulation 20 and Part D of the Schedule II of the Listing Regulations. The term of reference of the Stakeholders Relationship Committee are as follows:

- (i) To consider and resolve the grievances of shareholders, debenture holders and other security holders.
- (ii) To resolve the grievances including complaints related to transfer of shares, transmission of shares, issue of duplicate shares, dematerialisation/rematerialisation of shares, non-receipt of annual report and non-receipt of declared dividends and other related matters.

**(b) Composition, Meetings and Attendance**

During the financial year 2018-19, the Stakeholders Relationship Committee met once on August 14, 2018 with necessary quorum being present at the meeting.

Consequent upon resignation of Mr. R. Sasiprabhu (Independent Director) effective from May 9, 2018, the Stakeholders Relationship Committee was reconstituted on August 14, 2018 with Mr. Harsha Vardhana Singh and Mrs. Shiwani Singh and Mr. Ajay Singh as members.

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

The composition of the Committee is in conformity with the Listing Regulations. Details of the composition, meetings and attendance of the members at the Stakeholders Relationship Committee meetings held during the year under review are as under:

Name of the Member	Category	Status	No of Meetings	
			Held	Attended
Mr. Harsha Vardhana Singh	Independent Director	Chairperson	1	1
Mrs. Shiwani Singh	Non - Executive and Non-Independent Director	Member	1	1
Mr. Ajay Singh	Chairman and Managing Director	Member	1	1

**(c) Investor Grievance Redressal**

In order to provide efficient services to investors, and for speedy redressal of the complaints, the Committee has delegated the power of approving transfer and transmission of shares and other matters like sub-division and consolidation of shares certificate, issue of share certificates on re-materialization or loss etc. and for dematerialization to the Company Secretary of the Company.

During the financial year 2018-19, the Company has received 115 letters/ complaints from shareholders and replied/redressed the same to the satisfaction of shareholders.

**7. Company Policies**

- (a) Whistle Blower Policy:** The Company promotes ethical conduct in its business activities and in line with the good governance practices, the Company has established a Whistle Blower Policy for directors and employees to report concerns about unethical behaviour, malpractices, actual or suspected fraud, wrongful conduct or violation of the company's code of conduct or ethics policy. No personnel has been denied access to the Audit Committee. The Company has provided dedicated e-mail address [whistleblower@spicejet.com](mailto:whistleblower@spicejet.com) for reporting such concerns. Alternatively, employees can also send written communication to the Compliance Officer of the Company. The Audit Committee of the Company oversees the implementation and proper functioning of this Policy. The Whistle Blower Policy is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the "Investors section".

- (b) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Policy:** The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company is also committed to provide a work environment that ensures every woman employee is treated with dignity, respect and afforded equal treatment.

The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment. During the financial year 2018-19, ten complaints were received and disposed of under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and no complaint is pending as on March 31, 2019.

- (c) Code of Conduct:** The Company has formulated and implemented the Code of Conduct for Board members and senior management of the Company. This Code comprises of various principles which complies with the legal requirements of applicable laws and regulations, including anti-bribery and anticorruption, the ethical handling of conflict of interest. This Code has been posted on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the "Investors section". All the Board members and senior management of the Company have affirmed compliance with this Code during the financial year ended March 31, 2019. A declaration to this effect signed by Chairman and Managing Director is given as an annexure to this report.

- (d) Related Party Transactions Policy:** The Board of Directors of the Company has formulated a policy on materiality of related party transactions and also on dealing with related party transactions pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the same is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the "Investor section".

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related Parties. This Policy specifically deals with the review and approval of material related party transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All related party transactions are placed before the Audit Committee for review and approval as per the provisions of the Companies Act, 2013.

- (e) Policy and Procedure for Inquiry in case of leak or suspected leak of unpublished price sensitive information:** In order to restrict and prohibit practice of un-authorised sharing of unpublished price sensitive information relating to the Company or its securities and further to strengthen the internal control system of the Company, the Company have formulated a policy and procedure for inquiry in case of leak or suspected leak of unpublished price sensitive information.

The Policy and Procedure for Inquiry in case of leak or suspected leak of unpublished price sensitive information is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the "Investors section".

- (f) Policy on Material Subsidiaries:** In order to ensure governance of material subsidiary companies, the Board of Directors of the Company has adopted the policy and procedures for determining 'material' subsidiary companies in accordance with the provisions of the Listing Regulations. The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The Policy on Material Subsidiaries is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the "Investors section".

- (g) Dividend Distribution Policy:** The Company has adopted Dividend Distribution Policy in terms of the requirement of the Listing Regulations. The Dividend Distribution Policy of the Company, as approved by the Board of Directors of the Company, is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the "Investors section".

- (h) Code of Conduct for prevention of Insider Trading:** The Company has in place a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the Board Members, Senior Management, Officers and designated employees and other connected persons, on procedures to be followed and disclosures to be made by them while dealing with the shares of the Company and cautioning them of the consequences of violations. The Sr. VP (Legal) and Company Secretary has been appointed as the Compliance Officer.

- (i) Other policies:** The Company has also in place other policies including "Policy for Determination of Materiality of Events or Information" and "Document Retention and Archival Policy" as per the Listing Regulations.

## 8. General Meetings

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

Category	Date and Time	Location of the meeting	Special Resolutions Passed
34 <sup>th</sup> AGM (2017-18)	November 29, 2018 at 10:00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003	Modification in remuneration of Mr. Ajay Singh (DIN: 01360684), Managing Director of the Company, for financial year 2017-18 Re-appointment of Mr. Ajay Singh (DIN: 01360684) as Managing Director of the Company Amendment of Articles of Association of the Company
33 <sup>rd</sup> AGM (2016-17)	November 27, 2017 at 10:00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003	Approval of SpiceJet Employee Stock Option Scheme - 2017 and grant of stock options to the employees of the Company. Grant of stock options to the employees of Subsidiary or Holding Company(ies) of the Company under SpiceJet Employee Stock Option Scheme - 2017.
32 <sup>nd</sup> AGM (2015-16)	December 26, 2016 at 10:00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003	Remuneration to Mr. Ajay Singh, Managing Director of the Company.

## 9. Postal Ballot

During the year under review, no resolution was passed through postal ballot and no special resolution is proposed to be passed through postal ballot under the provisions of the Companies Act, 2013.

## 10. Means of Communication

The quarterly, half-yearly and annual results of the Company are sent to the stock exchange for the information of the shareholder and also published in leading newspapers in India which include Financial Express (English) all editions and Jansatta (Hindi) Delhi edition. The results of the Company are also displayed on the website of stock exchange i.e. BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and the Company ([www.spicejet.com](http://www.spicejet.com)).

All the press releases of the Company are sent to the stock exchange for dissemination to shareholders and are subsequently displayed on the website of the Company at [www.spicejet.com](http://www.spicejet.com) under the "Investors section". Investor presentations are also displayed on the website of the Company.

## 11. General Shareholder Information

- (a) **Venue, date and time of the 35<sup>th</sup> Annual General Meeting** : Venue: PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016  
Date: September 30, 2019  
Time: 4:00 p.m.
- (b) **Financial Year** : April 1, 2018 to March 31, 2019
- (c) **Book Closure date** : September 24, 2019 to September 30, 2019 (both days inclusive)
- (d) **Dividend Payment Date** : Not applicable
- (e) **Name of Stock Exchange** : BSE Limited,  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001  
(Equity Shares)
- (f) **Listing fees for Financial Year 2019-20** : Paid
- (g) **Stock Code** : BSE: 500285  
Reuters: SPJT.BO  
Bloomberg: SJET  
ISIN in NSDL and CDSL: INE285B01017
- (h) **Registrar and Transfer Agents** : Karvy Fintech Private Limited,  
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad - 500 032

- (i) **Outstanding Global Depository Receipts/American Depositary Receipts/warrants and convertible bonds, conversion date and likely impact on equity** : The Company has no outstanding GDRs/ ADRs/Warrants or Convertible Instrument.
- (j) **Plant location** : The Company does not have any plant location. As on March 31, 2019, the Company operates to 53 domestic and 9 international airports and has offices at these airports for its airline operations.
- (k) **Details of shares in the demat suspense account or unclaimed suspense account** : Nil
- (l) **Whether the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year** : Nil

## 12. Market Price Data

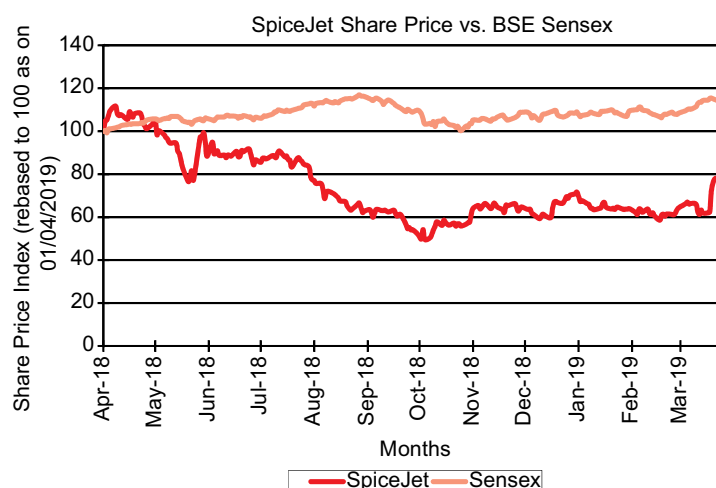
The market capitalisation of the Company is included in the computation of BSE 500 Index. The table below sets out the monthly high and low quotations of the shares traded at BSE Limited ([www.bseindia.com](http://www.bseindia.com)) during the period under review:

Month	Open Price	High Price	Low Price	Close Price
Apr-18	125.40	142.00	125.10	129.70
May-18	129.45	133.70	92.00	119.25
Jun-18	118.00	121.90	105.10	109.10
Jul-18	110.00	117.60	98.30	98.85
Aug-18	98.85	100.85	76.05	79.05
Sep-18	79.80	81.45	66.70	68.15
Oct-18	67.00	74.85	60.60	72.65
Nov-18	73.10	87.55	72.80	81.50
Dec-18	84.00	89.90	72.00	89.20
Jan-19	91.00	91.50	78.20	80.55
Feb-19	81.35	84.00	73.15	79.85
Mar-19	80.15	104.70	72.50	97.75

## 13. Performance in comparison to Broadbased Indices-BSE Sensex

Chart below sets out price performance of equity shares of SpiceJet Limited relative to BSE Sensex based on daily closing values during April 1, 2018 to March 31, 2019.

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



#### 14. 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 of the Company and Registrar and Share Transfer Agent.

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

#### 15. Shareholding Pattern as on March 31, 2019

S. No.	Category	No. of Shares	Percentage (%)
1.	Promoters	359,834,068	60.00
2.	Resident Individuals	137,273,239	22.89
3.	Mutual Funds	42,246,330	7.04
4.	Foreign Portfolio - Corp	25,399,605	4.24
5.	Bodies Corporates	17,589,184	2.93
6.	Non Resident Indians	5,663,427	0.94
7.	Alternative Investment Fund	4,198,201	0.70
8.	Hindu Undivided Family	3,028,953	0.51
9.	Non-Resident Indian Non Repatriable	1,830,919	0.31
10.	Clearing Members	1,406,930	0.23
11.	Employees	908,558	0.15
12.	Non-Banking Financial Companies	118,731	0.02
13.	Foreign Institutional Investors	109,000	0.02
14.	Foreign Portfolio Investors	75,001	0.01
15.	Banks	12,273	0.00
16.	Directors	10,250	0.00
17.	Foreign Nationals	9,500	0.00
18.	Trusts	4,187	0.00
<b>Total</b>		<b>599,718,356</b>	<b>100.00</b>

#### 16. Distribution of Shareholding as on March 31, 2019:

Category	Shareholders		Shares	
	Number	% of total	Number	% of total
1-5000	125,210	82.06	17,670,104	2.95
5001-10000	12,648	8.29	10,422,314	1.74
10001-20000	6,666	4.37	10,350,714	1.72
20001-30000	2,363	1.55	6,146,882	1.02
30001-40000	1,152	0.76	4,164,407	0.69
40001-50000	1,029	0.67	4,903,023	0.82
50001-100000	1,713	1.12	12,815,661	2.14
100001 and above	1,793	1.18	533,245,251	88.92
<b>Total</b>	<b>152,574</b>	<b>100</b>	<b>599,718,356</b>	<b>100</b>

#### 17. Dematerialisation of Shares and Liquidity

Over 99.15% of the outstanding equity shares have been dematerialised upto March 31, 2019. The equity shares of the Company are listed at BSE Limited only; where they are actively traded.

#### 18. Subsidiaries

The Audit Committee reviews the financial statements of the subsidiary companies. It also reviews, the investments made by the subsidiary companies, statement of all significant transactions and arrangements entered into by the subsidiary companies and the status of compliances by the respective subsidiary companies, on a periodic basis.

The minutes of the Board meetings of the subsidiary companies are placed before the Board of the Company for its review. The Company has formulated a policy for determining its 'Material' subsidiaries and it is available on the Company's website i.e. [www.spicejet.com](http://www.spicejet.com) under the "Investors section". None of the Indian subsidiary of the Company comes under the purview of the term 'material non-listed Indian subsidiary' as defined under Regulation 24 of the Listing Regulations.

Pursuant to Section 129 (3) of the Act and Ind - AS 110 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of its subsidiaries.

## 19. Details of total Fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors during the financial year under review is as follows:

S. No.	Particulars	Amount (₹ in million)
(a)	Audit Fees as Statutory Auditor	11.10
(b)	Tax Fees	0.75
(c)	Re-imbursement of out of pocket expenses	0.55
(d)	Other	0.18

## 20. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company has significant exposure to price movement of Aviation Turbine Fuel (ATF) which is a derivative of crude oil and also have substantial expense in foreign currency. This financial year saw a 25% increase in ATF prices and 9% depreciation of the Indian Rupee that resulted cost escalation of ₹6,958 million and ₹2,854 million respectively. The Company has established a framework to actively manage these fuel price risk and foreign exchange risk. This framework lays down the quantum of hedging and trigger points for hedging depending upon volatility and market outlook. All hedging activities are done as per applicable guidelines.

## 21. Other Disclosures

- (a) **Credit ratings:** The Company received credit rating of "BBB" from CRISIL for the banking facility availed by the Company. This rating is considered to have moderate degree of safety regarding timely servicing of financial obligations. This rating was revised to "BB-" as on March 31, 2019 on account of negative industry outlook due to appreciating fuel price and depreciating Rupee.
- (b) **Details of non-compliance by the Company:** During the last three years, there were no penalty or stricture imposed on the Company either by the stock exchanges or SEBI, or any other statutory authority for non-compliance of any matter related to capital markets except penalty of ₹ 23,000 for late submission of financial statements for the quarter and year ended March 31, 2017 and ₹ 28,320 for late submission of corporate governance report for the quarter ended June 30, 2018.
- (c) **Affirmation of Code of Conduct:** All the Board members and senior management of the Company have affirmed compliance with the Code of Conduct during the financial year ended March 31, 2019. A declaration to this effect signed by Chairman and Managing Director of the Company is given as an annexure to this report. The declaration is attached with this report as Annexure - I
- (d) **Chief Executive Officer and Chief Financial Officer Certification:** In terms of Regulation 17(8) of the Listing Regulations, the Managing Director and Chief Financial Officer have certified to the Board of Directors of the Company with regard to the financial statements and other matters specified in the said regulation, for the financial year 2018-19. The said certificate is attached with this report as Annexure - II.
- (e) **Certificate from Company Secretary in Practice:** Mr. Mahesh Kumar Gupta, Practicing Company Secretary, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is attached with this report as Annexure - III.
- (f) **Certification on Corporate Governance:** A certificate from Mr. Mahesh Kumar Gupta, Practicing Company Secretary, regarding compliance of the conditions of Corporate Governance, as stipulated under Schedule V of the Listing Regulations is attached as Annexure - IV and forms part of this report.

- (g) **Details of compliance with mandatory requirements on corporate governance:** The Company is in compliance with the applicable corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of the Listing Regulations. Further, securities of the Company have not been suspended for trading at any point of time during the financial year ended March 31, 2019.
- (h) **Non-mandatory requirements:** The Company did not have a non-executive chairman during the financial year 2018-19, hence, the requirement of maintaining a chairman's office was not applicable to the Company. The Internal Auditors of the Company reports to the Audit Committee of the Company. Other provisions of non-mandatory requirements are under consideration of the Board of the Company.

## 22. Address for Correspondence

**(a) For shares in physical/ demat mode**

Karvy Fintech Private Limited,  
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,  
Financial District,  
Nanakramguda, Hyderabad – 500 032  
Email: einward.ris@karvy.com  
Tel: +91 40 67162222  
Fax: +91 40 23001153

**(b) Any query on Annual Report**

Legal & Company Affairs  
SpiceJet Limited,  
319, Udyog Vihar, Phase IV,  
Gurgaon- 122 016, Haryana  
Email: investors@spicejet.com  
Tel: +91 124 3913939  
Fax: +91 124 3913844

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

I, Ajay Singh, Chairman & Managing Director of the Company hereby certify that the Board of Directors of SpiceJet Limited has adopted a Code of Conduct (the **"Code"**) for the Board Members and Senior Management of the Company.

The Code is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com).

I hereby declare that all Board Members and Senior Management personnel have affirmed compliance with the Code for the financial year ended March 31, 2019.

Date : May 28, 2019  
Place : Gurgaon

Sd/-  
Ajay Singh  
Chairman & Managing Director

**Annexure - II****MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION IN TERMS OF REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We, Ajay Singh, Chairman & Managing Director and Kiran Koteswar, Chief Financial Officer of the Company, to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
Ajay Singh  
Chairman & Managing Director

Sd/-  
Kiran Koteswar  
Chief Financial Officer

Date : May 28, 2019  
Place : Gurgaon

## Annexure - III

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

To the Members of SpiceJet Limited

- (i) We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SpiceJet Limited (the **"Company"**), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause 10(i) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (ii) In our opinion and to the best of our information and according to the verifications (including Directors Identification Number status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2019 have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority:

S. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Ajay Singh	01360684	May 21, 2015
2.	Mrs. Shiwani Singh	05229788	May 21, 2015
3.	Mr. Anurag Bhargava	01297542	September 7, 2016
4.	Mr. Harsha Vardhana Singh	07110296	September 7, 2016
5.	Mr. Ajay Chhotelal Aggarwal	00001122	February 11, 2019

- (iii) Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mahesh Gupta & Company  
Company Secretaries

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

Date : August 9, 2019  
Place : New Delhi

## Annexure - IV

## 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 (the **"Company"**), for the year ended on March 31, 2019, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"Listing Regulations"**).
- (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 Listing Regulations for the year ended March 31, 2019 except filing Corporate Governance Report for quarter ended June 30, 2018 with stock exchange with delay of 24 days.
- (iv) We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mahesh Gupta & Company  
Company Secretaries

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

Date : August 9, 2019  
Place : New Delhi

# Management Discussion & Analysis

## 1. Economy and Prospects

### (a) Indian Economy

Indian economy continues to remain one of the fastest-growing major economies in the world, despite a slight moderation in its Gross Domestic Product (GDP) growth from 7.2% in FY 2017-18 to 6.8% in FY 2018-19. The slowdown was primarily led by subdued consumption and investment, agricultural distress and tight liquidity conditions triggered by non-banking finance crisis. Nonetheless, India's ranking in the World Bank's Ease of Doing Business Report 2018 improved by 23 notches to 77th position. This can be attributed to the solid macro-economic fundamentals and bold reformative policy measures implemented by the Government in recent years. Initiatives of Goods and Services Tax (GST), Insolvency and Bankruptcy framework, liberalisation of Foreign Direct Investment (FDI) norms, and ease of doing business, among others have brought in renewed vigour within the economy.

The Insolvency and Bankruptcy Code (IBC) is progressing well towards resolution of stressed assets of both corporates and banks. The teething issues relating to GST implementation is also steadily settling down. With key economic reforms on track, the Government is likely to focus on their faster implementation, with greater emphasis on incentivising private investment and boosting consumption. The Union Budget 2019-20 laid the foundation for a New India and reflected the Government's endeavour towards making India a USD 5 trillion economy by 2024. Important steps taken towards building physical and social infrastructure, uplifting rural economy, strengthening manufacturing and improving liquidity conditions will put the economy on a high growth trajectory.

In the Union Budget 2019-20, the fiscal deficit target was reduced to 3.3% of GDP for FY 2019-20, signalling Government's commitment to fiscal consolidation. Announcement of ₹ 70,000 crore recapitalisation package for public sector banks will augment lending and credit offtake. Proposed liberalisation of FDI in aviation, media and insurance sectors is likely to encourage higher overseas investment. Further, ₹ 100 lakh crore has been proposed for infrastructure upgradation in the country over the next five years, which will bolster capacity utilisation and investment activity.

### (b) Outlook for the coming year

The prospects of the Indian economy continue to be strong. The re-election of the existing Central Government with a stronger mandate is a good sign for stable political scenario and governance. Their strong focus on infrastructure development, evident in the past and its ambitious election manifesto, will augur well for the economy. Favourable indicators such as stable macroeconomic conditions, structural reforms, fiscal consolidation and accommodative monetary policy will provide further impetus to the economy.

- Expectations of normal monsoon, income support scheme for farmers, benign inflation and tax benefits for the middle-class are likely to translate into higher spending and consumption
- Strong thrust on infrastructure, job creation and digitisation will bring a positive sentiment to the economy
- Increase in import tariffs on intermediary and finished goods will boost manufacturing and promote Government's Make in India initiative

These positive developments will drive unparalleled growth in the economy, with the country set to become a USD 3 trillion economy in FY 2019-20. Further, forecasts of Brent Crude Oil prices averaging at USD 65.15 for 2019 and USD 65 for 2020 compared to the high of USD 71.19 in 2018 will provide a positive push to consumption. The International Monetary Fund (IMF) has pegged the country's growth at 7% in FY 2019-20 and 7.2% in FY 2020-21, led by pickup in private investment and consumption on the back of continued policy initiatives, expansionary monetary policy and fiscal stimulus.

*(Source: Economic Survey 2018-19, Central Statistics Office, IMF, PwC, EIA)*

## 2. Indian Aviation

### (a) Industry Overview

The Indian aviation market is one of the fastest-growing in the world. Based on the customer experience and operating models, the operating airlines are categorised into Full Service Carriers (FSC) and Low Cost Carriers (LCC). While these airlines cover a wide route, nearly 55-60% of the traffic origination is concentrated around Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Mumbai. However, the traffic in tier II and III cities have started to grow rapidly in recent years.

## Indian aviation landscape

Airline	Market Share (Domestic)	Capacity Share (Domestic)	Service Type	Fleet Size	Aircraft Type
Air Asia	5.9%	6.5%	LCC	20	A320
Air India	12.9%	13.2%	FSC	172	A319, A320, A320N, A321, B737, B747, B777, B787, ATR42/72
GoAir	9.9%	9.4%	LCC	48	A320, A320N
Indigo	47.1%	48.3%	LCC	220	A320, A320N, A321, ATR
Jet Airways*	5.7%	5.2%	FSC	85	A330, B737, B777, ATR72, B737MAX
SpiceJet	13.7%	12.1%	LCC	76	B737, Q400, B737Max
Vistara	4.2%	5.1%	FSC	22	A320

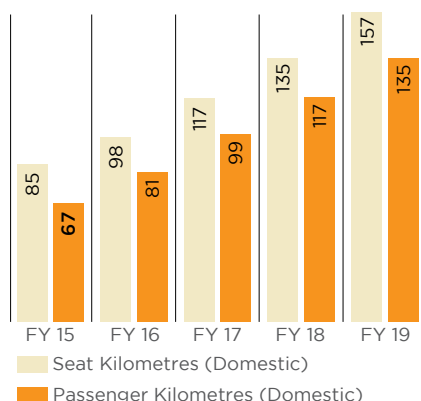
Data Source: DGCA, company website and annual reports. (Data as on March 31, 2019).

\*ceased operations from April 2019.

In FY 2018-19, India's aviation sector continued to be one of the fastest-growing industries in the country. Domestic air passenger traffic for the year clocked a healthy growth of 14% over FY 2017-18, reaching 140.3 million passengers. With this, India remained the fastest-growing aviation market for the fourth successive year. Low-cost aviation, improving regional connectivity, young demographics and rising incomes were the key factors propelling growth in domestic flyers. Growth in international passenger traffic was at 9% to 25.9 million passengers. The capacity measured in ASKMs (Average Seat Kilometres) grew at 17% and 10% for domestic and international operations respectively. The industry-wide load factors stood at 86% and 81% respectively for domestic and international operations during the year.

## Capacity/ utilisation - Domestic

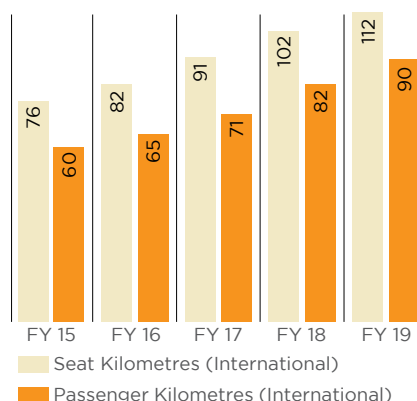
(In Billion)



(Source: DGCA)

## Capacity/ utilisation - International

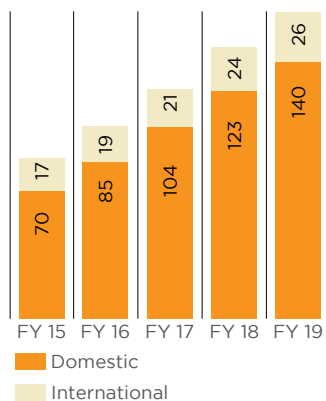
(In Billion)



(Source: DGCA)

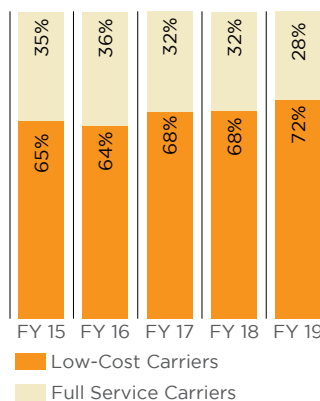
## Passengers carried

(In Million)



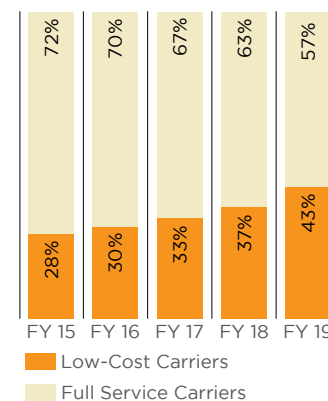
(Source: DGCA)

## LCC &amp; FSC Marketshare - Domestic



(Source: DGCA)

## LCC &amp; FSC Marketshare - International



(Source: DGCA)

The Indian market, while being characterised by highly price-sensitive customers, the demand for low-cost travel continues to be robust in the rapidly growing air travel market. LCCs address the rising aspirations of the cost-conscious middle-class by offering affordable and value-driven flying options, making them the most preferred mode of air travel. The domestic market share of LCCs increased to 72% in FY 2018-19 from around 68% in FY 2017-18.

The four Indian LCCs - Air Asia, GoAir, Indigo and SpiceJet command a market share of over 77% and have been instrumental in driving the air passenger traffic growth over the years. As per Central Asia Pacific Aviation (CAPA), the three leading LCCs - Indigo, SpiceJet and GoAir are expected to report record profitability in FY 2019-20, while the combined fleet of Indian LCCs is likely to cross 500 aircraft. CAPA forecasts the leading Indian airlines to report a combined net profit of nearly USD 500-700 million in FY 2019-20, first time since it started tracking the sector in 2003. Further, sustained increase in the ancillary product and service offerings such as priority boarding, customer loyalty memberships, lounge access, among others, by Indian LCCs will augment their revenue and profitability.

With sustained strong performance and growing traffic over the years, India has emerged as the world's seventh-largest civil aviation market in the world. The International Air Transport Association (IATA) expects Indian aviation market to surpass that of United Kingdom's to become the world's third-largest air passenger market by 2024. According to Ministry of Civil Aviation, India's air passenger traffic is expected to grow six-fold and reach 1.1 billion, while the number of operational airports is expected to increase to around 200 by 2040.

#### **(b) Growth Drivers**

- Expanding middle-income and working population, growing preference for air travel and rapid increasing penetration of online channels
- Strong growth in tourism, business and leisure travel spending
- Increasing investments on modernisation and upgradation of existing airports, development of new greenfield airports and strengthening air connectivity to remote regions
- India has one of the lowest air travel and aircraft penetration rates among leading global air travel markets despite strong economic growth prospects
- Rising medical and education related travel in India

#### **(c) Government initiatives**

The past few years have witnessed strong drive on the Government's part towards making policies conducive and undertaking initiatives to boost the aviation sector. The clearance of National Civil Aviation Policy 2016 in June 2016 has contributed to a remarkable progress in enhancing connectivity and widening network for domestic carriers. Further, the Government's strong thrust on infrastructure development and favourable policies are further acting as catalysts for growth of India's aviation market.

Some of the major initiatives implemented by the Government include:

- Privatisation of six brownfield airports of Airports Authority of India under Public-Private Partnership model
- Plan to develop 100 new airports in India to meet the soaring passenger traffic and providing air connectivity to remote regions at an estimated investment of ₹ 4.2 lakh crore over the next 10-15 years
- Permitting 100% FDI under automatic route for greenfield projects and 74% for brownfield projects
- 100% tax exemption for airport projects for a period of ten years (*Source: IBEF Report on Aviation, April 2019*)
- Approval of policy on biometric digital processing of passengers at airports named 'Digi Yatra' to enhance service quality and passenger experience
- Introduction of NextGen Airports for Bharat-NABH Nirman initiative to expand airport capacity by five times to handle a billion trips a year
- Strong focus on Regional Connectivity Scheme (RCS) — UDAN (*Ude Desh Ke Aam Nagrik*) to make air travel more affordable and convenient. Currently, the scheme has provided connectivity to 23 unserved airports out of the targeted 100 airports to be operationalised by FY 2026-27
- Proposal to invest USD 1.8 billion for development of airport infrastructure and aviation navigation services by the year 2026

The Government in its Union Budget 2019-20 provided a major boost to the aviation sector with a slew of initiatives including:

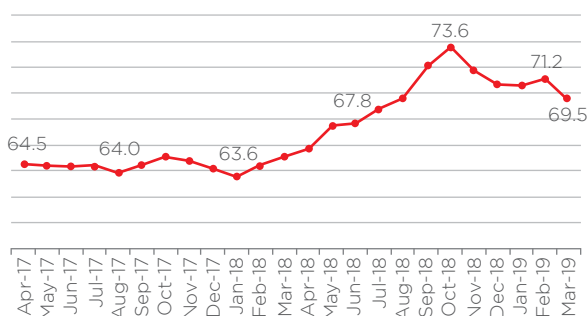
- A massive outlay of approximately ₹ 4,500 crore was proposed for the aviation sector for FY 2019-20
- Of the total allocation, ₹ 480 crore will be for Regional Connectivity Scheme - UDAN, an increase of 10% over the previous year for revival of 50 unserved and underserved airports. This is expected to increase the number of airports and the footprint of regional operations under UDAN scheme, as well as increase the network capacity of airline operators, which will effectively bring the costs down leading to profitability and sustainability of operations
- Proposal of increasing FDI limit in domestic carriers from the existing 49%
- Proposal to make India a hub for Maintenance, Repair and Overhaul (MRO) activities and aircraft financing and leasing

(Source: Economic Survey 2018-19, Union Budget 2019-20)

#### (d) Input costs

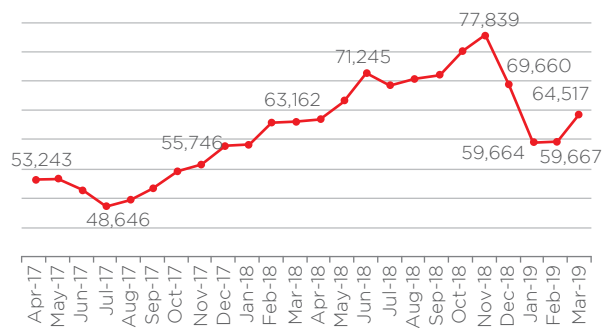
The aviation industry is highly susceptible to fluctuations in international crude oil prices and foreign exchange rates. During FY 2018-19, global crude oil prices increased significantly, leading to a 25% increase in aviation turbine fuel (ATF) prices, whereas rupee depreciated by 9%. Both these factors had an adverse impact on the earnings of airlines during the year. The beginning of FY 2019-20 saw a substantial decline in aviation turbine fuel prices in the backdrop of lower oil prices. Nonetheless, LCCs with their lean cost structures are well-equipped to navigate the challenges in the operating environment. For the coming two years – 2019 and 2020, the ATF prices are likely to be at sustainable levels with EIA predicting the global crude oil prices to average USD 65.15 currency and USD 65 respectively in these years. This is comparatively lower to the average prices of USD 71.19 in 2018. (<https://www.eia.gov/outlooks/steo/report/prices.php> (EIA))

USD/INR Exchange Rate (INR)



(Source: RBI)

Domestic Airline ATF Prices (INR/Kilolitre)



(Source: IOCL)

### 3. Developments at SpiceJet

During the year under review, the Company continued to scale operations and strengthen competitiveness with multiple initiatives undertaken towards augmenting customer-centricity and improving financial position. The Company also undertook a major overhaul in IT infrastructure focussed on automating systems to enhance operational efficiency. In line with these objectives, the focus has been on network expansion, enhancing and making revenues more predictable, optimising costs and providing a delightful flying experience to customers. Major initiatives undertaken during the year include:

#### (a) Financial stability

SpiceJet with its fiscal prudence and sustained operational measures continues to work towards strengthening its balance sheet position after being on the brink of shutdown at one stage. During the year, SpiceJet despite challenging macroeconomic conditions and grounding of its MAX aircraft fleet moved quickly to recover and managed to arrest net loss at ₹ 3,161 million following a ₹ 4,275 million loss in the first two quarters. SpiceJet generated ₹ 3,426 million cash flow from operating activities.

#### (b) Fleet and network augmentation

During FY 2016-17, SpiceJet placed an order of up to 205 (155 firm and 50 option) Boeing 737 MAX aircraft, reinforcing its commitment to a strategic direction and a planned growth. The USD 22 billion (₹ 1.5 billion) aircraft order has been

the biggest order placed by any airline in India with Boeing in its history and marked the beginning of a new growth story for SpiceJet. Additionally, the Company placed an order of up to 50 Bombardier Q400 aircraft to widen its regional connectivity.

During FY 2018-19, SpiceJet inducted 18 new planes to its fleet, this included 13 fuel-efficient Boeing 737 - 8 MAX airplanes and five 90-seater Q400s. However, technical faults led to the worldwide grounding of 737 MAX aircraft which led to SpiceJet grounding its Boeing 737 MAX aircraft. In April and May 2019, SpiceJet further inducted 26 new aircraft to its fleet, including 22 Boeing 737 and 4 Q400s.

The year also saw the Company inducting its first Boeing 737 freighter aircraft towards offering end-to-end air cargo services in addition to the one retrofitted in the previous year. Through its dedicated air cargo arm, SpiceXpress, the Company launched its freighter service on the Guwahati-Hong Kong route and became the first airline to connect North East India and South East Asia through a freighter route.

As on March 31, 2019, the fleet size stood at 76 comprising of 48 Boeing 737, 27 Bombardier Q400 and 1 Boeing 737 NG freighter. The Company's initiative towards network optimisation, delivering consistent and impressive 'On-Time Performance' and providing seamless connectivity enabled it to achieve sustained monthly passenger load factors of above 90% for 50 successive months (a feat unparalleled globally) ending May 2019.

As part of its international expansion strategy, SpiceJet signed a Memorandum of Understanding for interline and codeshare agreements with Emirates, one of the world's largest airlines during the year. This will enable SpiceJet passengers from India to enjoy seamless connectivity leveraging Emirates extensive network across Europe, Africa, America and the Middle East. While the partnership will immensely benefit passengers travelling on both the airlines, it will boost the Company's operating revenues significantly.

During FY 2018-19, the Company added 42 routes to its network including six UDAN destinations.

#### **(c) Revenue enhancement and new ancillary streams**

##### **Passenger revenue**

SpiceJet undertakes sustained efforts towards detailed and close flight monitoring with proper coordination between its airport network, revenue and sales teams. This enables it to take timely action to maximise revenue and increase the load factors. Further, the Company continues to enhance its routes, aircraft fleet and daily flights to maximise revenues.

##### **Ancillary revenue**

The Company relentlessly works towards introduction of innovative and differentiated products and services by leveraging technology to build a source of ancillary revenues.

The new-age, graded loyalty programme - SpiceClub - offers a plethora of benefits to its customers. The programme is aimed at delighting the customers and building a vast loyal customer base focussed on increasing direct flight bookings and boost ancillary sales.

The Company also rolled out an in-flight entertainment system - SpicEngage. It offers a fascinating range of entertainment content onboard in a bid to improve the flying experience of customers. In addition to this, the launch of niche products and services such as YouFirst (priority check-in, priority baggage), combo products like seat + meal, Visa, Gift Cards, MyFlexi Plan have received splendid response from its customers.

SpiceVacations.com is a comprehensive travel solutions platform, offering customised travel packages for both business and leisure travellers at competitive prices. Spice Experiences is the recently launched activities portal platform on SpiceVacations to offer a wide range of destination-specific fun-filled activities, airport transfers and local transport to customers for their convenience.

#### **(d) Cost reduction measures**

Cost reduction and maintaining an optimal cost structure is paramount and an important focus area for the Company in a price sensitive market. The Company aggressively focussed towards automation, manpower optimisation, strengthening efficiencies and efficient asset utilisation in its endeavour to reduce costs during the year. The fuel-efficient B737 MAX aircraft and the fuel-powered flight will contribute to bringing down fuel and engineering costs, while cutting down on noise pollution and greenhouse gas emissions. Additionally, the Company undertakes various fuel saving methods like fuel hedging and use of lightweight seats. It is also undertaking efficiency improvement initiatives in key functions like cargo handling, lower aircraft acquisition and maintenance costs and reduction of training costs.

#### **(e) Brand consolidation**

During FY 2018-19, the Company's brand continued to gain momentum. Given the critical phase of growth that the brand had entered, albeit flyers assumed an even greater significance. On the back of one of the

biggest Boeing orders placed both in the country as well as in the history of Boeing, it was pertinent that the airline keeps aligning itself with flyers. This resulted in SpiceJet constantly attracting new generation of flyers from the existing markets as well as exploring new markets of growth. Simultaneously, the brand focussed on constantly introducing novel offerings and re-inventing the existing ones in order to turn new recruits into patrons.

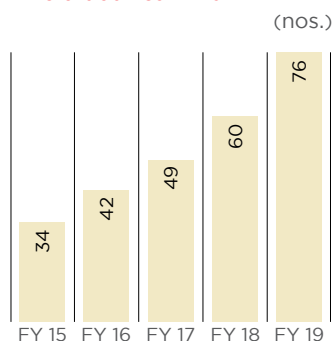
At the business level, aggressive bidding for the Regional Connectivity Scheme - UDAN (*Ude Desh ka Aam Nagrik*) routes gave impetus and access to new flyers. These emerging markets promise an enormous potential and will enable SpiceJet brand to reap the benefits in the years to come. These markets included Porbander and Kandla (Gujarat), Pondicherry (Tamil Nadu), Jaisalmer (Rajasthan), Kanpur (Uttar Pradesh) and Adampur (Punjab). Besides, SpiceJet reiterated its focus on its existing initiatives such as the Loyalty programme, SpiceClub and the premium economy offering, SpiceMax. With the introduction of SpiceClub, the brand manages to offer maximum benefits and rewards to its patrons for the airline. The brand ensures repeated interactions with an expanding category of the most lucrative flyers by enhancing the membership of the loyalty programme. Products like SpiceMax ensures a superlative and delightful flying experience for the discerning flyers.

Going forward, SpiceJet also introduced SpicEngage, the in-flight entertainment system. This first-ever in-flight entertainment system offered by a low-cost airline is a novel initiative designed to act as another differentiator in the category and is capable of re-enforcing the pioneer image of the brand. Association with several properties directed to target the youth segment like Sunburn, Rajasthan, International sporting events etc. helped the brand to underline its 'fun' positioning. Simultaneously, the brand also renewed its social media outreach to this category of flyers by re-examining its content. Driven by its customer-centricity approach, the brand will continue to achieve greater success and glory in the years to come.

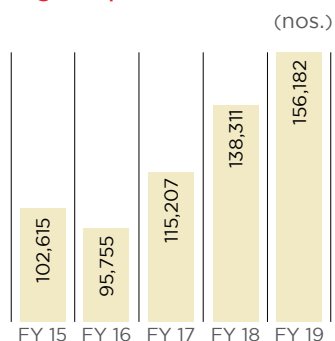
## 4. Operational and Financial Highlights

### (a) Operational Highlights

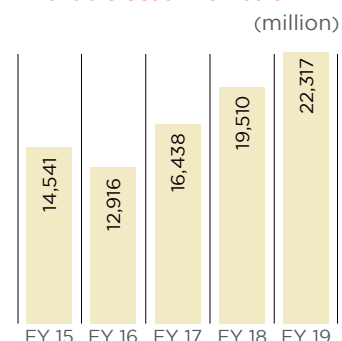
**Aircraft at Year End**



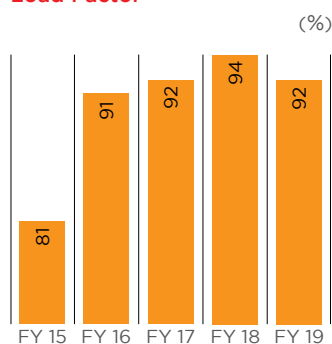
**Flights Operated**



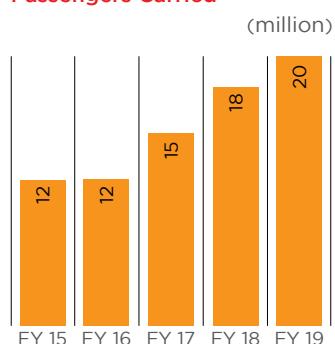
**Available Seat Kilometre**



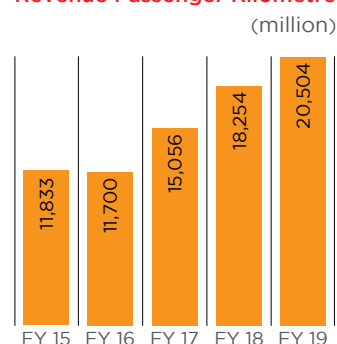
**Load Factor**



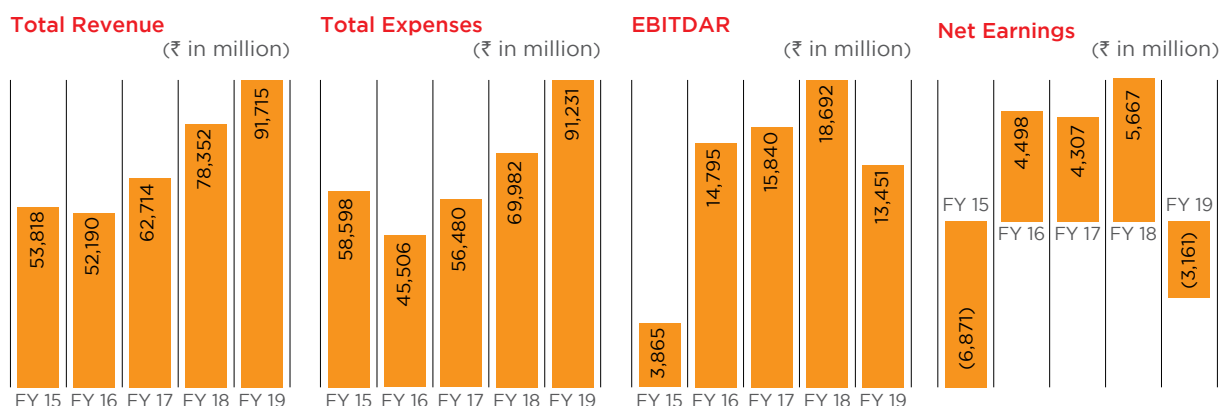
**Passengers Carried**



**Revenue Passenger Kilometre**



## (b) Financial Highlights



## (c) Revenue

The total revenue improved by 17% to ₹ 91,715 million in FY 2018-19 from ₹ 78,352 million in FY 2017-18. Revenue from operations increased by 18% to ₹ 91,133 million in FY 2018-19 from ₹ 77,557 million in FY 2017-18. Other income reduced by 27% to ₹ 583 million in FY 2018-19 from ₹ 795 million in FY 2017-18.

## (d) Expenses

Total expenses for FY 2018-19 increased by 30% to ₹ 91,231 million from ₹ 69,982 million in FY 2017-18.

### (i) Aircraft Fuel and Oil

Expenditure on aircraft fuel increased by 42% to ₹ 34,453 million in FY 2018-19 from ₹ 24,326 million in FY 2017-18. The increase on account of increase in capacity deployed and higher aviation turbine fuel and oil prices.

### (ii) Lease-Rental Aircraft and Engines

Expenditure on lease rental aircraft and engines increased by 26% to ₹ 12,967 million in FY 2018-19 from ₹ 10,321 million in FY 2017-18. This rise is on account of expansion in fleet and airports.

### (iii) Aircraft Maintenance Cost

Expenditure on aircraft maintenance cost increased by 27% to ₹ 15,043 million in FY 2018-19 from ₹ 11,880 million in FY 2017-18. The increase in maintenance and repair costs was due to increase in capacity and aircraft.

### (iv) Employee Benefit/Expenses

Expenses with regard to employee remuneration and benefits increased to ₹ 10,570 million in FY 2018-19 from ₹ 8,626 million in FY 2017-18, an increase of 23% primarily due to increase in fleet size and airports.

### (v) Selling Expenses

Selling expenses increased by 10% to ₹ 2,074 million for FY 2018-19 from ₹ 1,891 million for FY 2017-18. The increase is mainly due to increase in the revenue.

### (vi) Other Expenses

Other expenses increased by 39% largely due to increase in capacity.

### (vii) Finance Cost

Finance Cost increased by 42% to ₹ 1,313 million in FY 2018-19 from ₹ 922 million in FY 2017-18 due to increase in borrowing costs.

### (viii) Depreciation and Amortisation

Depreciation and amortisation increased by 11% to ₹ 2,562 million in FY 2018-19 from ₹ 2,312 million in FY 2017-18.

## 5. Opportunities, Risks, Concerns and Threats

The Indian aviation industry is expected to continue growing at an impressive pace on the back of strong economic growth prospects, expanding middle-class and working population, spurt in income levels and low-cost aviation. It is still very low on per-capita travel as compared to other countries like Brazil, China, Indonesia, Vietnam, South Africa etc. and these factors will lead to a sustainable growth; growth will further be propelled by increasing leisure and business travel, expansion of capacity and airport infrastructure and favourable Government policies. For the near term, growth will be supply led and because of the extreme price sensitivity yields will expect to stay firm at current levels and may see an increase in line with general inflation. The Airport infrastructure roadmap which lists out development, modernisation and expansion of over 100 airports will aid in absorbing capacity. The industry has witnessed a healthy growth in Tier II and III cities and will support the growth story in air travel. SpiceJet with its low-cost strategy, fleet and network expansion programme and proven customer-centricity can deliver profitable growth.

The potential risks and challenges which may impact business and profitability continue, as in the past, fuel prices, adverse movement in foreign exchange. Fuel costs can be mitigated through adequate hedging and direct import which will be taken at appropriate time.

## 6. Future Outlook

SpiceJet is optimistic about a strong performance in the coming year on the back of massive fleet expansion, favourable operating environment, likely return of grounded Boeing 737 MAX aircraft by the end of calendar year 2019, and securing favourable slots at key airports. SpiceJet has been keeping stringent control on costs. The fuel-efficient Boeing 737 MAX aircraft will result in cost savings of 12-14% per aircraft and Q400 will increase the seat capacity from 78 to 90. The next financial year will see an increase in its revenue profile due to introduction of substantial Mumbai-based flights, additional lucrative international flights to Hongkong, Bangkok, Dubai, Jeddah, Riyadh, Dhaka from Mumbai and Delhi.

Pricing levels in the industry have been stable while this year witnessed an adverse increase in foreign exchange related costs. The airline is pursuing unprecedented expansion and exploring newer growth avenues, which will enable it to garner enhanced profitability and market presence. The Company is eyeing an aggressive expansion plan across its domestic and international network. The interlining and codeshare partnership entered into with Emirates will enable passengers of both the airlines to enjoy seamless connectivity on each other's vast networks. This partnership and expansion of network will undoubtedly go a long way in further enhancing the travel experience of its customers.

Through its dedicated air cargo service under the brand 'SpiceXpress', SpiceJet offers safe, on-time, efficient and seamless cargo connectivity across India and on international routes. Currently, the airline's freighter fleet consists of 3 Boeing 737 NG freighters, with plans to add four more during FY 2019-20. The Indian air cargo industry is poised to exhibit a strong growth, with freight traffic expected to reach 17 million tonnes by 2040. SpiceJet sees immense potential in the air cargo business and aims to connect all the seven North Eastern states with Guwahati through the freighter route going forward. Its aim is to scale up SpiceXpress's existing capacity and transform it into a full-scale freighter cargo service.

Overall, the Company's management is undertaking various steps to further maximise revenue and profit, optimise costs, improve productivity, enhance brand prominence and achieve highest levels of customer satisfaction in its endeavour to build and sustain a world-class airline.

## 7. Internal Control

The Company's internal control systems are commensurate with the organisation's pace of growth and increasing complexity of operations and have been designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of operations
- Adequacy of safeguards for assets
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records
- Timely preparation of reliable financial information

An independent internal audit is carried out to ensure the adequacy of the internal control system and adherence to policies and practices. The scope of internal audit activity is guided by the internal annual audit plan, which is approved by

the Audit Committee of the Board. The Audit Committee reviews reports submitted by the independent internal auditor and monitors follow-up and corrective action taken.

## 8. Human Resources

Employees are SpiceJet's most important asset and pivotal for its success. The organisation credits its growth and success to the dedication, loyalty and hard work of its skilled employees at all levels. To continuously drive employee motivation, SpiceJet offers a work environment that promotes creativity, teamwork, meritocracy, ambition and learning. The Company is committed to creating a transparent organisation that helps its employees hone their skills and enable them to deliver superior performance. SpiceJet believes in fostering equal employment opportunities, where individuals are selected and treated on the basis of their job-relevant merits and abilities and are given equal opportunities within the organisation.

During fiscal 2018-19, the organisation witnessed an unprecedented growth owing to the induction of new aircraft and attracting critical talent across departments became imperative. Our overall employee strength grew from 8,447 in March 2018 to 11,399 in March 2019. Structured and well calendared recruitment drives for Inflight, Airport Services, Engineering and Flight Operations ensured that the required numbers never fell short.

SpiceJet encourages learning on-the-job and facilitates various training programmes for its employees. It develops talent through learning journeys anchored around the competency framework. The leadership competency framework for the organisation has been fully integrated with various HR processes like recruitment and people review process. The Company worked towards accelerating employee career development in several ways, besides creating an environment where people feel valued and included. In fiscal year 2018-19 as well, SpiceJet continued its progress in all key areas of human resources management, reinforcing its reputation as an employer of choice through numerous initiatives and programmes both for attracting new talent as also to retain the best talent. During the year, SpiceJet focussed on various strategic learning programmes, employee engagement and health management initiatives to aid overall professional and personal development of its employees. A robust behavioural training calendar was launched and implemented addressing the training needs of employees across departments through 62 training interventions on areas like - Communication Skills, Team Building, Time and Stress Management, E-mail Etiquette, Conflict Management and Emotional Intelligence. All existing employees across the network and new joiners were continually trained on the Prevention of Sexual Harassment policy ensuring safe and secure work environment for the women employees. A special educational tie-up with UPES University took place for 18 distant learning specialised graduate, post graduate and diploma programs in order to support the Company's employees in their higher educational aspirations. The special corporate discounts on fees was also extended to employees' family members. The employees continue to reap benefits of the corporate collaboration with other professional universities of previous years' tie-ups. SpiceJet received an overwhelming response for the initiative. Additionally, CSR initiatives in collaboration with renowned NGOs for the underprivileged and the environment were conducted on mass scale throughout the year.

The Company is extremely proud of its "Open door policy" which runs across levels. It has also been hosting open forums and meetings, offering its employees a platform for interaction with the leadership at SpiceJet. The purpose of these forums is to share with the employees the overall business perspective and other key information of common interest, and give them an opportunity to ask questions and seek clarifications from the management on various matters. Information on routine matters is shared with the employees through the Spicejet Intranet "ESS- Employee Shared Services" portal and the monthly magazine - Spice Route.

This year, "Chairman's Choice" and "Annual Awards" were launched with a lot of fanfare wherein 11 employees were awarded Annual Awards for exceptional contribution and four employees were awarded the special Chairman's Choice Award for making a lasting impact on the organisation through their contribution. With such initiatives, the Company is creating an agile organisation that recognises contribution and encourages innovative thinking. "Long Service Award" continued with increased fervour with 740 more employees coming in this ambit. The much-awaited talent hunt "SpiceJet's Got Talent" was a huge crowd puller and a massive success.

To ensure that the employees are at their productive best, the Company continued to work on simplifying internal processes through a collaborative effort with various teams. The emphasis on automation continued with the launch of SpiceJet HRIS-Spice-People. A fully automated annual appraisal was conducted during the fiscal year. The automation of processes like rewards and recognition - Spice Star, Long Service awards continued to provide a technology-driven HR interface.

SpiceJet continues to maintain its record on industrial relations without any interruption in work.

## 9. Information Technology

New technologies, processes and innovation have been introduced, paving the way for more competent, efficient and profitable conduct of business.

With the growing fleet, SpiceJet will be launching automated rostering solutions to improve the crew planning business processes. An innovative and digitally-enhanced Crew and Fleet Management Solution will also be launched, which will increase crew productivity while enabling them towards better work-life balance.

Customer-centric initiatives too, have been undertaken. Keeping customers at the heart of everything, SpiceJet has introduced effective personalised communication with its customers, providing them information on airport congestion and flight delays. Meanwhile, the crew have been provided with innovative solutions wherein all the relevant information is provided to them digitally, so that they could improve their day-to-day activities.

Baggage Reconciliation System (BRS) has been further automated to ensure that baggage tracing process is done based on IATA Resolution 753, where passengers can see real-time reports for mishandled baggage.

The new financial year will see many more customer and employee-centric initiatives being introduced and to put to effect. Machine Learning, Robotic Process Automation, IoT and Data Science are some of the key areas SpiceJet will significantly invest in and with the continuous and significant increase in fleet size, the role of Information Technology is bound to grow manifold in the coming year delivering efficiencies and reducing costs.

# Independent Auditor's Report

To the Members of SpiceJet Limited

## Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS financial statements of SpiceJet Limited (the "Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including (Other Comprehensive Income) the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 44 of the standalone Ind AS financial statements regarding the uncertainties arising from the dispute with erstwhile promoters and certain resultant possible non-compliances of applicable provisions of law.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Provision for aircraft maintenance</b> (Refer note 20, 25 and 37 of the standalone Ind AS financial statements)	
As at March 31, 2019, the Company operated 65 aircraft under operating leases, in respect of which the Company has contractual, regulatory or other constructive obligations for maintenance of such aircraft and/or specific components thereof.	<p>Our audit procedures in this regard included the following:</p> <ul style="list-style-type: none"> <li>We assessed the design, implementation and operating effectiveness of management's key internal controls over accounting for maintenance provisions for aircraft held under operating leases;</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>Management estimates such maintenance costs at the end of each reporting period and accrues such costs over the lease term. The calculation of such costs, and related provision, include a number of variable factors, judgements and assumptions, including the anticipated utilisation of the aircraft, cost of maintenance and the expected drawdown from the supplemental rental contribution.</p> <p>Provisions for aircraft maintenance costs aggregate ₹5,799.54 million as at March 31, 2019.</p> <p>We have identified provision for aircraft maintenance as a key audit matter because of the inherent level of complex and subjective management judgements required in assessing the variable factors and assumptions, in order to quantify the provision amounts.</p>	<ul style="list-style-type: none"> <li>• We evaluated the provisioning model, methodology and key assumptions adopted by management in estimating the provisions and any changes therein by reviewing the terms of the operating leases and terms of maintenance contracts with third party vendors, and comparing assumptions to contract terms, information from the lessors and the Company's maintenance cost experience;</li> <li>• We discussed with the appropriate personnel in the engineering department responsible for aircraft engineering, the utilisation pattern of the aircraft and considering the consistency of the provisions with the engineering department's assessment of the condition of aircraft;</li> <li>• We assessed the maintenance costs incurred and provisions made in earlier years, to evaluate the judgement and decisions made by management in estimating the provisions.</li> <li>• We assessed the adequacy of the related disclosures.</li> </ul>
<b>Capitalisation of aircraft maintenance and overhaul costs</b> (Refer note 37 and 2(A)(c) of the standalone Ind AS financial statements)	
<p>The Company has entered into certain engine maintenance agreements with engine manufacturers, where the maintenance costs are predicated primarily on the actual use of the related underlying assets.</p> <p>The cost incurred for overhauls under these agreements has the economic effect of extending the useful lives of the engines. This is first recognised as a prepayment, and is capitalised in the carrying amount of the aircraft when an overhaul is carried out.</p> <p>Major inspection costs relating to heavy maintenance visits for overhauls of engines are capitalised. These amounts are depreciated over the average expected life between major overhauls.</p> <p>Determining the useful lives of maintenance inspections requires judgement and is a key focus for our audit.</p>	<p>Our audit procedures to assess aircraft maintenance and overhaul costs included the following:</p> <ul style="list-style-type: none"> <li>• We read the power-by-hour agreements to gain a detailed understanding of the significant terms which influence the economics of, and hence, accounting for the agreements.</li> <li>• We assessed the design and implementation of key internal controls in place relating to the methodologies and assumptions used in determining the appropriate accounting outcomes for these agreements.</li> <li>• We assessed the interval between major overhauls and reviewing the reasonableness of the estimates of the useful lives of major engine overhaul events.</li> <li>• We assessed the compliance of the accounting treatment applied to maintenance costs, with industry practice and the requirements of accounting principles generally accepted in India.</li> <li>• We assessed the adequacy of the related disclosures.</li> </ul>
<b>Management's assessment of appropriateness of going concern assumption</b> (Refer note 2(A)(a)(iii) of the standalone Ind AS financial statements)	
<p>The Company's cash flow forecasts used to assess the appropriateness of the going concern assumption, reflect management's business plan and their response to a range of uncertainties including, among other matters, fuel prices, exchange rate fluctuation and other emerging business trends.</p> <p>In addition, there are significant cash inflows and outflows expected in financial year ending March 31, 2020. Management has prepared cash flow forecasts which involve estimations based on management's input of key variables and market conditions including the future economic conditions.</p> <p>Management has also used significant judgement and estimates to develop a number of assumptions in respect of these uncertainties, based on which they have concluded that the going concern basis of accounting is appropriate.</p>	<p>Our audit procedures in this regard included the following:</p> <ul style="list-style-type: none"> <li>• We discussed with management, and assessed and challenged the assumptions, judgements and estimates used in developing their business plan and cash flow projections, having regard to historical performance and current emerging business trends affecting the business and industry.</li> <li>• We tested the arithmetical accuracy of the models used to prepare the Company's forecasts, which included understanding the data inputs, calculations and reporting of outputs and performing a sensitivity analysis of the assumptions and judgements made by the Management in those forecasts, including inputs to the model used to estimate the future cash flows.</li> <li>• We assessed the timing of various recurring and other events affecting significant cash inflows and outflows over the next twelve months and, where possible, the foreseeable future.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
In view of these factors, and the judgements, estimates and assumptions involved in developing the said cash flow projections to support the going concern assumption, we identified this matter as a key audit matter.	<ul style="list-style-type: none"> <li>• We assessed any potential restrictions on cash balances including deposits, and the possibility of occurrence and effect of contractual covenants that could be imposed on the Company.</li> <li>• We assessed management's cash flow forecasts related to maintenance obligations on aircrafts comparing this to the current maintenance condition of the aircraft and recent experience of shop visits and end of lease handback checks.</li> <li>• We assessed the Company's responses to the emerging business trends and consequential impact on the cash flows of the Company.</li> <li>• We assessed the Group's disclosures regarding going concern, in the financial statements.</li> </ul>

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone IND AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including (Other Comprehensive Income) the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 43 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership Number: 211107

Place : Gurgaon

Date : May 28, 2019

## ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

Re: SpiceJet Limited (the “Company”)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All property, plant and equipment 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) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended. However, to the extent discussed in Note 44 of the financial statements, the Company is not in compliance with the provisions of section 73 to 76 and other relevant provisions of the Companies Act, 2013, and the rules framed there under, in relation to advances which were received towards securities proposed to be issued which are deemed as deposits under the Companies Act, 2013.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148 (1) of the Act for the products/ services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious. The provisions relating to excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to excise duty are not applicable to the Company.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax (including penalty for delay)	170.70	April 2006 to March 2012	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Customs (including penalty for delay)	42.28	December 2012 to March 2017	Customs, Excise and Service Tax Appellate Tribunal
Goods and Services Tax Act, 2017	Integrated goods and services tax	1,460.30	August to October 2017	GST Appellate Tribunal

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company, or on the Company by the officers and employees of the Company, has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership Number: 211107

Place : Gurgaon

Date : May 28, 2019

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF SPICEJET LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of SpiceJet Limited (the "Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk

that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership Number: 211107

Place : Gurgaon

Date : May 28, 2019

# Standalone Balance Sheet

## as at March 31, 2019

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

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment ('PPE')	3	15,908.93	15,936.64
Intangible assets	4	128.73	40.38
Investments in subsidiaries	5a	0.30	0.30
Financial Assets			
(i) Investments	5b	0.24	0.24
(ii) Loans	6	332.54	497.62
(iii) Other Financial Assets	7	11,344.23	8,832.64
Non-current tax assets	8	343.18	290.63
Other non current assets	9	6,270.82	5,493.94
<b>Total non-current assets</b>		<b>34,328.97</b>	<b>31,092.39</b>
<b>Current Assets</b>			
Inventories	10	1,373.24	1,243.68
Financial Assets			
(i) Investments	11	3.63	1,012.62
(ii) Trade Receivables	12a	1,353.37	851.87
(iii) Other Receivables	12b	5,791.00	711.36
(iv) Cash and cash equivalents	13	649.47	1,186.71
(v) Bank balances other than (iv) above	13	129.50	271.00
(vi) Other financial assets	14	1,031.92	1,159.89
Other current assets	15	3,289.61	2,786.39
<b>Total current assets</b>		<b>13,621.74</b>	<b>9,223.52</b>
<b>Total Assets</b>		<b>47,950.71</b>	<b>40,315.91</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	16	5,997.18	5,994.50
Other Equity	17		
(i) Retained earnings		(19,537.94)	(16,362.66)
(ii) Securities Premium Account		9,901.12	9,864.92
(iii) Other reserves		132.81	73.57
<b>Total Equity</b>		<b>(3,506.83)</b>	<b>(429.67)</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	18	5,566.28	6,509.53
(ii) Trade Payables	19		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		77.65	150.69
Long-term Provisions	20	4,289.76	2,499.20
Other non-current liabilities	21	5,298.35	617.16
<b>Total non-current liabilities</b>		<b>15,232.04</b>	<b>9,776.58</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	22	4,179.44	3,574.38
(ii) Trade Payables	23		
- Total outstanding dues of micro enterprises and small enterprises		188.5	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		10,324.52	6,882.20
(iii) Other current financial liabilities	24	1,621.86	3,182.44
Short-term Provisions	25	2,786.52	2,253.78
Other Current Liabilities	26	17,124.66	15,076.20
<b>Total current liabilities</b>		<b>36,225.50</b>	<b>30,969.00</b>
<b>Total Liabilities</b>		<b>51,457.54</b>	<b>40,745.58</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>47,950.71</b>	<b>40,315.91</b>

Summary of significant accounting policies

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/E300004

per **Aniruddh Sankaran**  
Partner  
Membership No: 211107  
Place: Gurgaon  
Date: May 28, 2019

For and on behalf of the Board of Directors

**Ajay Singh**  
Chairman & Managing  
Director  
Place: Gurgaon  
Date: May 28, 2019

**Kiran Koteswar**  
Chief Financial Officer  
Place: Gurgaon  
Date: May 28, 2019

**Chandan Sand**  
Company Secretary  
Place: Gurgaon  
Date: May 28, 2019

## Standalone Statement of Profit and Loss

### for the year ended March 31, 2019

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

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income</b>			
Revenue from contracts with customers	27	91,132.54	77,556.91
Other income	28	582.90	795.18
<b>Total Revenue</b>		<b>91,715.44</b>	<b>78,352.09</b>
<b>Expenses</b>			
Operating expenses	30	73,000.54	55,449.97
Employee benefits expense	31	10,570.07	8,625.67
Sales and marketing expenses	32	2,074.41	1,890.62
Other expenses	33	5,586.40	4,015.84
<b>Total Expense</b>		<b>91,231.42</b>	<b>69,982.10</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>484.02</b>	<b>8,369.99</b>
Depreciation and amortization expense	3 & 4	(2,562.25)	(2,312.00)
Finance Income	29	864.90	530.42
Finance costs	34	(1,312.84)	(921.90)
<b>Profit/ (Loss) for the year before exceptional items</b>		<b>(2,526.17)</b>	<b>5,666.51</b>
Exceptional items	35	(634.66)	-
<b>Profit/ (Loss) Before Tax</b>		<b>(3,160.83)</b>	<b>5,666.51</b>
Income Tax Expense			
- Current Tax		-	-
- Deferred Tax		-	-
Total tax expense		-	-
<b>Profit/ (Loss) for the year</b>		<b>(3,160.83)</b>	<b>5,666.51</b>
<b>Other Comprehensive Income:</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Remeasurement gains and (losses) on defined benefit obligations (net)		(14.45)	2.34
Income tax impact			
<b>Other comprehensive loss for the year</b>		<b>(14.45)</b>	<b>2.34</b>
<b>Total comprehensive income for the year</b>		<b>(3,175.28)</b>	<b>5,668.85</b>
Earnings per Equity Share of INR 10 each	36		
Earnings per share			
- Basic earnings per share		(5.27)	9.45
- Diluted earnings per share	36c	(5.27)	9.45

Summary of significant accounting policies

2

See accompanying Notes forming 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/E300004

per **Aniruddh Sankaran**

Partner

Membership No: 211107

Place: Gurgaon

Date: May 28, 2019

For and on behalf of the Board of Directors

**Ajay Singh**

Chairman & Managing Director

Place: Gurgaon

Date: May 28, 2019

**Kiran Koteswar**

Chief Financial Officer

Place: Gurgaon

Date: May 28, 2019

**Chandan Sand**

Company Secretary

Place: Gurgaon

Date: May 28, 2019

# Standalone Cash Flow Statement

## for the year ended March 31, 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flow from operating activities</b>		
Profit/ (Loss) before tax and exceptional items	(2,526.17)	5,666.51
Adjustments to reconcile profit before tax and exceptional items to net cash flows:		
Depreciation and Amortisation expense	2,562.25	2,312.00
Provision for doubtful claims/ advances	239.63	103.07
Loss/ (profit) on disposal of PPE (net)/ assets written off	20.02	52.16
Provision for litigations	9.51	-
Advances/ debts written off	225.35	36.54
Share-based payment expense	85.52	13.01
Provision for aircraft maintenance	5,400.86	4,164.81
Provision for aircraft redelivery	267.58	102.46
Liabilities/ provision no longer required written back	(369.78)	(489.08)
Profit on sale of aircraft and engines under sale and lease-back arrangement	(243.99)	(47.55)
Net (Gain)/Loss on financial assets measured at fair value through profit or loss ('FVTPL')	12.39	26.85
Finance income	(864.90)	(530.42)
Finance costs	1,312.84	921.90
Translation loss/ (gain) on monetary assets and liabilities	534.28	115.03
<b>Operating profit before working capital changes</b>	<b>6,665.39</b>	<b>12,447.29</b>
<b>Movements in working capital :</b>		
(Increase)/ Decrease in trade receivables	(5,651.38)	(252.24)
(Increase)/ Decrease in inventories	(129.56)	(373.75)
(Increase)/ Decrease in other financial assets	(1,100.63)	(1,316.07)
(Increase)/ Decrease in other assets	(1,402.09)	(2,063.83)
Increase/ (Decrease) in trade payables	(1,736.59)	(2,697.49)
Increase/ (Decrease) in other financial liabilities	(1,537.66)	1,619.12
Increase/ (Decrease) in other liabilities	6,338.98	1,932.97
Increase/ (Decrease) in provisions	2,031.76	1,241.45
<b>Cash generated from operations</b>	<b>3,478.22</b>	<b>10,537.44</b>
Income taxes received/ (paid) (net of refunds)	(52.55)	(79.09)
<b>Net cash flow from/ (used in) operating activities</b>	<b>A 3,425.67</b>	<b>10,458.35</b>
<b>Cash flow from investing activities</b>		
Purchase of PPE and capital work in progress (including capital advances)	(2,415.34)	(2,575.33)
Proceeds from sale of PPE	3.46	18.73
Investment in subsidiary	-	(0.10)
Proceeds from issue of shares on exercise of stock options	2.68	-
Proceeds from sale of investments	996.60	358.04
Investments in bank deposits	141.50	214.74
Deposit with Delhi High Court	(109.04)	(2,450.00)
Margin money deposits placed	(5,746.18)	(6,320.07)
Margin money deposits withdrawn	4,414.46	2,365.54
Finance income	850.93	333.47
<b>Net cash from/ (used in) investing activities</b>	<b>B (1,860.93)</b>	<b>(8,054.98)</b>
<b>Cash flow from financing activities</b>		
Loans to subsidiary	(44.92)	(307.31)
Proceeds from short-term borrowings	642.90	1,051.93
Repayment of long-term borrowings	(1,356.03)	(1,250.31)
Finance costs	(1,335.76)	(898.52)
<b>Net cash (used in)/ from financing activities</b>	<b>C (2,093.81)</b>	<b>(1,404.21)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(A+B+C) (529.07)</b>	<b>999.16</b>
Effects of exchange difference on cash and cash equivalents held in foreign currency	(8.17)	(0.12)
Cash and cash equivalents at the beginning of the year	1,186.71	187.67
Cash and cash equivalents at the end of the year	649.97	1,186.71
<b>Notes :</b>		
Components of cash and cash equivalents		
On current accounts	592.25	1,109.61
On deposit accounts	15.88	55.63
Cash on hand	41.34	21.47
Total cash and cash equivalents (Note 13)	649.47	1,186.71

See accompanying Notes forming 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/E300004

per **Aniruddh Sankaran**  
Partner  
Membership No: 211107  
Place: Gurgaon  
Date: May 28, 2019

For and on behalf of the Board of Directors

**Ajay Singh**  
Chairman & Managing  
Director  
Place: Gurgaon  
Date: May 28, 2019

**Kiran Koteswar**  
Chief Financial Officer  
Place: Gurgaon  
Date: May 28, 2019

**Chandan Sand**  
Company Secretary  
Place: Gurgaon  
Date: May 28, 2019

# Standalone Statement of Changes in Equity

## for the year ended March 31, 2019

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

### a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid	Number	Amount
As at April 01, 2018	599,450,183	5,994.50
Issue during the year pursuant to exercise of employee stock options scheme	268,173	2.68
At March 31, 2019	599,718,356	5,997.18
<b>At March 31, 2019</b>	<b>599,718,356</b>	<b>5,997.18</b>

### b. Other equity

#### For the year ended March 31, 2019

Particulars	Retained earnings	Securities Premium Account	General Reserve	Share-based payment reserves	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Total Equity
<b>As at April 01, 2018</b>	(16,362.66)	9,864.92	49.09	13.01	11.47	(6,424.17)
Profit/ (Loss) for the year	(3,160.83)	-	-	-	-	(3,160.83)
Other comprehensive income	(14.45)	-	-	-	-	(14.45)
Total Comprehensive Income	(19,537.94)	9,864.92	49.09	13.01	11.47	(9,599.45)
Options granted during the year	-	-	-	85.52	-	85.52
Movement during the year in Foreign Currency Monetary Item Translation Difference Account ('FCMITDA'), net	-	-	-	-	28.47	28.47
Transfer to Securities Premium upon excise of options	-	36.20	-	(36.20)	-	-
Recognised in the Statement of P&L during the year	-	-	-	-	(18.55)	(18.55)
<b>As at March 31, 2019</b>	<b>(19,537.94)</b>	<b>9,901.12</b>	<b>49.09</b>	<b>62.33</b>	<b>21.39</b>	<b>(9,504.01)</b>

#### For the year ended March 31, 2018

Particulars	Retained earnings	Securities Premium Account	General Reserve	Share-based payment reserves	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Total Equity
<b>As at April 01, 2017</b>	(22,031.51)	9,864.92	49.09	-	32.06	(12,085.44)
Profit/ (Loss) for the year	5,666.51	-	-	-	-	5,666.51
Other comprehensive income	2.34	-	-	-	-	2.34
Total Comprehensive Income	(16,362.66)	9,864.92	49.09	-	32.06	(6,416.59)
Options granted during the year	-	-	-	13.01	-	13.01
Movement during the year in Foreign Currency Monetary Item Translation Difference Account ('FCMITDA'), net	-	-	-	-	1.58	1.58
Transfer to Securities Premium upon excise of options	-	-	-	-	-	-
Recognised in the Statement of P&L during the year	-	-	-	-	(22.17)	(22.17)
<b>As at March 31, 2018</b>	<b>(16,362.66)</b>	<b>9,864.92</b>	<b>49.09</b>	<b>13.01</b>	<b>11.47</b>	<b>(6,424.17)</b>

See accompanying Notes forming 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/E300004

per **Aniruddh Sankaran**

Partner

Membership No: 211107

Place: Gurgaon

Date: May 28, 2019

For and on behalf of the Board of Directors

**Ajay Singh**

Chairman & Managing

Director

Place: Gurgaon

Date: May 28, 2019

**Kiran Koteswar**

Chief Financial Officer

Place: Gurgaon

Date: May 28, 2019

**Chandan Sand**

Company Secretary

Place: Gurgaon

Date: May 28, 2019

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 1. Corporate Information

SpiceJet Limited ('SpiceJet' or the 'Company') was incorporated on February 9, 1984 as a limited Company under the Companies Act, 1956 and is listed on the Bombay Stock Exchange Limited ('BSE'). The Company is principally engaged in the business of providing air transport services for the carriage of passengers and cargo. The Company is a low cost carrier ('LCC') operating under the brand name of 'SpiceJet' in India since May 23, 2005. The Company operates a fleet of 78 aircraft including 2 aircraft taken on wet lease across various routes in India and abroad as at March 31, 2019. The registered office of the Company is located at Indira Gandhi International Airport, Terminal 1D, New Delhi - 110037.

The financial statements were approved for issue by the board of directors on May 28, 2019.

## 2.A. Summary of significant accounting policies

### a) Basis of preparation of financial statements

#### i. Compliance with Ind-AS

The standalone financial statements of the Company for the year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, read with Companies (Indian Accounting Standards) as amended.

The financial statements are presented in Indian Rupees (₹) (its functional currency) and all values are rounded off to the nearest millions, except where otherwise indicated.

#### ii. Historical Cost convention

The standalone financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments)

#### iii. Going concern assumption

The Company has been consistently profitable for the previous three financial years, as a result of which the negative net worth of ₹14,852 million as at March 31, 2015 has reduced to ₹3,506.88 million as at March 31, 2019. The earlier position of negative net worth and consequent net current liabilities was the result of historical factors. Further, the loss of ₹3,160.83 million in the current year is largely a result of adverse foreign exchange rates and fuel prices, during the second quarter of the financial year.

As a result of various operational, commercial and financial measures implemented over the last four years, the Company has significantly improved its liquidity position, and generated operating cash flows during that period. Further, macroeconomic factors are expected to improve having regard to industry outlook in the markets in which the Company operates. Based on business plans and cash flow projections, which consider various recurring and other events including aircraft maintenance costs based on contractual obligations and current maintenance conditions, management is of the view that the Company will be able to maintain profitable operations and raise funds as necessary, in order to meet its liabilities as they fall due. Accordingly, these financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future.

### b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or consumed in normal operating cycle
- Held primarily for the purpose of trading

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## c) Property, plant and equipment

Property, plant and equipment 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 cost of property, plant and equipment not ready for intended use before such date is disclosed under capital work-in-progress.

For depreciation purposes, the Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the life of the principal asset and depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied and the same is depreciated based on their specific useful lives. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company has opted to avail the exemption under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in financial statements for period ended immediately before beginning of first Ind AS financial reporting period as per Indian GAAP (i.e. till March 31, 2016). Consequent to which:

- Exchange differences arising on long-term foreign currency monetary items related to acquisition of certain Bombardier Q400 aircraft 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.

### Depreciation

The Company, based on technical assessment made by experts and management estimates, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company has used the following rates to provide depreciation on its property, plant and equipment.

Asset Description	Useful life estimated by the management (years)
Office Equipment	5
Computers	3 - 6
Furniture and Fixtures	10
Motor Vehicles	8
Plant and Machinery	15
Aircraft, engines and landing gear (excluding cost of major inspection)	8 - 17.86
Rotable and Tools	17.86

The Company has elected to continue with the carrying value for all its Property, plant and equipment as recognised in its Indian GAAP financials as deemed cost as at the transition date (viz. April 01, 2015).

## d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Costs incurred towards purchase of computer software are amortised 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.

## e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, 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) fair value less cost of disposal 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 fair value less cost of disposal, 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the services, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

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/ amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

## f) Borrowing Costs

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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## g) Revenue from contracts with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer. The revenue is recognized net of Goods and Service Tax (if any).

### Rendering of services

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 contract liability.

Fees charged for cancellations or any changes to flight tickets and towards special service requests are recognized as revenue on rendering of related services.

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

Revenue from wet lease of aircraft is recognised as follows:

- a) The fixed rentals under the agreements are recognised on a straight line basis over the lease period.
- b) The variable rentals in excess of the minimum guarantee hours are recognised based on actual utilisation of the aircraft during the period.

Income in respect of hiring/ renting out of equipment and spare parts is recognised at rates agreed with the lessee, as and when related services are rendered.

When another party is involved in providing services to its customer, the Company determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Company is a principal and records revenue on a gross basis if it controls the promised services before providing them to the customer. However, if the Company's role is only to arrange for another entity to provide the services, then the Company is an agent and will need to record revenue at the net amount that it retains for its agency services.

The Company has applied the practical expedient and recognised the costs of selling airline travel tickets as an expense when it is incurred.

### Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## Sale of food and beverages

Revenue from sale of food and beverages is recognised when the products are delivered or served to the customer. Revenue from such sale is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Amounts received in advance towards food and beverages are shown under current liabilities as unearned revenue.

## Training Income

Revenue from training income is recognized proportionately with the degree of completion of services, based on management estimates of the relative efforts as well as the period over which related training activities are rendered for individual employees by the Company.

## Interest

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

## **h) Employee benefits**

### **i. Short-term benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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.

### **ii. Other long-term employee benefits**

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. Remeasurement 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.

### **iii. Post-employment benefits**

The Company operates the following post-employment schemes:

#### **a. Gratuity**

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 using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

## b. Retirement 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 an expenditure, when an employee renders the related service.

## i) Taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences, except:

- a. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- b. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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 a deferred tax asset.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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 taxes relate to the same taxable entity and the same taxation authority.

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

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

## k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Where the Company is a lessee

A lease is classified at the inception date as a finance lease or an operating lease. 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.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.f). Contingent rentals are recognised as expenses in the periods in which they are incurred.

### 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 in by the Company which result in operating lease wherever applicable are as per the standard commercial terms prevalent in the industry. The Company does not have an option to buy back the engine/ aircraft, nor does it have an option to renew or extend the lease after the expiry of the lease.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## l) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## m) Foreign currencies

The standalone financial statements of the Company is presented in Indian Rupees (₹) which is also the Company's functional currency.

### Initial Recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

### Conversion

Foreign currency monetary items are translated 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 translated using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value denominated in a foreign currency are translated using the exchange rates that existed when the values were determined.

### Exchange Differences

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss except to the extent it is treated as an adjustment to borrowing costs.

## n) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Involvement of external valuers is decided upon annually by the Company. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes (Refer Note 48).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (Refer Note 49).

## o) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimated. The expense relating to a provision is presented in the statement of profit and loss.

## p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

#### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and derivatives at fair value through profit or loss (FVTPL)
- Equity instruments at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVTOCI)

#### *Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

## *Debt instrument at FVTOCI*

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Company does not have any debt instrument as at FVTOCI.

## *Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Company does not have any debt instrument at FVTPL.

## *Equity investments*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Company has classified its investments in mutual funds as Investments at FVTPL.

## *Derecognition*

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

## *Impairment of financial assets*

The Company applies expected credit loss model for recognising impairment loss on financial assets measured at amortised cost.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expenses in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

## Financial liabilities

### *Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

### *Subsequent measurement*

All financial liabilities except derivatives are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure foreign currency risks.

Derivatives/ forward contracts are initially recognised at fair value at the date the derivative/ forward contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## Equity investment in Subsidiaries

Investment in subsidiaries are carried at cost in the separate financial statements as permitted under Ind-AS 27.

### q) Inventories

Inventories comprising expendable aircraft spares and miscellaneous stores are valued at cost or net realizable value, whichever is lower after providing for obsolescence and other losses, where considered necessary. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition and is determined on a weighted average basis.

### r) Manufacturers' incentives

#### Cash Incentives

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

#### Non-cash Incentives

Non cash incentives relating to aircraft taken on finance lease are recorded as and when due to the Company by setting up a deferred asset and a corresponding incentive. These incentives are recognized under the head other operating revenue 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.

### s) Commission to agents

Commission expense is recognized as an expense coinciding with the recognition of related revenues considering various estimates including applicable commission slabs, performance of individual agents with respect to their targets etc.

### t) Share-based payments

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).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised 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 statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. On forfeiture of stock options, amounts accumulated in share-based payment reserves are transferred to general reserve.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification

# Notes to the Standalone Financial Statements

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that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## u) Segment reporting

Based on internal reporting provided to the chief operating decision maker, air transport service is the only operating segment for the Company.

## v) Contingent liabilities

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

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

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

## B. Changes in accounting policies and disclosures

### New and amended standards

The Company has applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 01, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at April 01, 2018.

The application of the standard did not have any impact on the retained earnings as at April 1, 2018. Cargo revenue has been netted off with the amount collected on behalf of agents. Consequently, the accumulated amount netted off with revenue amounts to ₹112.43 million (March 31, 2018 - ₹68.04 million) which were earlier disclosed on gross basis respectively under cargo revenue and other expenses.

### Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in

# Notes to the Standalone Financial Statements

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arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the standalone financial statements as the Company continues to present grant relating to asset by setting up the grant as deferred income.

## **Amendment to Ind AS 38 Intangible asset acquired free of charge**

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Company's standalone financial statements.

## **Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations**

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's standalone financial statements.

## **Amendments to Ind AS 40 Transfers of Investment Property**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's standalone financial statements.

**Amendments to Ind AS 28 Investments in Associates and Joint Ventures** – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, then it may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Company's standalone financial statements.

## **Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Company, as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 3. Property Plant & Equipment (PPE)

Particulars	Plant & Rotable & Equipment	Tools	Office Equipment	Computers & Fixtures	Motor Vehicles	Leasehold Improvements	Aircraft ^	Land	Total
<b>Cost or valuation</b>									
<b>As at April 01, 2017</b>	507.42	2,271.56	67.27	124.36	20.60	33.72	16,479.04	-	19,905.07
Additions #	224.13	613.98	32.38	77.11	5.39	10.92	875.20	171.37	2,100.24
Disposals	5.30	75.99	1.06	0.07	-	-	-	-	83.67
Exchange Differences *	-	-	-	-	-	-	20.76	-	20.76
<b>As at March 31, 2018</b>	<b>726.25</b>	<b>2,809.55</b>	<b>98.59</b>	<b>201.40</b>	<b>25.99</b>	<b>44.64</b>	<b>17,375.00</b>	<b>171.37</b>	<b>21,942.40</b>
Additions #	212.37	383.99	43.56	74.39	5.60	12.60	1,142.76	-	1,999.76
Disposals	1.64	25.68	0.98	-	0.01	-	-	-	39.44
Exchange Differences *	-	-	-	-	-	-	500.81	-	500.81
<b>As at March 31, 2019</b>	<b>936.98</b>	<b>3,167.86</b>	<b>141.17</b>	<b>275.79</b>	<b>31.58</b>	<b>57.24</b>	<b>19,018.57</b>	<b>171.37</b>	<b>24,403.53</b>
<b>Depreciation and impairment</b>									
At April 1, 2017	74.52	207.17	34.60	42.79	7.67	17.83	3,214.78	-	3,716.32
Charge for the Year	50.01	160.86	17.55	39.40	5.44	8.20	1,785.75	-	2,143.39
Disposals	1.89	9.19	1.00	0.02	-	-	-	-	12.78
Exchange Differences *	-	-	-	-	-	-	158.83	-	158.83
<b>As at March 31, 2018</b>	<b>122.64</b>	<b>358.84</b>	<b>51.15</b>	<b>82.17</b>	<b>13.11</b>	<b>26.03</b>	<b>5,159.36</b>	<b>-</b>	<b>6,005.76</b>
Charge for the Year	66.17	210.26	21.63	62.06	6.65	12.17	1,831.39	-	2,292.37
Disposals	0.70	5.59	0.93	-	0.01	-	-	-	15.96
Exchange Differences *	-	-	-	-	-	-	212.43	-	212.43
<b>As at March 31, 2019</b>	<b>188.11</b>	<b>563.51</b>	<b>71.85</b>	<b>144.23</b>	<b>19.75</b>	<b>38.20</b>	<b>7,203.18</b>	<b>-</b>	<b>8,494.60</b>
<b>Net Block</b>									
<b>As at March 31, 2018</b>	<b>603.61</b>	<b>2,450.71</b>	<b>47.44</b>	<b>119.23</b>	<b>12.88</b>	<b>18.61</b>	<b>12,215.64</b>	<b>171.37</b>	<b>15,936.64</b>
<b>As at March 31, 2019</b>	<b>748.87</b>	<b>2,604.35</b>	<b>69.32</b>	<b>131.56</b>	<b>11.83</b>	<b>19.04</b>	<b>11,815.39</b>	<b>171.37</b>	<b>15,908.93</b>

\* Represents foreign exchange loss capitalised during the year and depreciation thereon. Also refer note 2(A)(c).

^ Under the agreement with the lender, the title to the aircrafts vest with the lessor, and the Company shall take title to aircrafts at the end of the lease period upon payment of all dues under the lease agreements. Also refer note 18 (a).

# Additions to Aircraft comprise ₹1,142.77 million for the year March 31, 2019 and ₹875.20 million for the March 31, 2018 pertaining to overhaul costs capitalised on aircraft.

Rotables and tools, Ground support equipment and Motor Vehicles with a carrying amount of ₹289.67 million (March 31, 2018 ₹363.00 million), are subject to a first charge to secure the facilities provided by Allahabad Bank.

Refer Note. 42 for contractual commitments for the acquisition of PPE

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 4. Intangible Assets

Particulars	Software	Total
<b>Cost or valuation</b>		
<b>As at April 01, 2017</b>	37.07	37.07
Additions	41.13	41.13
Disposals	-	-
<b>As at March 31, 2018</b>	<b>78.20</b>	<b>78.20</b>
Additions	145.80	145.80
Disposals	-	-
<b>As at March 31, 2019</b>	<b>224.00</b>	<b>224.00</b>
<b>Accumulated Amortization</b>		
As at April 01, 2017	28.04	28.04
Charge for the year	9.78	9.78
Disposals	-	-
<b>As at March 31, 2018</b>	<b>37.82</b>	<b>37.82</b>
Charge for the year	57.45	57.45
Disposals	-	-
<b>As at March 31, 2019</b>	<b>95.27</b>	<b>95.27</b>
<b>Net Block</b>		
<b>As at March 31, 2018</b>	<b>40.38</b>	<b>40.38</b>
<b>As at March 31, 2019</b>	<b>128.73</b>	<b>128.73</b>

## 5. Non-Current Investments (fully paid up)

### a. Unquoted equity investments in subsidiaries, at cost

Particulars	As at March 31, 2019	As at March 31, 2018
10,000 (March 31, 2018:10,000) equity shares of SpiceJet Merchandise Private Limited	0.10	0.10
10,000 (March 31, 2018:10,000) equity shares of SpiceJet Technic Private Limited	0.10	0.10
10,000 (March 31, 2018:nil) equity shares of Canvin Real Estate Private Limited	0.10	0.10
<b>Total Investments in subsidiaries</b>	<b>0.30</b>	<b>0.30</b>

### b. Unquoted equity investments, at fair value

1270 (March 31, 2018: 1,270) equity shares of Aeronautical Radio of Thailand Limited	0.24	0.24
<b>Aggregate amount of unquoted investments</b>	<b>0.54</b>	<b>0.54</b>

## 6. Long-Term Loans

(Unsecured, considered good unless stated otherwise)

Loan to subsidiary		
Unsecured, credit impaired	210.00	-
Unsecured, considered good	332.54	497.62
	<b>542.54</b>	<b>497.62</b>
Impairment Allowance		-
Unsecured, credit impaired	(210.00)	
Unsecured, considered good		
	<b>(210.00)</b>	<b>-</b>
	<b>332.54</b>	<b>497.62</b>

Loan to subsidiary is repayable 3 years from the date of borrowing and carries an interest of 12.75%.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 7. Other Non-Current Financial Assets

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits (at amortised cost)	3,485.10	2,264.94
Non-current bank balances (also refer note 13)	7,859.13	6,527.41
Interest accrued but not due	-	40.29
	11,344.23	8,832.64

## 8. Non-Current Tax Assets

Advance income-tax and tax deducted at source (net of provision for taxation)	343.18	290.63
	343.18	290.63

## 9. Other Non-Current Assets

(Unsecured, considered good unless stated otherwise)

Accrued overhaul obligation on finance lease aircraft	766.47	1,084.82
Deposit with Delhi High Court (also refer note 44)	2,609.04	2,500.00
Tax paid under protest	1,460.34	561.47
Capital advances		
Unsecured, credit impaired	109.32	109.32
Unsecured, considered good	1,434.97	1,347.65
	6,380.14	5,603.26
Impairment Allowance		
Unsecured, credit impaired	(109.32)	(109.32)
Unsecured, considered good	-	-
	(109.32)	(109.32)
	6,270.82	5,493.94

## 10. Inventories

Engineering stores and spares	1,303.24	1,158.29
Inventories held in trade	-	16.71
Other stores	70.00	68.68
<b>Total</b>	<b>1,373.24</b>	<b>1,243.68</b>

## 11. Investments at Fair Value Through Profit or Loss (FVTPL)

Quoted investment in mutual funds	3.63	1,012.62
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>3.63</b>	<b>1,012.62</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 12. a. Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Trade receivables</b>		
Trade receivables	1,353.37	851.87
<b>Total Trade receivables</b>	<b>1,353.37</b>	<b>851.87</b>
<b>Break-up for security details:</b>		
<b>Trade receivables</b>		
Unsecured, credit impaired	28.99	13.59
Unsecured, considered good	1,375.07	861.38
	<b>1,404.06</b>	<b>874.97</b>
<b>Impairment Allowance (Allowance for bad and doubtful debts)</b>		
Unsecured, credit impaired	(28.99)	(13.59)
Unsecured, considered good	(21.70)	(9.51)
	<b>(50.69)</b>	<b>(23.10)</b>
<b>Total</b>	<b>1,353.37</b>	<b>851.87</b>

Trade receivables also includes receivables from credit card companies which are realisable within a period of 2 to 28 working days. In respect of revenue from cargo operations, the Company offers credit to its customers which is in the range of 30 to 90 days.

For terms and conditions relating to related parties, refer Note 47.

## 12. b. Other Receivables

(Unsecured, considered good unless stated otherwise)

Maintenance recoverable	1,581.50	467.59
Insurance recoverable	205.23	243.77
Other receivables	4,004.27	-
<b>Total Other receivables</b>	<b>5,791.00</b>	<b>711.36</b>
<b>Break-up for security details:</b>		
<b>Other receivables</b>		
Unsecured, credit impaired	-	-
Unsecured, considered good	5,791.00	711.36
	<b>5,791.00</b>	<b>711.36</b>
<b>Impairment Allowance</b>		
Unsecured, credit impaired	-	-
Unsecured, considered good	-	-
	<b>-</b>	<b>-</b>
<b>Total</b>	<b>5,791.00</b>	<b>711.36</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 13. Cash and Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
- On current accounts	592.25	1,109.61
- On deposit accounts	15.88	55.63
Cash on hand	41.34	21.47
	649.47	1,186.71
<b>Other bank balances</b>		
Deposits with original maturity for more than 3 months but less than 12 months	50.88	208.00
Deposits with original maturity more than 12 months	78.62	63.00
Margin money/ Security against fund and non-fund based facilities*	7,859.13	6,527.41
	7,988.63	6,798.41
Less: Amount disclosed under other non-current asset (Refer note 7)	(7,859.13)	(6,527.41)
	129.50	271.00
	778.97	1,457.71

At March 31, 2019, the Company had available INR 2,820.83 million (March 31, 2018: INR 925.62 million,) of undrawn committed borrowing facilities.

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

### Changes in liabilities arising from financing activities

Particulars	April 01, 2018	Cash Flow	Foreign Exchange Impact	Others	March 31, 2019
Current borrowings	3,574.38	642.90	(37.84)	-	4,179.44
Finance Cost	55.00	(1,335.76)	-	1,312.84	32.08
Non-current borrowings	6,509.53	(1,356.03)	412.78	-	5,566.28
Total liabilities from financing activities	10,138.91	(2,048.89)	374.94	1,312.84	9,777.80
Particulars	April 01, 2017	Cash Flow	Foreign Exchange Impact	Others	March 31, 2018
Current borrowings	2,522.45	1,051.93	-	-	3,574.38
Finance Cost	31.62	(898.52)	-	921.90	55.00
Non-current borrowings	7,759.84	(1,274.87)	24.56	-	6,509.53
Total liabilities from financing activities	10,313.91	(1,121.46)	24.56	921.90	10,138.91

## 14. Other Current Financial Assets

(Unsecured, considered good unless stated otherwise)

Security deposits	314.07	541.49
Employee advances	133.72	96.22
Interest accrued		
- on fixed deposits	295.32	281.35
Contract asset	288.81	240.83
	1,031.92	1,159.89

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 15. Other Current Assets

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	2,608.15	1,734.59
Balance with Government authorities	-	175.44
Advances to suppliers		
Unsecured, credit impaired	-	-
Unsecured, considered good	681.45	796.36
Others	-	80.00
	3,289.61	2,786.39
Impairment Allowance		
Unsecured, credit impaired	-	-
Unsecured, considered good	-	-
	-	-
<b>Total</b>	<b>3,289.61</b>	<b>2,786.39</b>

## 16. Share Capital

<b>Authorised Capital</b>		
(1,500,000,000 equity shares of ₹10/- each)		
<b>As at April 01, 2017</b>	15,000.00	15,000.00
Increase during the year	-	-
<b>As at March 31, 2018</b>	15,000.00	15,000.00
Increase during the year	-	-
<b>As at March 31, 2019</b>	15,000.00	15,000.00
<b>Issued, Subscribed and Paid-up Capital</b>		
Equity shares of ₹10/- each issued, subscribed and fully paid		
<b>As at April 01, 2017</b>	5,994.50	5,994.50
Increase during the year	-	-
<b>As at March 31, 2018</b>	5,994.50	5,994.50
Increase during the year	2.68	-
<b>As at March 31, 2019</b>	5,997.18	5,994.50

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

Particulars	As at Mar 31, 2019		As at March 31, 2018	
	Number	Value (₹)	Number	Value (₹)
Shares outstanding at the beginning of the period	599,450,183	5,994,501,830	599,450,183	5,994,501,830
Issued during the year	268,173	2,681,730	-	-
<b>Shares outstanding at the end of the period</b>	<b>599,718,356</b>	<b>5,997,183,560</b>	<b>599,450,183</b>	<b>5,994,501,830</b>

### B. Term/ Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

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. Details of Shareholders holding more than 5 percent in the Company:

Name of Shareholder	As at 31-Mar-2019		As at 31-Mar-2018	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Mr. Ajay Singh	357,405,288	59.60%	357,405,288	59.62%
<b>Total</b>	<b>357,405,288</b>	<b>59.60%</b>	<b>357,405,288</b>	<b>59.62%</b>

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.

## D. 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 268,173 shares (March 31, 2018 - Nil ) 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.

## E. Shares reserved for issue under options

For details of shares reserved for issue under ESOP, refer Note 39

## 17. Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Reserves and Surplus</b>		
Securities Premium Account	9,901.12	9,864.92
Retained Earnings	(19,537.94)	(16,362.66)
<b>Total</b>	<b>(9,636.82)</b>	<b>(6,497.74)</b>
Other reserves		
General Reserve	49.09	49.09
Share-based payment reserves	62.33	13.01
Foreign Currency Monetary Item Translation Difference Account	21.39	11.47
<b>Total other equity</b>	<b>132.81</b>	<b>73.57</b>

### a. Securities Premium

<b>Balance at the beginning of the year</b>	<b>9,864.92</b>	<b>9,864.92</b>
Additions during the year	36.20	-
Deductions during the year	-	-
<b>Balance at the end of the year</b>	<b>9,901.12</b>	<b>9,864.92</b>

### b. General Reserve

The general reserves is a free reserve, retained from company's profits to meet future obligations.

<b>Balance at the beginning of the year</b>	<b>49.09</b>	<b>49.09</b>
Transferred from employee stock options outstanding upon lapse of such options	-	-
Deductions during the year	-	-
<b>Balance at the end of the year</b>	<b>49.09</b>	<b>49.09</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## c. Share-based payment reserves

The balance represents reserves created to the extent of vested options based on the Employees Stock Option Scheme, 2017.

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Balance at the beginning of the year</b>	<b>13.01</b>	<b>-</b>
Options granted during the year	85.52	13.01
Transferred to Securities Premium upon exercise of such options	(36.20)	-
<b>Balance at the end of the year</b>	<b>62.32</b>	<b>13.01</b>

## d. Retained Earnings

<b>Balance at the beginning of the year</b>	<b>(16,362.66)</b>	<b>(22,031.51)</b>
Profit/ (Loss) for the year	(3,160.83)	5,666.51
Re-measurement Gain/(Loss) on Defined Benefit Obligations	(14.45)	2.34
<b>Balance at the end of the year</b>	<b>(19,537.94)</b>	<b>(16,362.66)</b>

## e. Foreign Currency Monetary Item Translation Difference Account

Represents the exchange differences arising on other long-term foreign currency monetary item amortised to the Statement of Profit and Loss over the remaining life of the concerned monetary item.

<b>Balance at the beginning of the year</b>	<b>11.47</b>	<b>32.06</b>
Movement during the year in FCMITDA, net	28.47	1.58
Recognised in the Statement of P&L during the year	(18.55)	(22.17)
<b>Balance at the end of the year</b>	<b>21.39</b>	<b>11.47</b>

## 18. Long Term Borrowings (Secured)

<b>Term Loans</b>		
From bank	-	1,666.67
Less: Current maturities of long term borrowings (refer note 24)	-	(1,666.67)
	-	-
<b>Other loans</b>		
External commercial borrowing (Unsecured)	<b>6,918.16</b>	7,780.75
Vehicle loan from bank	-	5.12
Less: Current maturities of long term borrowings (refer note 24)	<b>(1,351.88)</b>	(1,276.34)
	<b>5,566.28</b>	<b>6,509.53</b>
	<b>5,566.28</b>	<b>6,509.53</b>

- The External commercial borrowing ("ECB") relates to the acquisition of "Bombardier Q400 Aircraft". The ECB has been approved by the Reserve Bank of India and is granted through a finance lease structure between the Company and the lessor with lending from Export Development Canada. The related aircraft are owned by the lessor until the repayment of all outstanding by the Company under the terms of the respective lease agreements (also refer note 3). 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 3.79% to 4.91%. Under each lease agreement the Company is required to make payment of lease rentals over a period of forty-eight quarters to lessor or its nominees.
- The Company has defaulted in the repayment of the principal on the ECB loans amounting to ₹ 370.95 million. However, the default on the principal amount was remediated as at the reporting date. The Company has remitted penal interest of ₹ 0.82 million pursuant to this default.

## 19. Non Current Trade Payables

Trade payables	<b>77.65</b>	150.69
	<b>77.65</b>	<b>150.69</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 20. Long Term Provisions

Trade payables are non interest bearing and carry a credit period exceeding 365 days

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for gratuity (also refer note 40)	330.48	258.15
Provision for aircraft redelivery (also refer note 37)	583.78	413.67
Provision for aircraft maintenance (also refer note 37)	3,375.50	1,827.38
	<b>4,289.76</b>	<b>2,499.20</b>

## 21. Other Non-Current Liabilities

Deferred incentive	559.91	204.17
Less: Current portion of above	(55.49)	(17.10)
	<b>504.42</b>	<b>187.07</b>
Deferred gain on Sale and lease-back	5,390.07	515.05
Less: Current portion of above	(596.14)	(84.96)
	<b>4,793.93</b>	<b>430.09</b>
	<b>5,298.35</b>	<b>617.16</b>

## 22. Short Term Borrowings (Secured)

Working capital demand loan from bank	997.79	1,000.00
Working capital demand loan from others	-	1,000.00
Buyers' Credit from bank	-	162.61
Pre-shipment credit foreign currency loan	3,181.65	1,411.77
	<b>4,179.44</b>	<b>3,574.38</b>

Working capital demand loan from bank is secured by fixed deposits placed by the erstwhile promoter and is repayable on demand. The loan carries an interest rate of 12.75%.

Pre-shipment credit foreign currency loan from bank is secured by fixed deposits placed by the Company having a carrying value of ₹884.90 million and is repayable within 6 months from each drawdown. The loan carries an interest rate benchmarked to the LIBOR rate at each drawdown. The interest rate on these borrowings ranges between 4.47% to 5.90%.

## 23. Trade Payables

Trade payables		
- Dues to Micro, Small & Medium Enterprises (See Note below)	188.50	-
- Others	10,324.52	6,882.20
	<b>10,513.02</b>	<b>6,882.20</b>
<b>Dues to Micro, Small &amp; Medium Enterprises ('MSMED')</b>		
Principal amount due to suppliers under MSMED Act	182.28	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	6.22	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	6.22	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	6.22	-

### Terms and conditions of the above financial liabilities:

Trade payables are non interest bearing and carry a credit period generally between 30 and 90 days

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 24. Other Current Financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured</b>		
Employee compensation payable	179.69	166.18
Security deposits received	58.21	18.25
<b>Secured</b>		
Current maturities of long-term borrowings (also refer note 18) (includes current maturities of ECB ₹1,351.88 million (March 31, 2018 - ₹1,271.22 million))	1,351.88	2,943.01
Interest accrued and due on borrowings	-	39.03
Interest accrued but not due on borrowings	32.08	15.97
	<b>1,621.86</b>	<b>3,182.44</b>
<b>Break up of financial liabilities carried at amortised cost :</b>		
Borrowings (non-current) (note 18)	5,566.28	6,509.53
Borrowings (current) (note 22)	4,179.44	3,574.38
Current maturity of long term loans (note 24)	1,351.88	2,943.01
Trade payables (non current) (note 19)	77.65	150.69
Trade payables (current) (note 23)	10,324.52	6,882.20
Other Current financial liabilities (note 24)	237.90	184.43
<b>Total financial liabilities carried at amortised cost</b>	<b>21,737.67</b>	<b>20,244.24</b>

## 25. Short Term Provisions

Provision for employee benefits		
Provision for gratuity (also refer note 40)	31.55	25.45
Provision for compensated absences	134.41	116.52
Provision for litigation (also refer note 43)	107.20	97.69
Provision for aircraft maintenance (also refer note 37)	2,424.04	1,987.37
Provision for aircraft redelivery (also refer note 37)	89.32	26.75
	<b>2,786.52</b>	<b>2,253.78</b>
<b>Provision for litigation:</b>		
At the beginning of the year	97.69	172.40
Additions during the year	9.51	(74.71)
Utilisation/ reversal during the year	-	-
<b>At the end of the year</b>	<b>107.20</b>	<b>97.69</b>
<b>Provision for aircraft maintenance</b>		
At the beginning of the year	3,814.75	3,357.82
Additions during the year	5,400.86	4,164.81
Utilisation during the year	(3,416.07)	(3,707.88)
<b>At the end of the year</b>	<b>5,799.54</b>	<b>3,814.75</b>
<b>Provision for aircraft redelivery</b>		
At the beginning of the year	440.42	355.52
Provision made over the lease period	267.58	102.46
Utilisation during the year	(34.90)	(17.56)
<b>At the end of the year</b>	<b>673.10</b>	<b>440.42</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 26. Other Current Liabilities (Unsecured)

Particulars	As at March 31, 2019	As at March 31, 2018
Current portion of deferred incentives	55.49	17.10
Current portion of deferred gain on sale and lease-back	596.14	84.96
Amount due under order of Delhi High Court (also refer note 44)	6,425.55	5,790.89
Contract liabilities	7,071.85	6,062.50
Advance received from agents	1,672.32	1,967.26
Statutory dues (including interest thereon)	595.37	365.29
Airport Taxes Payable	701.95	785.38
Others	5.99	2.82
	17,124.66	15,076.20

## 27. Revenue From Contracts With Customers

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Sale of services</b>		
Passenger revenue	85,783.70	74,207.52
Cargo revenue	3,079.12	2,632.56
<b>Other operating revenues</b>		
Incentives received	1,136.34	37.89
Income from training services	289.75	218.11
Others	843.63	460.83
<b>Total revenue from contracts with customers</b>	<b>91,132.54</b>	<b>77,556.91</b>
India	82,378.35	72,685.64
Outside India	8,754.19	4,871.27
<b>Total revenue from contracts with customers</b>	<b>91,132.54</b>	<b>77,556.91</b>

## 28. Other Income

Net Gain on sale of investments	52.47	148.28
Liabilities/ provision no longer required written back	369.78	489.08
Insurance/ warranty claims received	118.43	122.07
Miscellaneous income	42.22	35.75
	582.90	795.18

## 29. Finance Income

Interest income on discounting of financial instruments	96.16	64.43
Interest income		
- on bank deposits	768.74	432.79
- on loan to subsidiary	-	33.20
	864.90	530.42

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 30. Operating Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Aviation turbine fuel	34,452.52	24,326.27
Lease charges - aircraft, engines and auxiliary power units (also refer note 41)	12,967.16	10,321.57
Aircraft repairs and maintenance	6,129.34	4,692.91
Supplemental lease charges - aircraft, engines and auxiliary power units	7,834.94	6,330.81
Consumption of stores and spare parts	1,078.34	856.73
Aviation insurance	361.71	227.39
Landing, navigation and other airport charges	7,520.54	6,605.56
Cost of inflight food and beverages	1,066.54	884.34
Aircraft navigation software expenses	596.72	491.94
Aircraft redelivery costs	178.76	97.98
Cargo handling costs	406.93	331.34
Other operating expenses	407.04	283.13
	<b>73,000.54</b>	<b>55,449.97</b>

## 31. Employee Benefits Expenses

Salaries, wages and bonus	9,400.76	7,680.04
Contribution to provident and other funds	329.18	247.25
Employee stock option scheme	85.52	13.01
Gratuity expense (also refer note 40)	88.90	71.41
Recruitment and training cost	393.82	373.09
Staff welfare	271.89	240.87
	<b>10,570.07</b>	<b>8,625.67</b>

## 32. Sales and Marketing Expenses

Commission to agents *	1,060.56	1,099.85
Business promotion and advertisement	1,013.85	790.77
	<b>2,074.41</b>	<b>1,890.62</b>

\* Includes deposit incentive to agents

## 33. Other Expenses

Rent	567.24	447.14
Rates and taxes	564.06	464.29
Repairs and maintenance		
- buildings	77.99	44.42
- plant and machinery	34.26	20.68
- others	270.00	237.78

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Crew accommodation cost	440.97	368.30
Communication	97.26	94.72
Printing and stationery	146.57	131.07
Travelling and conveyance	1,183.79	939.90
Legal, and professional fees (Refer note below for details of payment to auditor)	344.64	385.64
Power and fuel	109.25	85.78
Provision for doubtful advances	2.04	85.00
Advances/ debts written off	225.35	36.54
Provision for doubtful debts	237.59	18.07
Provision for litigation	9.51	-
Insurance	152.94	48.05
Credit card charges	299.82	286.49
Bank charges	23.23	10.01
Exchange fluctuation loss (net)	746.25	214.89
Net Loss on financial assets measured at FVTPL	12.39	26.85
Loss on sale of assets (net)	20.02	52.16
Miscellaneous expenses	21.23	18.06
	5,586.40	4,015.84
<b>Payment to auditor</b>		
<b>As auditor</b>		
Audit fees	9.29	9.12
Limited review	2.25	2.25
<b>In other capacity</b>		
Other services (certification fees)	0.15	0.03
Reimbursement of expenses	0.54	0.34

## 34. Finance Costs

Interest		
- on fixed loan from banks	652.07	397.86
- on fixed loan from others	487.48	367.21
Interest cost on discounting of financial instruments	88.35	74.02
Other borrowing cost	84.94	82.81
	1,312.84	921.90

## 35. Exceptional Items

Interest Cost for Arbitration Order (Refer Note 44)	634.66	-
	634.66	-

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 36. Earnings Per Share ('EPS')

- Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.
- Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Number of equity shares outstanding at the beginning of the year	599,450,183	599,450,183
Number of equity shares issued	268,173	-
Number of equity shares outstanding at the end of the year	599,718,356	599,450,183
<b>Weighted average number of shares</b>		
a. Basic	599,489,123	599,450,183
Effect of dilution:	-	-
Stock option granted under ESOP	863,872	158,448
b. Diluted	600,352,995	599,608,631
Profit/ (Loss) for the year	(3,160.83)	5,666.51
Earnings per share :		
-- Basic earnings/ (loss) per share (₹)	(5.27)	9.45
-- Diluted earnings/ (loss) per share (₹)	(5.27)	9.45
Nominal value per share (₹)	10.00	10.00

- In view of the uncertainties prevailing at the relevant time with regard to the proposed allotment of certain securities in the previous periods, it was not possible to determine the effect thereof, if any on Diluted Earnings per share calculation for such periods. Considering the current status of the matter as described further in note 44, no further effect on this matter to the dilutive earnings per share calculations have been considered.

## 37. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Company's management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## Taxation

Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the management to estimate the level of tax that will be payable based upon the Company's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

In respect of other taxes which are in disputes, the management estimates the level of tax that will be payable based upon the Company's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

## Defined Benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

## Useful life, residual value of property, plant and equipment

The management has estimated the useful life of its property, plant and equipment based on technical assessment. The estimate has been supported by independent assessment by technical experts. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Major inspection costs relating to heavy maintenance visits for overhauls of engines are capitalised. These amounts are depreciated over the average expected life between major overhauls.

## Going concern assumption

These financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future. (refer note 2(A)(a)(iii) for management's assessment regarding going concern, including related judgments involved).

## Provision for aircraft maintenance

Certain heavy maintenance checks for the aircraft engines need to be performed at specified intervals as enforced by the Director General of Civil Aviation in accordance with the Maintenance Program Document laid down by the aircraft manufacturers. In this regard, the Company estimates the expected costs at the time of such check factoring expected drawdown of supplemental rentals and other contributions receivable from the lessors wherever applicable.

The Company has, having regard to its obligation to maintain engines under aircraft lease agreements, finalized the terms of service contracts and has also entered into revised contracts for maintenance of engines on its Boeing and Q400 aircraft. Based on such finalized contracts/ terms, and factors such as scope and timing of maintenance and repairs of engines including firm fixed costs of maintenance at different intervals, expected drawdown from the supplemental rentals under the relevant lease agreements (wherever applicable), etc, management undertook a comprehensive

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

exercise to re-estimate its liabilities in respect of engine maintenance obligations. During the current year, the Company continues to evaluate for expected shortfalls in the maintenance obligations and on such basis estimates the provisions required to be made in this regard.

## Provision for aircraft redelivery

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

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

## 38. Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

### 1. Ind AS 116 : Leases

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from April 01, 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

### Transition to Ind AS 116

The Company plans to adopt Ind AS 116 using the modified approach. Accordingly, the Company will not restate comparative information; instead, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 01, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount net of incentives received as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 01, 2019.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

The Company will elect to apply the standard to contracts that were previously identified as leases applying Ind AS 17. The Company will therefore not apply the standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Company has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low value. A single discount rate to a portfolio of leases with reasonably similar characteristics. Initial direct cost is excluded from the measurement of the ROU asset at the date of initial application. The lease term has been determined with the use of hindsight where the contract contains options to extend the lease.

The nature of expenses presently presented under Lease charges - aircraft, engines and auxiliary power units and Rent as per Ind AS 17 will now be presented as per Ind AS 116 in the form of:

- Amortization charge for the ROU asset
- Finance cost from interest accrued on lease liability

Further, this will increase the Company's foreign exchange volatility arising from revaluation of lease liability that is denominated in currency other than Indian Rupees.

During the current financial year ending March 31, 2019, the Company has performed a detailed impact assessment of Ind AS 116. In summary the impact of Ind AS 116 adoption is expected to be, as follows:

Particulars	Amount
<b>Assets</b>	
Right-of-use (ROU)	61,790.34
<b>Liabilities</b>	
Lease Liability	64,010.13
Redelivery Obligation	803.11
<b>Impact to Equity</b>	(3,022.89)

The Right-of-use (ROU) asset is before netting off the deferred incentive as at transition date amounting to ₹4,793.93 million.

The lease liability of approximately ₹64,010.13 million, would be recorded, being the present value of the remaining lease payments, using the incremental borrowing rate applicable to the Company at the initial application date. The most significant lease liabilities relate to aircraft taken on operating lease.

Where lease liability is held in any currency other than Indian Rupees, the same needs to be revalued at the end of each reporting period at the then applicable exchange rate. The most significant exposure to the Company, will be to changes in exchange rate as lease liability towards aircraft is a foreign currency driven liability.

The existing aircraft classified as finance lease will continue to be presented on balance sheet. Milestone incentives received against such aircraft will continue to amortise over the expected period of use of leased asset in proportion to the depreciation of the leased asset.

There will be consequent reclassification in the cash flow categories in the statement of cash flows.

## 2. Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically

# Notes to the Standalone Financial Statements

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include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- i) Whether an entity considers uncertain tax treatments separately
- ii) The assumptions an entity makes about the examination of tax treatments by taxation authorities
- iii) How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- iv) How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after April 01, 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. Since the Company operates in a complex multinational tax environment, applying the Interpretation may affect its standalone financial statements. In addition, the Company may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

### 3. Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after April 01, 2019. These amendments have no impact on the standalone financial statements of the Company.

### 4. Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- i) Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- ii) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after April 01, 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

# Notes to the Standalone Financial Statements

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

## 5. Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after April 01, 2019. Since the Company does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its standalone financial statements.

## Annual improvement to Ind AS (2018):

These improvements include:

### 1. Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation

The amendments clarify that, when an party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after April 01, 2019. These amendments are currently not applicable to the Company but may apply to future transactions.

### 2. Amendments to Ind AS 111: Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after April 01, 2019. These amendments are currently not applicable to the Company but may apply to future transactions.

### 3. Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its standalone financial statements.

### 4. Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its standalone financial statements.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 39. Employee stock option plans

The following share-based payment arrangements were in existence during the current and prior years :

Employees Stock Option Scheme, 2017

The shareholders at the Annual General Meeting held on November 27, 2017, approved an ESOS which provides for the grant of 10,000,000 options (each option convertible into share) to employees.

The remuneration committee had granted 2,131,538 options to eligible employees subject to certain conditions on February 07, 2018 at an exercise price of ₹10/- per share. Such options were to vest over 3 years in the following manner:

- 25% of the options – one year from the date of grant
- 35% of the options – two years from the date of grant
- 40% of the options – three years from the date of grant

In accordance with the shareholders' approval, options once vested can only be exercised by the employee (subject to him/ her remaining in employment) within a period of 5 years.

The compensation cost for ESOS been recognized based on the fair value at the date of grant in accordance with the Black-Scholes method.

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
<b>Outstanding, beginning of year</b>	<b>300,289</b>	<b>10.00</b>	-	-
Granted during the year*	420,404	10.00	300,289	10.00
Exercised during the year	268,173	10.00	-	-
Forfeited during the year	-	-	-	-
<b>Outstanding, end of year</b>	<b>452,520</b>	<b>10.00</b>	<b>300,289</b>	<b>10.00</b>
<b>Outstanding at the year-end comprise:</b>				
Options eligible for exercise at year end	32,116	10.00	-	-
Options not eligible for exercise at year end	420,404	10.00	300,289	10.00

\*Includes only options granted to employees who have fulfilled the related conditions in respect of such grant.

The fair value of options provided under the ESOS, 2017 was estimated at the date of grant using the Black-Scholes method with the following assumptions:

Particulars	Vesting dates		
	February 07, 2019	February 07, 2020	December 31, 2020
Market price of share (as at Feb 06, 2018)	129.35	129.35	129.35
Exercise price of option	10	10	10
Number of period to exercise in years	3.50	4.50	5.42
Risk free interest rate	7.53%	7.51%	7.51%
Expected dividend yield	-	-	-
Standard Deviation (annualised)	58.50%	58.11%	57.61%
<b>Fair value per vest</b>	<b>121.72</b>	<b>122.32</b>	<b>122.84</b>
<b>Fair value of option</b>		<b>122.29</b>	

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 40. Employee benefits obligation

### Defined benefit plan

#### a. Gratuity

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 ₹2.00 million. The scheme is unfunded and accordingly the disclosures relating to plan assets are not provided.

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.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Change in defined benefit obligation ('DBO')</b>		
1. Defined benefit obligation at the beginning of the period	283.60	239.56
2. Service cost		
a. Current service cost	66.78	53.80
3. Interest expenses	22.12	17.61
4. Cash flows		
a. Benefits paid	(24.91)	(25.03)
5. Remeasurements		
a. Effect of changes in financial assumption	6.46	(17.14)
b. Effect of experience adjustments	7.99	14.81
6. Defined benefit obligation at the end of the period	362.04	283.60
<b>B. Amounts recognized in Balance Sheet</b>		
1. Defined benefit obligation	362.03	283.60
2. Fair value of plan assets	-	-
3. Funded status	-	-
4. Net defined benefit liability/ (asset)	362.03	283.60
<b>C. Components of defined benefit cost</b>		
1. Service cost		
a. Current service cost	66.78	53.80
2. Net interest cost	-	
a. Interest expense on DBO	22.12	17.61
b. Interest (income) on plan assets	-	-
c. Total net interest cost	22.12	17.61
3. Remeasurements (recognized in OCI)		
a. Effect of changes in Financial assumption	6.46	(17.14)
b. Effect of changes in experience adjustments	7.99	14.81
c. (Return) on plan assets (excluding interest income)	-	-
4. Total defined benefit cost recognized in P&L and OCI	103.35	69.08

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>D. Re-measurement</b>		
a. Actuarial Loss/ (Gain) on DBO	14.45	(2.34)
b. Returns above interest income	-	-
Total remeasurements (OCI)	14.45	(2.34)
<b>E. Employer expense (P&amp;L)</b>		
a. Current service cost	66.78	53.80
b. Interest cost on net DBO	22.12	17.61
c. Total P&L expenses	88.90	71.41
<b>F. Net defined benefit liability (asset) reconciliation</b>		
1. Net defined benefit liability (asset)	283.60	239.56
2. Defined benefit cost included in P&L	88.90	71.41
3. Total remeasurements included in OCI	14.45	(2.34)
4. Employer contribution	(24.91)	(25.03)
5. Net defined benefit liability (asset) as at end of period	362.04	283.60
<b>G. Reconciliation on OCI (Re-measurement)</b>		
1. Recognized in OCI during the period	14.45	(2.34)
2. Recognized in OCI at the end of the period	14.45	(2.34)
<b>H. Sensitivity analysis- DBO end of period</b>		
1. Discount rate + 50 Basis points	(9.16)	(17.72)
2. Discount rate - 50 Basis points	10.18	19.60
3. Salary increase rate + 0.5%	10.35	19.95
4. Salary increase rate - 0.5%	(9.38)	(18.17)
<b>I. Significant actuarial assumption</b>		
1. Discount rate current year	7.80%	7.35%
2. Salary increase rate	5.50%	5.50%
3. Pre-retirement mortality	3% (Up to 30 years) 2% (Age 31-44) 1% ( above age 44)	3% (Up to 30 years) 2% (Age 31-44) 1% ( above age 44)
4. Retirement age	58	58
<b>J. Data</b>		
1. No. of employee's	11,399	8,447
2. Average age (years)	29.96	30.05
3. Average past service	2.89	3.12
4. Average monthly salary	1,881.70	1,472.23
5. Future service (years)	28.30	27.95
6. Weighted average duration of DBO	20.57	20.47
<b>K. Expected total benefit payments</b>		
1. Within the next 12 months (next annual reporting period)	31.55	25.45
2. Between 2 and 5 years	25.74	25.05
3. Beyond 5 years	304.74	233.10

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>L. Defined benefit obligation at the end of the year</b>		
1. Current obligation	31.55	25.45
2. Non-current obligation	330.48	258.15
<b>Summary</b>		
1. Defined benefit obligation at end of the period	362.04	283.60
2. Fair value plan assets at end of the period	-	-
3. Net defined benefit liability/ (asset)	362.03	283.60
4. Defined benefit cost included in P&L	88.90	69.66
5. Total remeasurement included in OCI	14.45	(2.34)
6. Total defined benefit cost recognized in P&L and OCI	103.35	67.32

## b. Short term compensated absences

The assumptions used for computing the short term accumulated compensated absences on actuarial basis are as follows:

1. Discount rate	7.80%	7.80%
2. Future salary increase	5.50%	5.50%

## c. Contributions to defined contribution plan:

During the year, the company recognized ₹278.26 Million (Previous year- ₹209.59 Million) to Provident Fund under defined contribution plan and ₹50.92 Million (Previous year - ₹37.66 Million) for contributions to Employee State Insurance scheme in the Statement of profit & loss.

## 41. Leases

Operating lease: Company as a lessee

The Company has taken on lease aircraft, aircraft spares, engines and premises from third parties. Lease charges for aircraft and engines for the year ended March 31, 2019 amount to ₹12,967.16 million (Previous year ₹10,321.57 million), supplemental lease charges amount to ₹7,834.94 million (Previous year ₹6,330.81 million) and rental expense on premises for the year ended March 31, 2019 amount to ₹567.24 million (Previous year ₹447.24 million).

The Company has taken aircraft through dry operating lease from lessors. Under the aircraft lease agreements, the Company pays monthly rentals in the form of base and supplementary rental. Base rental payments are either based on floating or fixed interest rates. Supplemental rentals are based on aircraft utilisation and are calculated with reference to the number of hours flown or number of cycles operated during each month. Both base and supplemental lease rentals have been charged to the statement of profit and loss. The lease terms vary between 4 and 12 years and can be further extended based on mutual agreement with the lessors. There are no significant restrictions imposed by lease arrangements.

The Company has also taken aircraft on wet lease. In a wet lease arrangement, the lessor provides an aircraft, complete crew, maintenance, and insurance (ACMI) to the lessee. The Company pays monthly lease rentals containing fixed and variable consideration. The lease period for a wet lease are generally between 3 to 6 months.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

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	Year ended March 31, 2019	Year ended March 31, 2018
<b>Aircraft</b>		
Not later than one year	17,106.73	9,169.92
Later than one year but not later than five years	41,254.35	37,879.13
Later than five years	29,960.56	29,541.81
<b>Aircraft engines &amp; APU</b>		
Not later than one year	721.41	376.27
Later than one year but not later than five years	1,767.96	993.78
Later than five years	787.18	278.24
<b>Wet Lease aircraft</b>		
Not later than one year	-	68.42
Later than one year but not later than five years	-	-
Later than five years	-	-
<b>Building Space rentals</b>		
Not later than one year	194.91	99.08
Later than one year but not later than five years	707.71	326.91
Later than five years	578.33	256.31

## 42. Capital and other commitments

- At March 31, 2019, the Company has commitments of ₹538,189.48 million (March 31, 2018 - ₹529,519.00 million) relating to the acquisition of aircraft.
- 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 41.
- 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.

## 43. Litigations and claims

### a) Summary

- Matters wherein management has concluded the Company's liability to be probable have accordingly been provided for in the books. Also refer note 25.
- Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed under Note 43(b) Contingent liabilities below.
- Matters wherein management is confident of succeeding in these litigations and have concluded the Company's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## b) Contingent liabilities

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Liability arising out of legal cases filed against the Company in various Courts/ Consumer Redressal Forums, Consumer Courts, disputed by the Company.	133.47	148.96
Liability arising out of Arbitration proceedings on account of cancellation of leased premises. Refer note (iii) below	-	33.32
Demand in respect of provident fund dues for international workers as explained in note (ii) below.	142.37	142.37
Demand in respect of service tax (including interest and penalty) as explained in note (iv) below.	170.70	170.70
Liability arising out of other legal cases filed against the Company.	11.83	60.61
Show cause notice received in respect of service tax as explained in note (v) below	4,005.72	4,005.72
Liability arising out of Integrated Goods and Services Tax ('IGST'), on overseas repairs and replacement of various aircraft equipment as explained in note (viii) below	1,460.30	561.47

The Company has various demands arising from Income-Tax assessments pertaining to Assessment year 2006-07 to 2014-15. The litigations are currently pending at various forums and such sum contested after adjusting the brought forward losses and depreciation was computed to be Nil. Consequently, without prejudice to its legal defence on these matters, the Company have not disclosed the same as a contingent liability.

- i. A vendor has filed an arbitration claim against the Company for ₹ 33.32 million including an interest of ₹ 10.58 million for termination of a lease agreement for accommodation of the Company's crew. The agreement was terminated by the Company citing poor quality of services. The arbitration proceedings in the matter have been completed and the suit has been dismissed in favour of the Company. The vendor had subsequently, challenged the said award by preferring an application under Section 34 of the Arbitration and Conciliation Act, 1996. The said petition was allowed by the Hon'ble High Court. The Company had challenged the said order by filing an appeal against the same. The said appeal was allowed in favour of the Company.
- ii. The Company has received a demand notice from the Regional Provident Fund Commissioner, Gurgaon for ₹ 79.91 million in respect of provident fund ("PF") dues for international workers vide Notifications GSR 706(E) dated 1st October 2008 and GSR 148 dated 3rd September 2010, for the period from November 2008 to February 2011. The Company has responded to the notice disputing the demand and, without admitting any liability towards the same, has deposited an amount of ₹ 1.96 million towards the PF contributions in respect of international workers for the period from November 2008 to July 2011 under the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 ('PF Act'). Since August 2011, the Company has been making provident fund contributions in respect of international workers under the provisions of the PF Act. During the year ended March 31, 2012, the Company has filed a writ petition with the Hon'ble Delhi High Court contending that the above notifications relating to international workers are unreasonable and ultra vires the PF Act. The Court has directed that this matter be put up in the regular list and the interim order in favour of the Company has been made absolute till disposal of the petition. In addition, a report has been filed by the Department's Representatives before the Regional Provident Fund Commissioner on March 22, 2017 pursuant to which there is an additional claim against the Company aggregating ₹ 64.42 million for the period from March 2011 till January 2012. The aggregate demand on account of this matter from the period November 2008 to January 2012 is ₹ 144.43 million. Pending disposal of the petition, the Company has not accrued for any additional liability in respect of provident fund contributions to international workers.

## Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

- iii. The Company has received a demand order for a sum of ₹77.28 million, and applicable interest, as well as penalty of ₹77.28 million from the service tax department for non-remittance of service tax on reverse charge mechanism on certain payments made during the period April 18, 2006 to March 31, 2012. The Company is contesting the order on the grounds that the services obtained by the Company were not liable to service tax under the categories determined by the authorities and are hence not taxable services. Effective July 2012, pursuant to the enactment of the negative list of taxable services, the Company has been paying service tax on these services received on reverse charge basis under the relevant provisions of the Finance Act, 1994. Based on advice by its tax consultants and internal evaluation, the Company has provided an amount of ₹67.09 million (including a portion of applicable interest) on a conservative basis (also refer note 26). However, the Company continues to contest the entire demand and has filed an appeal against the adverse order with the CESTAT and is confident of its success. The balance amount of the matter under litigation, (including interest and penalty) of ₹170.70 million, has not been accrued pending final outcome of this matter and has been disclosed as a contingent liability.
- iv. The Company has received certain show cause notices from the service tax authorities, citing various defaults, including failure/delay in remitting service tax collected, over past financial years as well as alleged failure in remittance of service tax on certain other items. Based on their assessment of the contentions of the service tax authorities, management has submitted a detailed reply to the notice, and based on legal advice obtained, believes that the likelihood of this liability devolving on the Company is low, and accordingly has made no adjustments to the financial statements.
- v. The Company has received certain orders from the customs authorities, levying IGST, on overseas repairs and replacement of various aircraft equipment, which in the opinion of management and based on expert advice obtained, is not subject to such levy. Accordingly no further adjustments have been made in this regard as at March 31, 2019.

Further to the above,

- vi. In another case, M/s Hindustan Development Corporation Limited ("HDCL") (now renamed as Mallanpur Steels Limited) who had lent ₹50 million by way of inter-corporate deposit to the Company, has filed an appeal before the division bench of the Hon'ble Delhi High Court against the Scheme of Settlement passed by the Hon'ble Delhi High Court wherein the Company's liability was fixed at ₹35 million. The Company had made a deposit of ₹35 million to the Official Administrator of the Scheme in accordance with approved Scheme. Pending disposition of the review petition, the likelihood of the balance amount of ₹15 million devolving on the Company is not probable. Also, the interest (if any) on the same is not ascertainable.
- vii. The Competition Commission of India ("CCI") passed an order dated November 17, 2015 against, inter alia, the Company, which included a demand of ₹424.80 million on the Company. The Company's appeal against this order with Competition Appellate Tribunal ("COMPAT") was disposed of by the COMPAT, which set aside the impugned order on technical grounds and has referred the matter back to the CCI for fresh adjudication based on the COMPAT's directions. Subsequent thereto, the matter was reconsidered by CCI and a revised order dated March 7, 2018 imposing fine of ₹51 million was imposed on the Company. The Company has filed an appeal before COMPAT and based on legal advice received, management is confident of a favourable outcome in this matter and accordingly no adjustments are considered necessary in the financial statements.
- viii. The Assistant Commissioner of Income-Tax ("ACIT") has filed a complaint against the Company and its erstwhile Chairman and Managing Director in their individual capacity, over delayed payment of tax deducted at source in contravention of section 276B of the IT Act, 1961 for financial years 2013-14 and 2014-15. The matter is sub-judice as on date and based on professional advice, the management is confident of a favourable outcome in this matter in so far as it relates to the Company. Accordingly, no adjustments are considered necessary in the financial statements.
- ix. There are numerous interpretative issues relating to the Hon'ble Supreme Court judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

the date of the Hon'ble Supreme Court order. The Company will update its provision, on receiving further clarity on the subject.

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

## 44. Status of advance money received against securities proposed to be issued

The Company had, in earlier financial years, received amounts aggregating ₹5,790.9 Million from Mr. Kalanithi Maran and M/s KAL Airways Private Limited together, ("Erstwhile Promoters") as advance money towards proposed allotment of certain securities (189,091,378 share warrants and 3,750,000 non-convertible cumulative redeemable preference shares, issuable based on approvals to be obtained), to be adjusted at the time those securities were to be issued. Pursuant to the legal proceedings in this regard before the Hon'ble High Court of Delhi ("Court") between the Erstwhile Promoters, the present promoter and the Company, the Company was required to secure an amount of ₹3,290.9 Million through a bank guarantee in favour of the Registrar General of the Court ("Registrar") and to deposit the balance amount of ₹2,500.0 Million with the Registrar. The Company has complied with these requirements as at March 31, 2018.

The parties to the aforementioned litigation concurrently initiated arbitration proceedings before a three-member arbitral tribunal (the "Tribunal"), which pronounced its award on July 20, 2018 (the "Award"). In terms of the Award, the Company was required to (a) refund an amount of approximately ₹3,082.2 million to the counterparty, (b) explore the possibility of allotting preference shares in respect of approximately ₹2,708.7 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be ₹924.7 million (being interest on the amount stated under (a) above, in terms of the Award). The amounts referred to under (a), (b) and (c) above, aggregating ₹6,425.6 million are carried as current liabilities without prejudice to the rights of the Company under law. Further, the Company was entitled to receive from the counterparty, under the said Award, an amount of ₹290.0 million of past interest/servicing charges. During the current year, the Court has ordered release of ₹2,500 million, out of the amount deposited by the Company, to the counterparty, subject to certain conditions as enumerated by the Court in its order.

The Company, its present promoter and the counterparties have challenged various aspects of the Award, including the above-mentioned interest obligations and rights, petitions for which have been admitted by the Court and notices issued, as a result of which the matter is currently sub-judice. In view of the foregoing, and pending outcome of the aforesaid challenges at the Court, management is of the view that it is not possible to determine the effects of any such obligations and rights (including and additional consequential obligations and rights). Further, the effects of the above matter may attract the consequent provisions (including penal provisions) of applicable provisions of law, including deeming provisions, relating to acceptance of deposits. Based on their assessment and legal advice obtained, management is of the view that any possible consequential effects, (including penal consequences and any compounding thereof), of past events and actions in relation to the foregoing, are not likely to have a material impact on the financial statements of the Company. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

## 45. Segment reporting

Based on internal reporting provided to the chief operating decision maker, air transport service is the only reportable segment for the Company.

### Revenue from external customers

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
India	82,378.35	72,685.64
Outside India	8,754.19	4,871.27
<b>Total revenue as per statement of profit or loss</b>	<b>91,132.54</b>	<b>77,556.91</b>

The revenue information above is based on the locations of the customers.

# Notes to the Standalone Financial Statements

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

## Non-current operating assets

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
India	22,308.48	21,470.96
Outside India	-	-
<b>Total</b>	<b>22,308.48</b>	<b>21,470.97</b>

Non-current assets for this purpose consist of property, plant and equipment, intangible assets and other non-current assets.

There are no sales to external customers more than 10% of total revenue.

## 46. Income Tax Expense

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

### Profit or loss section

<b>Current Tax:</b>		
Current income tax charge	-	-
<b>Deferred Tax:</b>		
Relating to the origination and reversal of temporary differences	-	-
<b>Income Tax expense reported in the statement of profit and loss</b>	<b>-</b>	<b>-</b>

### Other Comprehensive Income(OCI) section

Deferred tax related to items recognised in OCI during in the year:

Net loss/(gain) on remeasurement of defined benefit plan	14.45	(2.34)
<b>Income Tax charged to OCI</b>	<b>14.45</b>	<b>(2.34)</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018 :

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (34.944%) as follows:

<b>Accounting Profit before income tax</b>	<b>(3,160.83)</b>	<b>5,666.51</b>
Profit before income tax multiplied by standard rate of corporate tax in India of 34.944% (2018: 34.608%)	(1,104.52)	1,961.07
<b>Effects of:</b>		
Income exempted from tax	(33.60)	(22.48)
Non-deductible expenses for tax purposes	344.85	263.79
Set-off of brought forward losses	793.27	(2,202.38)
<b>Net effective income tax</b>	<b>-</b>	<b>-</b>

### Deferred Tax

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 temporary difference on depreciation

# Notes to the Standalone Financial Statements

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

of ₹4,185.33 million as at March 31, 2019 (₹4,276.32 million as at March 31, 2018) since it is not probable that future taxable profit will be available against which the complete unused tax losses and unused tax credits will be utilised.

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax liability	(4,185.33)	(4,276.32)
Deferred Tax asset	4,185.33	4,276.32
<b>Net Deferred Tax asset/ (liability)</b>	<b>-</b>	<b>-</b>

Year ended March 2019	Opening	Recognised in profit or loss	Recognised in OCI	Closing Balance
Property, plant & equipment	(4,276.32)	90.99	-	(4,185.33)
Tax losses	4,276.32	(90.99)	-	4,185.33
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Year ended March 2018	Opening	Recognised in profit or loss	Recognised in OCI	Closing Balance
Property, plant & equipment	(4,470.24)	193.92	-	(4,276.32)
Tax losses	4,470.24	(193.92)	-	4,276.32
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Unused tax losses and unused tax credits

Unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

Particulars	As at March 31, 2019	As at March 31, 2018
Unused Tax losses *	3,649.86	2,356.57
Unabsorbed Tax depreciation #	13,081.97	12,013.40
<b>Net Deferred Tax asset/ (liability)</b>	<b>16,731.83</b>	<b>14,369.97</b>

## # Unabsorbed depreciation does not have any expiry period under the Income Tax Act, 1961

\*The following table details the expiry of the unused tax losses

< 4 years	2,356.57	2,356.57
< 8 years	1,293.29	-
<b>Total</b>	<b>3,649.86</b>	<b>2,356.57</b>

The unused tax losses and unabsorbed depreciation considered above are based in the tax records and returns of the Company and does not consider the potential effect of matters under dispute/litigation with the tax authorities which are currently sub-judice at various levels. Also refer note 43.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 47. Related party transactions

Relationship	Name of the party
Party exercising control	Mr. Ajay Singh
Enterprises over which parties above or their relatives have control/ significant influence ('Affiliates')	Crosslink Finlease Private Limited
	Greenline Transit System Private Limited
	Intel Constructions Private Limited
	One City, Promoters Private Limited
	Indiverse Broadband Private Limited
	Starbus Services Private Limited
	Argentum Electric Vehicles Private Limited
	i2n Technologies Private Limited
	Greenline Communication Private Limited
	Pan India Motors Private Limited
	Spice Fresh Private Limited
	Spice Wecare Private Limited
	SpiceJet Innovate Private Limited
	Multipurpose Trading and Agencies Limited
Investment in equity shares of subsidiaries	SpiceJet Merchandise Private Limited
	SpiceJet Technic Private Limited
	Canvin Real Estate Private Limited
Key management personnel	Mr. Ajay Singh, Chairman and Managing Director
	Mrs. Shiwani Singh, Non-Executive Promoter Director
	Mr. Kiran Koteswar, Chief Financial Officer
	Mr. Chandan Sand, Company Secretary
	Mr. HarshaVardhana Singh, Independent Director
	Mr. Anurag Bhargava, Independent Director
	Mr. R. Sasiprabhu, Independent Director (up to May 9, 2018)
	Mr Ajay Chhotelal Aggarwal, Independent Director (from February 11, 2019)

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

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

Subsidiaries	Year ended March 31, 2019	Year ended March 31, 2018
<b>SpiceJet Merchandise Private Limited</b>		
<i>Transactions during the year</i>		
Loans to subsidiary	-	59.11
Interest on loan	-	30.46
Purchase of goods	15.35	29.86
Reimbursement of expenses	0.58	-
Provision for loan	210.00	-
Write off of interest on loan	30.46	-
Write off of receivables	25.17	-
<i>Balances outstanding as at the period end</i>		
Investment in subsidiary	0.10	0.10
Loans to subsidiary	249.44	249.44
Provision for loan	210.00	-
Reimbursement of expenses	-	25.17
Interest on loan	-	30.46
<b>SpiceJet Technic Private Limited</b>		
<i>Transactions during the year</i>		
Loans to subsidiary	42.20	12.20
Interest on loan	-	0.39
Write off of interest on loan	0.39	-
Aircraft maintenance services	52.90	-
<i>Balances outstanding as at the period end</i>		
Investment in subsidiary	0.10	0.10
Loans to subsidiary	54.40	12.20
Interest on loan	-	0.39
Trade Payables	52.90	-
<b>Canvin Real Estate Private Limited</b>		
<i>Transactions during the year</i>		
Investment in subsidiary	-	0.10
Loans to subsidiary	2.70	236.00
Accrued interest on loan	-	2.35
Write off of Interest on loan	2.35	-
<i>Balances outstanding as at the period end</i>		
Investment in subsidiary	0.10	0.10
Loans to subsidiary	238.70	-
Interest on loan	-	2.35
<b>i2n Technologies Private Limited</b>		
<i>Transactions during the year</i>		
Legal and professional services	7.70	-
<i>Balances outstanding as at the period end</i>		
Advance to suppliers	-	1.25

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Company has not recorded interest on loans provided to related parties owing to uncertainty in collection of the related dues. Further, the Company has also recorded impairment on the interest owed by related parties till date during the current year as further disclosed above (March 31, 2018: Nil).

## Compensation of Key management personnel of the Company

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits	101.74	200.05
Share-based payment transactions (Refer note 39)	62.13	9.45
Provident Fund Contribution	1.48	1.40
<b>Total</b>	<b>165.35</b>	<b>210.90</b>
<i>Sitting fees</i>		
Mr. Anurag Bhargava	0.50	0.26
Mr. R. Sasiprabhu	-	0.34
Dr. Harsha Vardhana Singh	0.50	0.35
Ms. Shiwani Singh	0.40	0.10
<b>Total</b>	<b>1.40</b>	<b>1.05</b>
<b>Total compensation paid to key management personnel</b>	<b>166.75</b>	<b>211.95</b>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

As the liabilities for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel are not included above.

## 48. Fair Values

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities.

Particulars	Carrying value		Fair value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Financial Assets</b>				
Investments - Non current	0.24	0.24	0.24	0.24
Investments - Current	3.63	1,012.62	3.63	1,012.62
Loans	332.54	497.62	332.54	497.62
Other financial assets - Non current	11,344.23	8,832.64	11,344.23	8,832.64
Other financial assets - Current	1,031.92	1,159.89	1,031.92	1,159.89

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

Particulars	Carrying value		Fair value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Trade receivables	1,353.37	851.87	1,353.37	851.87
Other receivables	5,791.00	711.36	5,791.00	711.36
Cash and cash equivalents	778.97	1,457.71	778.97	1,457.71
<b>Total</b>	<b>20,635.90</b>	<b>14,523.95</b>	<b>20,635.90</b>	<b>14,523.95</b>
<b>Financial Liabilities (Non-current and Current)</b>				
Borrowings - Non current	5,566.28	6,509.53	5,560.93	6,528.14
Borrowings - current	4,179.44	3,574.38	4,179.44	3,574.38
Trade payables - Non current	77.65	150.69	77.65	150.69
Trade Payables - Current	10,513.02	6,882.20	10,513.02	6,882.20
Other current financial liabilities	1,621.86	3,182.44	1,621.86	3,182.44
<b>Total</b>	<b>21,958.25</b>	<b>20,299.24</b>	<b>21,952.90</b>	<b>20,317.85</b>

The Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values. The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables, and other current and non-current financial liabilities and financial assets approximate their carrying amounts largely due to the short-term maturities of these financial instruments. The fair value of borrowings is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return, adjusted for the Credit spread considered by the lenders for instruments of the similar maturity.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## 49. Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities are measured at fair value in the Balance Sheet.

Particulars	Fair value hierarchy as at March 31, 2019		
	Level 1	Level 2	Level 3
Investments in mutual funds	3.63	-	-
Equity Investments	-	-	0.24
Particulars	Fair value hierarchy as at March 31, 2018		
	Level 1	Level 2	Level 3
Investments in mutual funds	1,012.62	-	-
Equity Investments	-	-	0.24

The fair value of the derivative instruments have been calculated in reference to the intermediate market rate between offer rate and bid rate (both interest rate and exchange rate) or intermediate price between buying price and selling price as on the reporting date.

There have been no transfers between level 1 and level 2 during the period.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## 50. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of loans and borrowings, trade and other payables and derivatives. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a treasury team. The treasury team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. Market risk comprises three types of risk: interest rate risk, currency risk and foreign currency risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2019.

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The majority of the Company's investments are in the shares of subsidiaries, which are carried at cost. The investments in other equity instruments as at the reporting date are not material.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because it borrow funds at floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. As at March 31, 2019 approximately 49.32% of the Company's borrowings are at a variable rate of interest (March 31, 2018 - 47.06%)

#### Interest rate sensitivity

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2019 would decrease/increase by ₹28.44 million (March 31, 2018: decrease/increase by ₹31.17 million).

In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company actively manages its currency rate exposures through its treasury team using derivative instruments such as forward contracts to mitigate the risks from such exposures.

The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

## Foreign currency sensitivity

The following demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The sensitivity analysis includes only outstanding unhedged foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

If the foreign currency rates had been 5% higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2019 would decrease/increase by ₹262.99 million (March 31, 2018: decrease/increase by 415.32 million).

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

## Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Trade receivables are typically unsecured and are primarily derived from cargo and other revenue streams. Majority of the Company's passenger revenue is made against deposits made by agents. Trade receivables primarily comprise of domestic customers, which are fragmented and are not concentrated to individual customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored. At March 31, 2019, the Company had 26 customers (March 31, 2018: 11 customers) that owed the Company more than ₹10 million each and accounted for approximately 65% (March 31, 2018: 61%) of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are widely dispersed and operate in largely independent markets. The average credit period ranges between 30 and 90 days.

## Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt markets with a view to maintaining financial flexibility.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Year ended March 2019	On demand	Up to 1 year	1 to 5 years	> 5 years	Total
<b>Financial Liabilities (Non-current and Current)</b>					
Borrowings	997.79	3,181.65	5,202.16	364.12	9,745.72
Trade Payables	4,340.53	5,983.99	77.65	-	10,402.17
Other current financial liabilities	-	1,563.65	58.21	-	1,621.86
<b>Total</b>	<b>5,338.32</b>	<b>10,729.29</b>	<b>5,338.02</b>	<b>364.12</b>	<b>21,769.75</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

Year ended March 2018	On demand	Up to 1 year	1 to 5 years	> 5 years	Total
<b>Financial Liabilities (Non-current and Current)</b>					
Borrowings	2,162.61	1,416.89	5,083.92	1,420.50	10,083.91
Trade Payables	4,169.43	2,712.77	150.69	-	7,032.89
Other current financial liabilities	39.03	3,125.16	18.25	-	3,182.44
<b>Total</b>	<b>6,371.07</b>	<b>7,254.82</b>	<b>5,252.86</b>	<b>1,420.50</b>	<b>20,299.24</b>

## 51. Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term fleet expansion plans. The funding requirements are met through internal accruals and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors capital employed using a Debt equity ratio, which is total debt divided by total equity and maturity profile of the overall debt portfolio of the Company.

The Company's policy is to keep the net debt to total equity ratio above (1.00).

Particulars	As at March 31, 2019	As at March 31, 2018
Long term borrowings	5,566.28	6,509.53
Short term borrowings	4,179.44	3,574.38
Other current liabilities (Current maturities of Long term borrowing)	1,351.88	2,943.01
Cash and cash equivalents	(649.47)	(1,186.71)
Bank balances other than above	(129.50)	(271.00)
Net debt	10,318.63	11,569.21
Total equity	(3,506.83)	(429.67)
<b>Net debt to total equity ratio</b>	<b>(2.94)</b>	<b>(26.93)</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

## 52. Details of CSR expenditure

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gross amount required to be spent by the Company during the year	96.48	21.55
<b>Amount spent during the year ending on March 31, 2019</b>	<b>Paid in cash</b>	<b>Yet to be paid in cash</b>
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	4.65	91.83

## Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amount spent during the year ending on March 31, 2018	<b>Paid in cash</b>	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	<b>3.11</b>	18.44

### 53. Previous year figures

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

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 101049W/E300004

**per Aniruddh Sankaran**  
Partner  
Membership No: 211107  
Place: Gurgaon  
Date: May 28, 2019

For and on behalf of the Board of Directors

**Ajay Singh**  
Chairman & Managing  
Director  
Place: Gurgaon  
Date: May 28, 2019

**Kiran Koteswar**  
Chief Financial Officer  
Place: Gurgaon  
Date: May 28, 2019

**Chandan Sand**  
Company Secretary  
Place: Gurgaon  
Date: May 28, 2019

# Independent Auditor's Report

To the Members of SpiceJet Limited

## Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of SpiceJet Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2019, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 46 of the consolidated Ind AS financial statements regarding the uncertainties arising from the dispute with erstwhile promoters and certain resultant possible non-compliances of applicable provisions of law.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Provision for aircraft maintenance</b> (Refer note 20, 25 and 38 of the consolidated Ind AS financial statements)	
As at March 31, 2019, the Group operated 65 aircraft under operating leases, in respect of which the Group has contractual, regulatory or other constructive obligations for maintenance of such aircraft and/or specific components thereof.	<p>Our audit procedures in this regard included the following:</p> <ul style="list-style-type: none"> <li>We assessed the design, implementation and operating effectiveness of management's key internal controls over accounting for maintenance provisions for aircraft held under operating leases;</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>Management estimates such maintenance costs at the end of each reporting period and accrues such costs over the lease term. The calculation of such costs, and related provision, include a number of variable factors, judgements and assumptions, including the anticipated utilisation of the aircraft, cost of maintenance and the expected drawdown from the supplemental rental contribution.</p> <p>Provisions for aircraft maintenance costs aggregate ₹5,799.54 million as at March 31, 2019.</p> <p>We have identified provision for aircraft maintenance as a key audit matter because of the inherent level of complex and subjective management judgements required in assessing the variable factors and assumptions, in order to quantify the provision amounts.</p>	<ul style="list-style-type: none"> <li>• We evaluated the provisioning model, methodology and key assumptions adopted by management in estimating the provisions and any changes therein by reviewing the terms of the operating leases and terms of maintenance contracts with third party vendors, and comparing assumptions to contract terms, information from the lessors and the Group's maintenance cost experience;</li> <li>• We discussed with the appropriate personnel in the engineering department responsible for aircraft engineering, the utilisation pattern of the aircraft and considering the consistency of the provisions with the engineering department's assessment of the condition of aircraft;</li> <li>• We assessed the maintenance costs incurred and provisions made in earlier years, to evaluate the judgement and decisions made by management in estimating the provisions.</li> <li>• We assessed the adequacy of the related disclosures.</li> </ul>
<b>Capitalisation of aircraft maintenance and overhaul costs</b> (Refer note 38 and 2(A)(d) of the consolidated Ind AS financial statements)	
<p>The Group has entered into certain engine maintenance agreements with engine manufacturers, where the maintenance costs are predicated primarily on the actual use of the related underlying assets.</p> <p>The cost incurred for overhauls under these agreements has the economic effect of extending the useful lives of the engines. This is first recognised as a prepayment, and is capitalised in the carrying amount of the aircraft when an overhaul is carried out.</p> <p>Major inspection costs relating to heavy maintenance visits for overhauls of engines are capitalised. These amounts are depreciated over the average expected life between major overhauls.</p> <p>Determining the useful lives of maintenance inspections requires judgement and is a key focus for our audit.</p>	<p>Our audit procedures to assess aircraft maintenance and overhaul costs included the following:</p> <ul style="list-style-type: none"> <li>• We read the power-by-hour agreements to gain a detailed understanding of the significant terms which influence the economics of, and hence, accounting for the agreements.</li> <li>• We assessed the design and implementation of key internal controls in place relating to the methodologies and assumptions used in determining the appropriate accounting outcomes for these agreements.</li> <li>• We assessed the interval between major overhauls and reviewing the reasonableness of the estimates of the useful lives of major engine overhaul events.</li> <li>• We assessed the compliance of the accounting treatment applied to maintenance costs, with industry practice and the requirements of accounting principles generally accepted in India.</li> <li>• We assessed the adequacy of the related disclosures.</li> </ul>
<b>Management's assessment of appropriateness of going concern assumption</b> (Refer note 2(A)(a)(iii) of the consolidated Ind AS financial statements)	
<p>The Group's cash flow forecasts used to assess the appropriateness of the going concern assumption, reflect management's business plan and their response to a range of uncertainties including, among other matters, fuel prices, exchange rate fluctuation and other emerging business trends.</p> <p>In addition, there are significant cash inflows and outflows expected in financial year ending March 31, 2020. Management has prepared cash flow forecasts which involve estimations based on management's input of key variables and market conditions including the future economic conditions.</p> <p>Management has also used significant judgement and estimates to develop a number of assumptions in respect of these uncertainties, based on which they have concluded that the going concern basis of accounting is appropriate.</p>	<p>Our audit procedures in this regard included the following:</p> <ul style="list-style-type: none"> <li>• We discussed with management, and assessed and challenged the assumptions, judgements and estimates used in developing their business plan and cash flow projections, having regard to historical performance and current emerging business trends affecting the business and industry.</li> <li>• We tested the arithmetical accuracy of the models used to prepare the Group's forecasts, which included understanding the data inputs, calculations and reporting of outputs and performing a sensitivity analysis of the assumptions and judgements made by the Management in those forecasts, including inputs to the model used to estimate the future cash flows.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>In view of these factors, and the judgements, estimates and assumptions involved in developing the said cash flow projections to support the going concern assumption, we identified this matter as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• We assessed the timing of various recurring and other events affecting significant cash inflows and outflows over the next twelve months and, where possible, the foreseeable future.</li> <li>• We assessed any potential restrictions on cash balances including deposits, and the possibility of occurrence and effect of contractual covenants that could be imposed on the Group.</li> <li>• We assessed management's cash flow forecasts related to maintenance obligations on aircrafts comparing this to the current maintenance condition of the aircraft and recent experience of shop visits and end of lease handback checks.</li> <li>• We assessed the Group's responses to the emerging business trends and consequential impact on the cash flows of the Group.</li> <li>• We assessed the Group's disclosures regarding going concern, in the financial statements.</li> </ul>

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated IND AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with governance of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Group's companies, none of the directors of the Group's companies, is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Group, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/ provided by the Group to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements – Refer Note 45 to the consolidated Ind AS financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2019.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

**per Aniruddh Sankaran**  
Partner  
Membership Number: 211107

Place : Gurgaon  
Date : May 28, 2019

## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SPICEJET LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of SpiceJet Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of SpiceJet Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership Number: 211107

Place : Gurgaon

Date : May 28, 2019

# Consolidated Balance Sheet

## as at March 31, 2019

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

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment ('PPE')	3	16,128.85	15,943.24
Intangible assets	4	128.74	40.40
Financial Assets			
(i) Investments	5	0.24	0.24
(ii) Other Financial Assets	6	11,349.21	8,797.33
Non-current tax assets	7	348.12	290.63
Other non current assets	8	6,277.17	5,713.94
<b>Total non-current assets</b>		<b>34,232.33</b>	<b>30,785.78</b>
<b>Current Assets</b>			
Inventories	9	1,413.24	1,418.71
Financial Assets			
(i) Investments	10	3.63	1,012.62
(ii) Trade Receivables	11	1,353.37	858.28
(iii) Other Receivables	12	5,791.00	711.36
(iv) Cash and cash equivalents	13a	667.61	1,199.51
(v) Bank balances other than (iv) above	13b	129.50	271.00
(vi) Other financial assets	14	1,042.64	1,134.76
Other current assets	15	3,294.58	2,800.51
<b>Total current assets</b>		<b>13,695.57</b>	<b>9,406.75</b>
<b>Total Assets</b>		<b>47,927.90</b>	<b>40,192.53</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	16	5,997.18	5,994.50
Other Equity	17		
(i) Retained earnings		(19,530.75)	(16,492.19)
(ii) Securities Premium Account		9,901.12	9,864.92
(iii) Other reserves		132.81	73.57
<b>Total Equity</b>		<b>(3,499.64)</b>	<b>(559.20)</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	18	5,566.28	6,509.53
(ii) Trade Payables	19		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		77.65	150.69
Long-term Provisions	20	4,289.76	2,499.20
Other non-current liabilities	21	5,298.35	617.16
<b>Total non-current liabilities</b>		<b>15,232.04</b>	<b>9,776.58</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	22	4,179.44	3,574.38
(ii) Trade Payables	23		
- total outstanding dues of micro enterprises and small enterprises		188.50	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		10,293.28	6,885.27
(iii) Other current financial liabilities	24	1,621.84	3,182.45
Short-term Provisions	25	2,787.12	2,253.78
Other Current Liabilities	26	17,125.32	15,079.27
<b>Total current liabilities</b>		<b>36,195.50</b>	<b>30,975.15</b>
<b>Total Liabilities</b>		<b>51,427.54</b>	<b>40,751.73</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>47,927.90</b>	<b>40,192.53</b>

Summary of significant accounting policies

2

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

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 101049W/E300004

For and on behalf of the Board of Directors

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

Place: Gurgaon  
Date: May 28, 2019

**Ajay Singh**  
Chairman & Managing  
Director

Place: Gurgaon  
Date: May 28, 2019

**Kiran Koteswar**  
Chief Financial Officer

Place: Gurgaon  
Date: May 28, 2019

**Chandan Sand**  
Company Secretary

Place: Gurgaon  
Date: May 28, 2019

## Consolidated Statement of Profit and Loss for the year ended March 31, 2019

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

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income</b>			
Revenue from contracts with customers	27	91,214.75	77,601.34
Other income	28	582.90	795.18
<b>Total Revenue</b>		<b>91,797.65</b>	<b>78,396.52</b>
<b>Expenses</b>			
Operating expenses	30	72,948.77	55,449.95
Purchase of traded goods	31a	3.88	91.56
Increase in inventories of traded goods	31b	135.03	(59.45)
Employee benefits expense	32	10,584.24	8,616.93
Sales and marketing expenses	33	2,081.66	1,900.38
Other expenses	34	5,421.59	4,085.83
<b>Total Expense</b>		<b>91,175.17</b>	<b>70,085.20</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>622.48</b>	<b>8,311.32</b>
Depreciation and amortization expense	3 & 4	(2,563.54)	(2,313.18)
Finance Income	29	864.90	497.22
Finance costs	35	(1,313.03)	(923.30)
<b>Profit/ (Loss) for the year before exceptional items</b>		<b>(2,389.19)</b>	<b>5,572.06</b>
Exceptional items	36	(634.66)	-
<b>Profit/ (Loss) Before Tax</b>		<b>(3,023.85)</b>	<b>5,572.06</b>
Income Tax Expense			
- Current Tax		0.26	-
- Deferred Tax		-	-
Total tax expense		0.26	-
<b>Profit/ (Loss) for the year</b>		<b>(3,024.11)</b>	<b>5,572.06</b>
<b>Other Comprehensive Income:</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Remeasurement gains and (losses) on defined benefit obligations (net)		(14.45)	2.34
Income tax impact			
<b>Other comprehensive loss for the year</b>		<b>(14.45)</b>	<b>2.34</b>
<b>Total comprehensive income for the year</b>		<b>(3,038.56)</b>	<b>5,574.40</b>
Earnings per Equity Share of INR 10 each	37		
Earnings per share			
- Basic earnings per share		(5.04)	9.30
- Diluted earnings per share	37c	(5.04)	9.30

Summary of significant accounting policies

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See accompanying Notes forming 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/E300004

per **Aniruddh Sankaran**

Partner

Membership No: 211107

Place: Gurgaon

Date: May 28, 2019

For and on behalf of the Board of Directors

**Ajay Singh**

Chairman & Managing  
Director

Place: Gurgaon

Date: May 28, 2019

**Kiran Koteswar**

Chief Financial Officer

Place: Gurgaon

Date: May 28, 2019

**Chandan Sand**

Company Secretary

Place: Gurgaon

Date: May 28, 2019

# Consolidated Cash Flow Statement

## for the year ended March 31, 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flow from operating activities</b>		
Profit/ (Loss) before tax and exceptional items	(2,389.19)	5,572.06
Adjustments to reconcile profit before tax and exceptional items to net cash flows:		
Depreciation and Amortisation expense	2,563.54	2,313.18
Provision for doubtful claims/ advances	80.31	103.07
Loss/ (profit) on disposal of PPE (net)/ assets written off	20.02	52.16
Provision for litigations	9.51	-
Advances/ debts written off	170.16	36.54
Share-based payment expense	85.52	13.01
Provision for aircraft maintenance	5,400.86	4,164.81
Provision for aircraft redelivery	267.58	102.46
Liabilities/ provision no longer required written back	(369.78)	(489.08)
Profit on sale of aircraft and engines under sale and lease-back arrangement	(243.99)	(47.55)
Net (Gain)/ Loss on financial assets measured at fair value through profit or loss ('FVTPL')	12.39	26.85
Finance income	(864.90)	(497.22)
Finance costs	1,313.03	923.30
Translation loss/ (gain) on monetary assets and liabilities	542.46	113.70
<b>Operating profit before working capital changes</b>	<b>6,597.52</b>	<b>12,387.29</b>
<b>Movements in working capital :</b>		
(Increase)/ Decrease in trade receivables	(5,704.08)	(914.92)
(Increase)/ Decrease in inventories	5.47	(433.20)
(Increase)/ Decrease in other financial assets	(1,131.85)	(11.98)
(Increase)/ Decrease in other assets	(1,392.94)	(1,761.90)
Increase/ (Decrease) in trade payables	(1,770.90)	(2,722.69)
Increase/ (Decrease) in other financial liabilities	(1,537.68)	1,623.03
Increase/ (Decrease) in other liabilities	6,336.57	1,930.81
Increase/ (Decrease) in provisions	2,032.36	337.69
<b>Cash generated from operations</b>	<b>3,434.47</b>	<b>10,434.13</b>
Income taxes received/ (paid) (net of refunds)	(57.49)	(79.03)
<b>Net cash flow from/ (used in) operating activities</b>	<b>A</b>	<b>10,355.10</b>
<b>Cash flow from investing activities</b>		
Purchase of PPE and capital work in progress (including capital advances)	(2,421.30)	(2,741.49)
Proceeds from sale of PPE	8.47	18.75
Proceeds from issue of shares on exercise of stock options	2.68	-
Proceeds from sale of investments	996.60	358.04
Investments in bank deposits	141.50	214.74
Deposit with Delhi High Court	(109.04)	(2,450.00)
Margin money deposits placed	(5,746.18)	(6,320.07)
Margin money deposits withdrawn	4,414.46	2,365.54
Finance income	861.20	303.56
<b>Net cash from/ (used in) investing activities</b>	<b>B</b>	<b>(8,250.93)</b>
<b>Cash flow from financing activities</b>		
Proceeds from short-term borrowings	642.90	1,051.93
Repayment of long-term borrowings	(1,356.03)	(1,250.31)
Finance costs	(1,335.96)	(902.49)
<b>Net cash (used in)/ from financing activities</b>	<b>C</b>	<b>(1,100.87)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>1,003.30</b>
Effects of exchange difference on cash and cash equivalents held in foreign currency	(8.18)	(0.10)
Cash and cash equivalents at the beginning of the year	1,199.51	196.31
Cash and cash equivalents at the end of the year	667.61	1,199.51
<b>Notes :</b>		
Components of cash and cash equivalents		
On current accounts	610.39	1,122.41
On deposit accounts	15.88	55.63
Cash on hand	41.34	21.47
<b>Total cash and cash equivalents (Note 13)</b>	<b>667.61</b>	<b>1,199.51</b>

See accompanying Notes forming 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/E300004

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

Place: Gurgaon  
Date: May 28, 2019

For and on behalf of the Board of Directors

**Ajay Singh**  
Chairman & Managing  
Director

Place: Gurgaon  
Date: May 28, 2019

**Kiran Koteswar**  
Chief Financial Officer

Place: Gurgaon  
Date: May 28, 2019

**Chandan Sand**  
Company Secretary

Place: Gurgaon  
Date: May 28, 2019

# Consolidated Statement of Changes in Equity

## for the year ended March 31, 2019

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

### a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid	Number	Amount
As at April 01, 2018	599,450,183	5,994.50
Issue during the year pursuant to exercise of employee stock options scheme	268,173	2.68
At March 31, 2019	<b>599,718,356</b>	<b>5,997.18</b>
<b>At March 31, 2019</b>	<b>599,718,356</b>	<b>5,997.18</b>

### b. Other equity

#### For the year ended March 31, 2019

Particulars	Retained earnings	Securities Premium Account	General Reserve	Share-based payment reserves	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Total Equity
<b>As at April 01, 2018</b>	(16,492.19)	9,864.92	49.09	13.01	11.47	(6,553.70)
Profit/ (Loss) for the year	(3,024.11)	-	-	-	-	(3,024.11)
Other comprehensive income	(14.45)	-	-	-	-	(14.45)
Total Comprehensive Income	(19,530.75)	9,864.92	49.09	13.01	11.47	(9,592.26)
Options granted during the year	-	-	-	85.52	-	85.52
Movement during the year in Foreign Currency Monetary Item Translation Difference Account ('FCMITDA'), net	-	-	-	-	28.47	28.47
Transfer to Securities Premium upon excise of options	-	36.20	-	(36.20)	-	-
Recognised in the Statement of P&L during the year	-	-	-	-	(18.55)	(18.55)
<b>As at March 31, 2019</b>	<b>(19,530.75)</b>	<b>9,901.12</b>	<b>49.09</b>	<b>62.33</b>	<b>21.39</b>	<b>(9,496.82)</b>

#### For the year ended March 31, 2018

Particulars	Retained earnings	Securities Premium Account	General Reserve	Share-based payment reserves	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Total Equity
<b>As at April 01, 2017</b>	(22,066.59)	9,864.92	49.09	-	32.06	(12,120.52)
Profit/ (Loss) for the year	5,572.06	-	-	-	-	5,572.06
Other comprehensive income	2.34	-	-	-	-	2.34
Total Comprehensive Income	(16,492.19)	9,864.92	49.09	-	32.06	(6,546.12)
Options granted during the year	-	-	-	13.01	-	13.01
Movement during the year in Foreign Currency Monetary Item Translation Difference Account ('FCMITDA'), net	-	-	-	-	1.58	1.58
Transfer to Securities Premium upon excise of options	-	-	-	-	-	-
Recognised in the Statement of P&L during the year	-	-	-	-	(22.17)	(22.17)
<b>As at March 31, 2018</b>	<b>(16,492.19)</b>	<b>9,864.92</b>	<b>49.09</b>	<b>13.01</b>	<b>11.47</b>	<b>(6,553.70)</b>

See accompanying Notes forming 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/E300004

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

Place: Gurgaon  
Date: May 28, 2019

For and on behalf of the Board of Directors

**Ajay Singh**  
Chairman & Managing Director

Place: Gurgaon  
Date: May 28, 2019

**Kiran Koteswar**  
Chief Financial Officer

Place: Gurgaon  
Date: May 28, 2019

**Chandan Sand**  
Company Secretary

Place: Gurgaon  
Date: May 28, 2019

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## 1. Corporate Information

The consolidated financial statements comprise financial statements of SpiceJet Limited ('the Company') and its subsidiaries (collectively, 'the Group') for the year ended March 31, 2019. The Company was incorporated on February 9, 1984 as a limited Group under the Companies Act, 1956 and is listed on the Bombay Stock Exchange Limited ('BSE'). The registered office of the Company is located at Indira Gandhi International Airport, Terminal 1D, New Delhi - 110037.

The Group is engaged principally in the business of providing air transport services for the carriage of passengers and cargo. The Group is a low cost carrier ('LCC') operating under the brand name of 'SpiceJet' in India since May 23, 2005. The Group operates a fleet of 78 aircraft including 2 aircraft taken on wet lease across various routes in India and abroad as at March 31, 2019. Information on the Group's structure is provided in Note 39. Information on other related party relationships of the Group is provided in Note 49.

The financial statements were approved for issue by the board of directors on May 28, 2019.

## 2.A Summary of significant accounting policies

### a) Basis of preparation of financial statements

#### i. Compliance with Ind-AS

The Consolidated financial statements of the Group for the year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules 2015, read with Companies (Indian Accounting Standards) as amended.

The financial statements are presented in Indian Rupees (Rs.) (its functional currency) and all values are rounded off to the nearest millions, except where otherwise indicated.

#### ii. Historical Cost convention

The Consolidated financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments)

#### iii. Going concern assumption

The Group has been consistently profitable for the previous three financial years, as a result of which the negative net worth of Rs 14,852 million as at March 31, 2015 has reduced to Rs 3,499.64 million as at March 31, 2019. The earlier position of negative net worth and consequent net current liabilities was the result of historical factors. Further, the loss of Rs. 3,024.11 million in the current year is largely a result of adverse foreign exchange rates and fuel prices, during the second quarter of the financial year. As a result of various operational, commercial and financial measures implemented over the last four years, the Group has significantly improved its liquidity position, and generated operating cash flows during that period. Further, macroeconomic factors are expected to improve having regard to industry outlook in the markets in which the Group operates. Based on business plans and cash flow projections, which consider various recurring and other events including aircraft maintenance costs based on contractual obligations and current maintenance conditions, management is of the view that the Group will be able to maintain profitable operations and raise funds as necessary, in order to meet its liabilities as they fall due. Accordingly, these financial statements have been prepared on the basis that the Group will continue as a going concern for the foreseeable future.

### b) Basis of Consolidation

The Consolidated Financial Statements ('CFS') relates to SpiceJet Limited ('the Group'), its Subsidiary Companies (together, 'the Group').

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

The Financial Statements of the Subsidiaries used in the Consolidation are drawn up to the same reporting date as that of the Group i.e. March 31, 2019.

Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

## Consolidation procedures:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, Plant and Equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

## Subsidiary

The Financial Statements of the Group and its Subsidiary Companies have been combined on a line-by-line basis by adding together the amounts of like items of assets, liabilities, income and expenses, after fully eliminating material intra-group balances, intra-group transactions and the resulting unrealised profits or losses, unless cost cannot be recovered, as per Indian Accounting Standard 110 - Consolidated Financial Statements ('Ind AS 110').

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

Non-Controlling Interest in the Net Assets of the Consolidated Subsidiaries consists of:

- (i) The amount of Equity attributable to holders of non-controlling interest at the date on which the investment in the Subsidiary is made; and
- (ii) The Non-Controlling Interests' share of movements in Equity since the date the Parent Subsidiary relationship came into existence.

Non-Controlling Interest ('NCI') share in the Net Profit/ (Loss) for the year of the Consolidated Subsidiaries is identified and adjusted against the Profit After Tax of the Group even if this results in the NCI having a deficit balance.

## c) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

## d) Property, plant and equipment

Property, plant and equipment 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 cost of property, plant and equipment not ready for intended use before such date is disclosed under capital work-in-progress.

For depreciation purposes, the Group identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the life of the principal asset and depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied and the same is depreciated based on their specific useful lives. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Group has opted to avail the exemption under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in financial statements for period ended immediately before beginning of first Ind AS financial reporting period as per Indian GAAP (i.e. till March 31, 2016). Consequent to which:

- Exchange differences arising on long-term foreign currency monetary items related to acquisition of certain Bombardier Q400 aircraft 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.

## Depreciation

The Group, based on technical assessment made by experts and management estimates, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Group has used the following rates to provide depreciation on its property, plant and equipment.

Asset Description	Useful life estimated by the management (years)
Office Equipment	5
Computers	3 - 6
Furniture and Fixtures	10
Motor Vehicles	8
Plant and Machinery	15
Aircraft, engines and landing gear (excluding cost of major inspection)	8 - 17.86
Rotable and Tools	17.86

The Group has elected to continue with the carrying value for all its Property, plant and equipment as recognised in its Indian GAAP financials as deemed cost as at the transition date (viz. April 01, 2015).

## e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Costs incurred towards purchase of computer software are amortised 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) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less cost of disposal 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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

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 fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group'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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the services, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation/ amortization 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 Group 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/ amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

## g) Borrowing Costs

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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## h) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer. The revenue is recognized net of Goods and Service Tax (if any).

### Rendering of services

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 contract liability.

Fees charged for cancellations or any changes to flight tickets and towards special service requests are recognized as revenue on rendering of related services.

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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

Revenue from wet lease of aircraft is recognised as follows:

- a) The fixed rentals under the agreements are recognised on a straight line basis over the lease period.
- b) The variable rentals in excess of the minimum guarantee hours are recognised based on actual utilisation of the aircraft during the period.

Income in respect of hiring/ renting out of equipment and spare parts is recognised at rates agreed with the lessee, as and when related services are rendered.

When another party is involved in providing services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised services before providing them to the customer. However, if the Group's role is only to arrange for another entity to provide the services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

The Group has applied the practical expedient and recognised the costs of selling airline travel tickets as an expense when it is incurred.

## Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

## Sale of food and beverages

Revenue from sale of food and beverages is recognised when the products are delivered or served to the customer. Revenue from such sale is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Amounts received in advance towards food and beverages are shown under current liabilities as unearned revenue.

## Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

## Training Income

Revenue from training income is recognized proportionately with the degree of completion of services, based on management estimates of the relative efforts as well as the period over which related training activities are rendered for individual employees by the Group.

## Interest

Interest income is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

## **i) Employee benefits**

### **i. Short-term benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group 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.

## ii. Other long-term employee benefits

The Group 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. Remeasurement gains/ losses are immediately taken to the statement of profit and loss and are not deferred. The Group 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.

## iii. Post-employment benefits

The Group operates the following post-employment schemes:

### a. Gratuity

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 using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

### b. Retirement benefits

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

## j) Taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences, except:

- a. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- b. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group 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 Group recognizes MAT credit as a deferred tax asset.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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 taxes relate to the same taxable entity and the same taxation authority.

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

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

## l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

## Where the Group is a lessee

A lease is classified at the inception date as a finance lease or an operating lease. 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.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs (See note 2.f). Contingent rentals are recognised as expenses in the periods in which they are incurred.

## 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 in by the Group which result in operating lease wherever applicable are as per the standard commercial terms prevalent in the industry. The Group does not have an option to buy back the engine/ aircraft, nor does it have an option to renew or extend the lease after the expiry of the lease.

## **m) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## **n) Foreign currencies**

The Consolidated financial statements of the Group is presented in Indian Rupees (Rs.) which is also the Group's functional currency.

### Initial Recognition

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

### Conversion

Foreign currency monetary items are translated 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 translated using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value denominated in a foreign currency are translated using the exchange rates that existed when the values were determined.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## Exchange Differences

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss except to the extent it is treated as an adjustment to borrowing costs.

### **o) Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Involvement of external valuers is decided upon annually by the Group. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes (Refer Note 50).

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (Refer Note 51).

### **p) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These estimates are reviewed at each reporting date

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

and adjusted to reflect the current best estimated. The expense relating to a provision is presented in the statement of profit and loss.

## q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

#### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income ('FVTOCI')
- Debt instruments and derivatives at fair value through profit or loss ('FVTPL')
- Equity instruments at fair value through profit or loss ('FVTPL') or at fair value through other comprehensive income ('FVTOCI')

#### *Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### *Debt instrument at FVTOCI*

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income ('OCI'). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Group does not have any debt instrument as at FVTOCI.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## *Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Group does not have any debt instrument at FVTPL.

## *Equity investments*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Group has classified its investments in mutual funds as Investments at FVTPL.

## *Derecognition*

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

## *Impairment of financial assets*

The Group applies expected credit loss model for recognising impairment loss on financial assets measured at amortised cost.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

# Notes to the Consolidated Financial Statements

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As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expenses in the statement of profit and loss ('P&L'). This amount is reflected under the head 'other expenses' in the P&L.

## Financial liabilities

### *Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

### *Subsequent measurement*

All financial liabilities except derivatives are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure foreign currency risks.

Derivatives/ forward contracts are initially recognised at fair value at the date the derivative/ forward contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## r) Inventories

Inventories comprising expendable aircraft spares and miscellaneous stores are valued at cost or net realizable value, whichever is lower after providing for obsolescence and other losses, where considered necessary. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition and is determined on a weighted average basis.

## s) Manufacturers' incentives

### Cash Incentives

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

# Notes to the Consolidated Financial Statements

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

## Non-cash Incentives

Non cash incentives relating to aircraft taken on finance lease are recorded as and when due to the Group by setting up a deferred asset and a corresponding incentive. These incentives are recognized under the head other operating revenue 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.

### **t) Commission to agents**

Commission expense is recognized as an expense coinciding with the recognition of related revenues considering various estimates including applicable commission slabs, performance of individual agents with respect to their targets etc.

### **u) Share-based payments**

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

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment ('SBP') reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. On forfeiture of stock options, amounts accumulated in share-based payment reserves are transferred to general reserve.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### **v) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors of the Group who makes strategic decisions and is responsible for allocating resources and assessing performances of the operating segments.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## w) 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 Group or present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

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

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

## B. Changes in accounting policies and disclosures

### New and amended standards

The Group has applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 01, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at April 01, 2018.

The application of the standard did not have any significant impact on the retained earnings as at April 1, 2018. Cargo revenue has been netted off with the amount collected on behalf of agents. Consequently, the accumulated amount netted off with revenue amounts to Rs. 112.43 million (March 31, 2018 – Rs. 68.04 million) which were earlier disclosed on gross basis respectively under cargo revenue and other expenses.

### Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the consolidated financial statements as the Group continues to present grant relating to asset by setting up the grant as deferred income.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## **Amendment to Ind AS 38 Intangible asset acquired free of charge**

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Group's consolidated financial statements.

## **Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations**

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Group's consolidated financial statements.

## **Amendments to Ind AS 40 Transfers of Investment Property**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Group's consolidated financial statements.

## **Amendments to Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice**

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, then it may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Group's consolidated financial statements.

## **Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Group, as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## 3. Property Plant & Equipment (PPE)

Particulars	Plant & Equipment	Rotable & Tools	Office Equipment	Computers	Furniture & Fixtures	Vehicles	Leasehold Improvements	Aircraft ^	Land	Total
<b>Cost or valuation</b>										
<b>As at April 01, 2017</b>	507.46	2,271.57	68.27	125.30	20.76	401.10	34.29	16,479.05	-	19,907.80
Additions #	227.27	613.98	34.11	77.23	5.61	89.76	10.92	875.20	171.37	2,105.45
Disposals	5.30	75.99	1.06	0.07	-	1.25	-	-	-	83.67
Exchange Differences *	-	-	-	-	-	-	-	20.76	-	20.76
<b>As at March 31, 2018</b>	<b>729.43</b>	<b>2,809.56</b>	<b>101.32</b>	<b>202.46</b>	<b>26.37</b>	<b>489.61</b>	<b>45.21</b>	<b>17,375.01</b>	<b>171.37</b>	<b>21,950.34</b>
Additions #	211.88	383.99	43.62	74.40	5.60	124.49	12.60	1,142.76	220.00	2,219.34
Disposals	4.34	25.67	3.68	1.07	0.39	11.13	0.56	-	-	46.84
Exchange Differences *	-	-	-	-	-	-	-	500.81	-	500.81
<b>As at March 31, 2019</b>	<b>936.97</b>	<b>3,167.88</b>	<b>141.26</b>	<b>275.79</b>	<b>31.58</b>	<b>602.97</b>	<b>57.25</b>	<b>19,018.58</b>	<b>391.37</b>	<b>24,623.65</b>
<b>Depreciation and impairment</b>										
At April 1, 2017	74.50	207.18	34.66	42.82	7.68	116.96	17.87	3,214.79	-	3,716.46
Charge for the Year	50.12	160.86	17.99	39.74	5.55	76.18	8.39	1,785.74	-	2,144.57
Disposals	1.89	9.17	1.00	0.02	-	0.68	-	-	-	12.76
Exchange Differences *	-	-	-	-	-	-	-	158.83	-	158.83
<b>As at March 31, 2018</b>	<b>122.73</b>	<b>358.87</b>	<b>51.65</b>	<b>82.54</b>	<b>13.23</b>	<b>192.46</b>	<b>26.26</b>	<b>5,159.36</b>	<b>-</b>	<b>6,007.10</b>
Charge for the Year	66.63	210.26	22.06	62.31	6.58	82.04	12.35	1,831.39	-	2,293.62
Disposals	0.84	5.59	1.92	0.71	0.15	8.73	0.41	-	-	18.35
Exchange Differences *	-	-	-	-	-	-	-	212.43	-	212.43
<b>As at March 31, 2019</b>	<b>188.52</b>	<b>563.54</b>	<b>71.79</b>	<b>144.14</b>	<b>19.66</b>	<b>265.77</b>	<b>38.20</b>	<b>7,203.18</b>	<b>-</b>	<b>8,494.80</b>
<b>Net Block</b>										
<b>As at March 31, 2018</b>	<b>606.70</b>	<b>2,450.69</b>	<b>49.67</b>	<b>119.92</b>	<b>13.14</b>	<b>297.15</b>	<b>18.95</b>	<b>12,215.65</b>	<b>171.37</b>	<b>15,943.24</b>
<b>As at March 31, 2019</b>	<b>748.45</b>	<b>2,604.34</b>	<b>69.47</b>	<b>131.65</b>	<b>11.92</b>	<b>337.20</b>	<b>19.05</b>	<b>11,815.40</b>	<b>391.37</b>	<b>16,128.85</b>

\* Represents foreign exchange loss capitalised during the year and depreciation thereon. Also refer note 2A(d).

^ Under the agreement with the lender, the title to the aircrafts vest with the lessor, and the Company shall take title to aircrafts at the end of the lease period upon payment of all dues under the lease agreements. Also refer note 18(a).

# Additions to Aircraft comprise ₹1,142.77 million for the year March 31, 2019 and ₹875.20 million for the March 31, 2018 pertaining to overhaul costs capitalised on aircraft. Rotables and tools, Ground support equipment and Motor Vehicles with a carrying amount of ₹289.67 million (March 31, 2018 ₹363.00 million), are subject to a first charge to secure the facilities provided by Allahabad Bank.

Refer Note. 44 for contractual commitments for the acquisition of PPE

# Notes to the Consolidated Financial Statements

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

## 4. Intangible Assets

Particulars	Software	Total
<b>Cost or valuation</b>		
As at April 01, 2017	37.07	37.07
Additions	41.16	41.16
Disposals	-	-
<b>As at March 31, 2018</b>	<b>78.23</b>	<b>78.23</b>
Additions	145.83	145.83
Disposals	-	-
<b>As at March 31, 2019</b>	<b>224.06</b>	<b>224.06</b>
<b>Accumulated Amortization</b>		
As at April 01, 2017	28.05	28.05
Charge for the year	9.78	9.78
Disposals	-	-
<b>As at March 31, 2018</b>	<b>37.83</b>	<b>37.83</b>
Charge for the year	57.49	57.49
Disposals	-	-
<b>As at March 31, 2019</b>	<b>95.32</b>	<b>95.32</b>
<b>Net Block</b>		
As at March 31, 2018	40.40	40.40
As at March 31, 2019	128.74	128.74

## 5. Non-Current Investments (fully paid up)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unquoted equity investments, at fair value</b>		
1270 (March 31, 2018: 1,270) equity shares of Aeronautical Radio of Thailand Limited	0.24	0.24
<b>Aggregate amount of unquoted investments</b>	<b>0.24</b>	<b>0.24</b>

## 6. Other Non-Current Financial Assets

(Unsecured, considered good unless stated otherwise)

Security deposits (at amortised cost)	3,489.68	2,269.52
Non-current bank balances (also refer note 13)	7,859.53	6,527.81
	<b>11,349.21</b>	<b>8,797.33</b>

## 7. Non-Current Tax Assets

Advance income-tax and tax deducted at source (net of provision for taxation)	348.12	290.63
	<b>348.12</b>	<b>290.63</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## 8. Other Non-Current Assets

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Accrued overhaul obligation on finance lease aircraft	766.47	1,084.82
Deposit with Delhi High Court (also refer note 46)	2,609.04	2,500.00
Tax paid under protest	1,460.34	561.47
Capital advances		
Unsecured, credit impaired	109.32	109.32
Unsecured, considered good	1,441.32	1,567.65
	6,386.49	5,823.26
Impairment Allowance		
Unsecured, credit impaired	(109.32)	(109.32)
Unsecured, considered good	-	-
	(109.32)	(109.32)
	6,277.17	5,713.94

## 9. Inventories

Engineering stores and spares	1,303.24	1,158.29
Inventories held in trade	40.00	191.74
Other stores	70.00	68.68
<b>Total</b>	<b>1,413.24</b>	<b>1,418.71</b>

## 10. Investments at Fair Value Through Profit or Loss (FVTPL)

Quoted investment in mutual funds	3.63	1,012.62
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>3.63</b>	<b>1,012.62</b>

## 11. Trade Receivables

<b>Trade receivables</b>		
Trade receivables	1,353.37	858.28
<b>Total Trade receivables</b>	<b>1,353.37</b>	<b>858.28</b>
<b>Break-up for security details:</b>		
<b>Trade receivables</b>		
Unsecured, credit impaired	28.99	13.59
Unsecured, considered good	1,375.07	867.79
	1,404.06	881.38
<b>Impairment Allowance (Allowance for bad and doubtful debts)</b>		
Unsecured, credit impaired	(28.99)	(13.59)
Unsecured, considered good	(21.70)	(9.51)
<b>Total</b>	<b>1,353.37</b>	<b>858.28</b>

Trade receivables also includes receivables from credit card companies which are realisable within a period of 2 to 28 working days. In respect of revenue from cargo operations and sale of merchandise, the Group offers credit to its customers which is in the range of 30 to 90 days.

For terms and conditions relating to related parties, refer Note 49.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## 12. Other Receivables

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Maintenance recoverable	1,581.50	467.59
Insurance recoverable	205.23	243.77
Other receivables	4,004.27	-
<b>Total Other receivables</b>	<b>5,791.00</b>	<b>711.36</b>
<b>Break-up for security details:</b>		
<b>Other receivables</b>		
Unsecured, credit impaired	-	-
Unsecured, considered good	5,791.00	711.36
	<b>5,791.00</b>	<b>711.36</b>
<b>Impairment Allowance (Allowance for bad and doubtful debts)</b>		
Unsecured, credit impaired	-	-
Unsecured, considered good	-	-
	-	-
<b>Total</b>	<b>5,791.00</b>	<b>711.36</b>

## 13. Cash and Cash Equivalents

Balances with banks:		
- On current accounts	610.39	1,122.41
- On deposit accounts	15.88	55.63
Cash on hand	41.34	21.47
	<b>667.61</b>	<b>1,199.51</b>
<b>Other bank balances</b>		
Deposits with original maturity for more than 3 months but less than 12 months	50.88	208.00
Deposits with original maturity more than 12 months	78.62	63.00
Margin money/ Security against fund and non-fund based facilities*	7,859.53	6,527.81
	<b>7,989.03</b>	<b>6,798.81</b>
Less: Amount disclosed under other non-current asset (Refer note 6)	(7,859.53)	(6,527.81)
	<b>129.50</b>	<b>271.00</b>
	<b>797.11</b>	<b>1,470.51</b>

At March 31, 2019, the Group had available INR 2,820.83 million (March 31, 2018: INR 925.62 million,) of undrawn committed borrowing facilities.

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

### Changes in liabilities arising from financing activities

Particulars	April 01, 2018	Cash Flow	Foreign Exchange Impact	Others	March 31, 2019
Current borrowings	3,574.38	642.90	(37.84)	-	<b>4,179.44</b>
Finance Cost	52.43	(1,335.96)	-	1,313.03	<b>29.50</b>
Non-current borrowings	6,509.53	(1,356.03)	412.78	-	<b>5,566.28</b>
<b>Total liabilities from financing activities</b>	<b>10,136.34</b>	<b>(2,049.09)</b>	<b>374.94</b>	<b>1,313.03</b>	<b>9,775.22</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

Particulars	April 01, 2017	Cash Flow	Foreign Exchange Impact	Others	March 31, 2018
Current borrowings	2,522.45	1,051.93	-	-	3,574.38
Finance Cost	31.62	(902.49)	-	923.30	52.43
Non-current borrowings	7,759.84	(1,274.87)	24.56	-	6,509.53
<b>Total liabilities from financing activities</b>	<b>10,313.91</b>	<b>(1,125.43)</b>	<b>24.56</b>	<b>923.30</b>	<b>10,136.34</b>

## 14. Other Current Financial Assets

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits	314.07	541.49
Employee advances	133.69	96.27
Interest accrued	-	-
- on fixed deposits	285.04	281.34
Contract asset	309.84	215.66
	<b>1,042.64</b>	<b>1,134.76</b>

## 15. Other Current Assets

(Unsecured, considered good unless stated otherwise)

Prepaid expenses	2,608.15	1,735.24
Balance with Government authorities	4.41	178.14
Advances to suppliers	-	-
Unsecured, credit impaired	-	-
Unsecured, considered good	682.02	807.13
Others	-	80.00
	<b>3,294.58</b>	<b>2,800.51</b>
Impairment Allowance	-	-
Unsecured, credit impaired	-	-
Unsecured, considered good	-	-
	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3,294.58</b>	<b>2,800.51</b>

## 16. Share Capital

<b>Authorised Capital</b>		
(1,500,000,000 equity shares of ₹10/- each)		
<b>As at April 01, 2017</b>	<b>15,000.00</b>	15,000.00
Increase during the year	-	-
<b>As at March 31, 2018</b>	<b>15,000.00</b>	15,000.00
Increase during the year	-	-
<b>As at March 31, 2019</b>	<b>15,000.00</b>	<b>15,000.00</b>
<b>Issued, Subscribed and Paid-up Capital</b>		
Equity shares of ₹10/- each issued, subscribed and fully paid		
<b>As at April 01, 2017</b>	<b>5,994.50</b>	5,994.50
Increase during the year	-	-
<b>As at March 31, 2018</b>	<b>5,994.50</b>	5,994.50
Increase during the year	2.68	-
<b>As at March 31, 2019</b>	<b>5,997.18</b>	<b>5,994.50</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

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

Particulars	As at Mar 31, 2019		As at March 31, 2018	
	Number	Value (₹)	Number	Value (₹)
Shares outstanding at the beginning of the period	599,450,183	5,994,501,830	599,450,183	5,994,501,830
Issued during the year	268,173	2,681,730	-	-
<b>Shares outstanding at the end of the period</b>	<b>599,718,356</b>	<b>5,997,183,560</b>	<b>599,450,183</b>	<b>5,994,501,830</b>

## B. Term/ Rights attached to Equity Shares

The Group has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Group 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 Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## C. Details of Shareholders holding more than 5 percent in the Group:

Name of Shareholder	As at 31-Mar-2019		As at 31-Mar-2018	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Mr. Ajay Singh	357,405,288	59.60%	357,405,288	59.62%
<b>Total</b>	<b>357,405,288</b>	<b>59.60%</b>	<b>357,405,288</b>	<b>59.62%</b>

As per records of the Group, 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.

## D. 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 Group has issued total 268,173 shares (March 31, 2018 - Nil ) 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.

## E. Shares reserved for issue under options

For details of shares reserved for issue under ESOP, refer Note 41

## 17. Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Reserves and Surplus</b>		
Securities Premium Account	9,901.12	9,864.92
Retained Earnings	(19,530.75)	(16,492.19)
<b>Total</b>	<b>(9,629.63)</b>	<b>(6,627.27)</b>
Other reserves		
General Reserve	49.09	49.09
Share-based payment reserves	62.33	13.01
Foreign Currency Monetary Item Translation Difference Account	21.39	11.47
	<b>132.81</b>	<b>73.57</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## A. Securities Premium

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	9,864.92	9,864.92
Additions during the year	36.20	-
Deductions during the year	-	-
Balance at the end of the year	9,901.12	9,864.92

## B. General Reserve

The general reserves is a free reserve, retained from Group's profits to meet future obligations.

Balance at the beginning of the year	49.09	49.09
Transferred from employee stock options outstanding upon lapse of such options	-	-
Deductions during the year	-	-
Balance at the end of the year	49.09	49.09

## C. Share-based payment reserves

The balance represents reserves created to the extent of vested options based on the Employees Stock Option Scheme, 2017.

Balance at the beginning of the year	13.01	-
Options granted during the year	85.52	13.01
Transferred to Securities Premium upon exercise of such options	(36.20)	-
Balance at the end of the year	62.33	13.01

## D. Retained Earnings

Balance at the beginning of the year	(16,492.19)	(22,066.59)
Profit/ (Loss) for the year	(3,024.11)	5,572.06
Re-measurement Gain/ (Loss) on Defined Benefit Obligations	(14.45)	2.34
Balance at the end of the year	(19,530.75)	(16,492.19)

## E. Foreign Currency Monetary Item Translation Difference Account

Represents the exchange differences arising on other long-term foreign currency monetary item amortised to the Statement of Profit and Loss over the remaining life of the concerned monetary item.

Balance at the beginning of the year	11.47	32.06
Movement during the year in FCMITDA, net	28.47	1.58
Recognised in the Statement of P&L during the year	(18.55)	(22.17)
Balance at the end of the year	21.39	11.47

## 18. Long Term Borrowings (Secured)

Term Loans		
From bank	-	1,666.67
Less: Current maturities of long term borrowings (refer note 24)	-	(1,666.67)
	-	-

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Other loans</b>		
External commercial borrowing (Unsecured)	6,918.16	7,780.75
Vehicle loan from bank	-	5.12
Less: Current maturities of long term borrowings (refer note 24)	(1,351.88)	(1,276.34)
	5,566.28	6,509.53
	5,566.28	6,509.53

- a. 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 Group and the lessor with lending from Export Development Canada. The related aircraft are owned by the lessor until the repayment of all outstanding by the Group under the terms of the respective lease agreements (also refer note 3). As per the terms of these lease agreements with the lessor, the Group 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 3.79% to 4.91%. Under each lease agreement the Group is required to make payment of lease rentals over a period of forty-eight quarters to lessor or its nominees.
- b. The Group has defaulted in the repayment of the principal on the ECB loans amounting to ₹ 370.95 million. However, the default on the principal amount was remediated as at the reporting date. The Group has remitted penal interest of ₹ 0.82 million pursuant to this default.

## 19. Non Current Trade Payables

Trade payables	77.65	150.69
	77.65	150.69

Trade payables are non interest bearing and carry a credit period exceeding 365 days

## 20. Long Term Provisions

Provision for gratuity (also refer note 42)	330.48	258.15
Provision for aircraft redelivery (also refer note 38)	583.78	413.67
Provision for aircraft maintenance (also refer note 38)	3,375.50	1,827.38
	4,289.76	2,499.20

## 21. Other Non-Current Liabilities

Deferred incentive	559.91	204.17
Less: Current portion of above	(55.49)	(17.10)
	504.42	187.07
Deferred gain on Sale and lease-back	5,390.07	515.05
Less: Current portion of above	(596.14)	(84.96)
	4,793.93	430.09
	5,298.35	617.16

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## 22. Short Term Borrowings (Secured)

Particulars	As at March 31, 2019	As at March 31, 2018
Working capital demand loan from bank	997.79	1,000.00
Working capital demand loan from others	-	1,000.00
Buyers' Credit from bank	-	162.61
Pre-shipment credit foreign currency loan	3,181.65	1,411.77
	<b>4,179.44</b>	<b>3,574.38</b>

Working capital demand loan from bank is secured by fixed deposits placed by the erstwhile promoter and is repayable on demand. The loan carries an interest rate of 12.75%.

Pre-shipment credit foreign currency loan from bank is secured by fixed deposits placed by the Group having a carrying value of ₹884.90 million and is repayable within 6 months from each drawdown. The loan carries an interest rate benchmarked to the LIBOR rate at each drawdown. The interest rate on these borrowings ranges between 4.47% to 5.90%.

## 23. Trade Payables

Trade payables		
- Dues to Micro, Small & Medium Enterprises (See Note below)	188.50	-
- Others	10,293.28	6,885.27
	<b>10,481.78</b>	<b>6,885.27</b>
<b>Dues to Micro, Small &amp; Medium Enterprises ('MSMED')</b>		
Principal amount due to suppliers under MSMED Act	182.28	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	6.22	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	6.22	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	6.22	-

### Terms and conditions of the above financial liabilities:

Trade payables are non interest bearing and carry a credit period generally between 30 and 90 days

For terms and conditions relating to related party payables, refer Note 49.

## 24. Other Current Financial Liabilities

<b>Unsecured</b>		
Employee compensation payable	179.69	166.20
Security deposits received	58.21	18.25
<b>Secured</b>		
Current maturities of long-term borrowings (also refer note 18) (includes current maturities of ECB ₹1,351.88 million (March 31, 2018 - ₹1,271.22 million))	1,351.88	2,943.01
Interest accrued and due on borrowings	-	39.03
Interest accrued but not due on borrowings	32.06	15.96
	<b>1,621.84</b>	<b>3,182.45</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Break up of financial liabilities carried at amortised cost :</b>		
Borrowings (non-current) (note 18)	5,566.28	6,509.53
Borrowings (current) (note 22)	4,179.44	3,574.38
Current maturity of long term loans (note 24)	1,351.88	2,943.01
Trade payables (non current) (note 19)	77.65	150.69
Trade payables (current) (note 23)	10,293.28	6,885.27
Other current financial liabilities (note 24)	237.90	184.45
<b>Total financial liabilities carried at amortised cost</b>	<b>21,706.43</b>	<b>20,247.33</b>

## 25. Short Term Provisions

Provision for employee benefits		
Provision for gratuity (also refer note 42)	31.94	25.45
Provision for compensated absences	134.62	116.52
Provision for litigation (also refer note 45)	107.20	97.69
Provision for aircraft maintenance (also refer note 38)	2,424.04	1,987.37
Provision for aircraft redelivery (also refer note 38)	89.32	26.75
	<b>2,787.12</b>	<b>2,253.78</b>
<b>Provision for litigation:</b>		
At the beginning of the year	97.69	255.09
Additions during the year	9.51	(157.40)
Utilisation/ reversal during the year	-	-
<b>At the end of the year</b>	<b>107.20</b>	<b>97.69</b>
<b>Provision for aircraft maintenance</b>		
At the beginning of the year	3,814.75	3,372.30
Additions during the year	5,400.86	4,164.81
Utilisation during the year	(3,416.07)	3,722.36
<b>At the end of the year</b>	<b>5,799.54</b>	<b>3,814.75</b>
<b>Provision for aircraft redelivery:</b>		
At the beginning of the year	440.42	355.52
Provision made over the lease period	267.58	102.46
Utilisation during the year	(34.90)	(17.56)
<b>At the end of the year</b>	<b>673.10</b>	<b>440.42</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## 26. Other Current Liabilities (Unsecured)

Particulars	As at March 31, 2019	As at March 31, 2018
Current portion of deferred incentives	55.49	17.10
Current portion of deferred gain on sale and lease-back	596.14	84.96
Amount due under order of Delhi High Court (also refer note 46)	6,425.55	5,790.89
Contract liabilities	7,071.85	6,062.50
Advance received from agents	1,672.32	1,967.26
Statutory dues (including interest thereon)	596.03	368.36
Airport Taxes Payable	701.95	785.38
Others	5.99	2.82
	17,125.32	15,079.27

## 27. Revenue from Contracts with Customers

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Sale of services</b>		
Passenger revenue	85,783.70	74,207.52
Cargo revenue	3,079.12	2,632.56
Sale of products	82.21	44.43
<b>Other operating revenues</b>		
Incentives received	1,136.34	37.89
Income from training services	289.75	218.11
Others	843.63	460.83
<b>Total revenue from contracts with customers</b>	<b>91,214.75</b>	<b>77,601.34</b>
India	82,460.56	72,730.07
Outside India	8,754.19	4,871.27
<b>Total revenue from contracts with customers</b>	<b>91,214.75</b>	<b>77,601.34</b>

## 28. Other Income

Net Gain on sale of investments	52.47	148.28
Liabilities/ provision no longer required written back	369.78	489.08
Insurance/ warranty claims received	118.43	122.07
Miscellaneous income	42.22	35.75
	582.90	795.18

## 29. Finance Income

Interest income on discounting of financial instruments	96.16	64.43
Interest income		
- on bank deposits	768.74	432.79
	864.90	497.22

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## 30. Operating Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Aviation turbine fuel	34,452.52	24,326.27
Lease charges - aircraft, engines and auxiliary power units (also refer note 43)	12,967.16	10,321.57
Aircraft repairs and maintenance	6,077.28	4,692.91
Supplemental lease charges - aircraft, engines and auxiliary power units	7,834.94	6,330.81
Consumption of stores and spare parts	1,078.34	856.73
Aviation insurance	361.71	227.39
Landing, navigation and other airport charges	7,520.83	6,605.56
Cost of inflight food and beverages	1,066.54	884.34
Aircraft navigation software expenses	596.72	491.94
Aircraft redelivery costs	178.76	97.98
Cargo handling costs	406.93	331.34
Other operating expenses	407.04	283.11
	<b>72,948.77</b>	<b>55,449.95</b>

## 31. a. Cost of Traded Goods Sold

Inventory at the beginning of the year	175.03	115.58
Add : Purchases	3.88	91.56
Less : Inventory at the end of the year	40.00	175.03
<b>Cost of traded goods</b>	<b>138.91</b>	<b>32.11</b>

<b>b. Changes in inventory of Stock-in-trade</b>	<b>135.03</b>	<b>(59.45)</b>
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## 32. Employee Benefits Expenses

Salaries, wages and bonus	9,427.69	7,699.66
Contribution to provident and other funds	331.13	248.50
Employee stock option scheme	85.52	13.01
Gratuity expense (also refer note 42)	89.18	71.41
Recruitment and training cost	393.82	373.09
Staff welfare	256.90	211.26
	<b>10,584.24</b>	<b>8,616.93</b>

## 33. Sales And Marketing Expenses

Commission to agents *	1,060.56	1,099.85
Business promotion and advertisement	1,021.10	800.53
	<b>2,081.66</b>	<b>1,900.38</b>

\* Includes deposit incentive to agents

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## 34. Other Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	582.63	461.91
Rates and taxes	564.59	466.05
Repairs and maintenance		
- buildings	82.07	48.98
- plant and machinery	34.26	20.68
- others	273.69	244.67
Crew accommodation cost	440.97	368.30
Communication	97.29	94.91
Printing and stationery	146.91	131.87
Travelling and conveyance	1,186.37	942.88
Legal, and professional fees (Refer note below for details of payment to auditor)	363.18	423.13
Power and fuel	110.50	86.79
Provision for doubtful advances	52.72	85.00
Advances/ debts written off	170.16	36.54
Provision for doubtful debts	27.59	18.07
Provision for litigation	9.51	-
Insurance	153.31	48.09
Credit card charges	299.82	286.49
Bank charges	23.32	10.18
Exchange fluctuation loss (net)	746.25	213.89
Net Loss on financial assets measured at FVTPL	12.39	26.85
Loss on sale of assets (net)	20.02	52.16
Miscellaneous expenses	24.04	18.39
	5,421.59	4,085.83
<b>Payment to auditor</b>		
<b>As auditor</b>		
Audit fees	9.60	9.49
Limited review	2.25	2.25
<b>In other capacity</b>		
Other services (certification fees)	0.18	0.03
Reimbursement of expenses	0.55	0.36

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## 35. Finance Costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest		
- on fixed loan from banks	652.07	397.86
- on fixed loan from others	487.67	368.61
Interest cost on discounting of financial instruments	88.35	74.02
Other borrowing cost	84.94	82.81
	1,313.03	923.30

## 36. Exceptional Items

Interest Cost for Arbitration Order (Refer Note 46)	634.66	-
	634.66	-

## 37. Earnings per share ('EPS')

- Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.
- Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Number of equity shares outstanding at the beginning of the year	599,450,183	599,450,183
Number of equity shares issued	268,173	-
Number of equity shares outstanding at the end of the year	599,718,356	599,450,183
<b>Weighted average number of shares</b>		
a. Basic	599,489,123	599,450,183
Effect of dilution:	863,872	158,448
b. Diluted	600,352,995	599,608,631
Profit/ (Loss) for the year	(3,024.11)	5,572.06
Earnings per share :		
-- Basic earnings/ (loss) per share (₹)	(5.04)	9.30
-- Diluted earnings/ (loss) per share (₹)	(5.04)	9.29
Nominal value per share (₹)	10.00	10.00

- In view of the uncertainties prevailing at the relevant time with regard to the proposed allotment of certain securities in the previous periods, it was not possible to determine the effect thereof, if any, on Diluted Earnings per share calculation for such periods. Considering the current status of the matter as described further in note 46, no further effect on this matter to the dilutive earnings per share calculations has been considered.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## 38. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Group's management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### Taxation

Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the management to estimate the level of tax that will be payable based upon the Group's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

In respect of other taxes which are in disputes, the management estimates the level of tax that will be payable based upon the Group's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

### Defined Benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

### Useful life, residual value of property, plant and equipment

The management has estimated the useful life of its property, plant and equipment based on technical assessment. The estimate has been supported by independent assessment by technical experts. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Major inspection costs relating to heavy maintenance visits for overhauls of engines are capitalised. These amounts are depreciated over the average expected life between major overhauls.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

## Going concern assumption

These financial statements have been prepared on the basis that the Group will continue as a going concern for the foreseeable future. (refer note 2A(a)(iii) for management's assessment regarding going concern, including related judgments involved).

## Provision for aircraft maintenance

Certain heavy maintenance checks for the aircraft engines need to be performed at specified intervals as enforced by the Director General of Civil Aviation in accordance with the Maintenance Program Document laid down by the aircraft manufacturers. In this regard, the Group estimates the expected costs at the time of such check factoring expected drawdown of supplemental rentals and other contributions receivable from the lessors wherever applicable.

The Group has, having regard to its obligation to maintain engines under aircraft lease agreements, finalized the terms of service contracts and has also entered into revised contracts for maintenance of engines on its Boeing and Q400 aircraft. Based on such finalized contracts/ terms, and factors such as scope and timing of maintenance and repairs of engines including firm fixed costs of maintenance at different intervals, expected drawdown from the supplemental rentals under the relevant lease agreements (wherever applicable), etc, management undertook a comprehensive exercise to re-estimate its liabilities in respect of engine maintenance obligations. During the current year, the Group continues to evaluate for expected shortfalls in the maintenance obligations and on such basis estimates the provisions required to be made in this regard.

## Provision for aircraft redelivery

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

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

## 39. Group Information

### Information about subsidiaries

The Financial Statements of the Group includes subsidiaries listed in the table below:

Name	Principal activities	Country of Incorporation	% equity interest	
			As at March 31, 2019	As at March 31, 2018
SpiceJet Merchandise Private Limited	Trading in goods	India	100	100
SpiceJet Technic Private Limited	Technological services	India	100	100
Canvin Real Estate Private Limited	Real Estate	India	100	100

## 40. Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

### 1. Ind AS 116 : Leases

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will

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recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt these standards from April 01, 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

## Transition to Ind AS 116

The Group plans to adopt Ind AS 116 using the modified approach. Accordingly, the Group will not restate comparative information; instead, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 01, 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount net of incentives received as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 01, 2019.

The Group will elect to apply the standard to contracts that were previously identified as leases applying Ind AS 17. The Group will therefore not apply the standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low value. A single discount rate to a portfolio of leases with reasonably similar characteristics. Initial direct cost is excluded from the measurement of the ROU asset at the date of initial application. The lease term has been determined with the use of hindsight where the contract contains options to extend the lease.

The nature of expenses presently presented under Lease charges - aircraft, engines and auxiliary power units and Rent as per Ind AS 17 will now be presented as per Ind AS 116 in the form of:

- Amortization charge for the ROU asset
- Finance cost from interest accrued on lease liability

Further, this will increase the Group's foreign exchange volatility arising from revaluation of lease liability that is denominated in currency other than Indian Rupees.

During the current financial year ending March 31, 2019, the Group has performed a detailed impact assessment of Ind AS 116. In summary the impact of Ind AS 116 adoption is expected to be, as follows:

Particulars	Amount
<b>Assets</b>	
Right-of-use (ROU)	61,801.69
<b>Liabilities</b>	
Lease Liability	64,022.21
Redelivery Obligation	803.11
<b>Impact to Equity</b>	<b>(3,023.63)</b>

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The Right-of-use (ROU) asset is before netting off the deferred incentive as at transition date amounting to ₹4,793.93 million.

The lease liability of approximately ₹64,022.21 million, would be recorded, being the present value of the remaining lease payments, using the incremental borrowing rate applicable to the Group at the initial application date. The most significant lease liabilities relate to aircraft taken on operating lease.

Where lease liability is held in any currency other than Indian Rupees, the same needs to be revalued at the end of each reporting period at the then applicable exchange rate. The most significant exposure to the Group, will be to changes in exchange rate as lease liability towards aircraft is a foreign currency driven liability.

The existing aircraft classified as finance lease will continue to be presented on balance sheet. Milestone incentives received against such aircraft will continue to amortise over the expected period of use of leased asset in proportion to the depreciation of the leased asset.

There will be consequent reclassification in the cash flow categories in the statement of cash flows.

## 2. Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- i) Whether an entity considers uncertain tax treatments separately
- ii) The assumptions an entity makes about the examination of tax treatments by taxation authorities
- iii) How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- iv) How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after April 01, 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. Since the Group operates in a complex multinational tax environment, applying the Interpretation may affect its consolidated financial statements. In addition, the Group may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

## 3. Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after April 01, 2019. These amendments have no impact on the consolidated financial statements of the Group.

## 4. Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs

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during the annual reporting period, an entity is required to:

- i) Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- ii) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after April 01, 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

## 5. Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after April 01, 2019. Since the Group does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its consolidated financial statements.

## Annual improvement to Ind AS (2018):

These improvements include:

### 1. Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation

The amendments clarify that, when an party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after April 01, 2019. These amendments are currently not applicable to the Group but may apply to future transactions.

### 2. Amendments to Ind AS 111: Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after April 01, 2019. These amendments are currently not applicable to the Group but may apply to future transactions.

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## 3. Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

## 4. Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

## 41. Employee stock option plans

The following share-based payment arrangements were in existence during the current and prior years :

Employees Stock Option Scheme, 2017

The shareholders at the Annual General Meeting held on November 27, 2017, approved an ESOS which provides for the grant of 10,000,000 options (each option convertible into share) to employees.

The remuneration committee had granted 2,131,538 options to eligible employees subject to certain conditions on February 07, 2018 at an exercise price of ₹10/- per share. Such options were to vest over 3 years in the following manner:

- 25% of the options – one year from the date of grant
- 35% of the options – two years from the date of grant
- 40% of the options – three years from the date of grant

In accordance with the shareholders' approval, options once vested can only be exercised by the employee (subject to him/ her remaining in employment) within a period of 5 years.

The compensation cost for ESOS been recognized based on the fair value at the date of grant in accordance with the Black-Scholes method.

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
<b>Outstanding, beginning of year</b>	<b>300,289</b>	<b>10.00</b>	-	-
Granted during the year*	420,404	10.00	300,289	10.00
Exercised during the year	268,173	10.00	-	-
Forfeited during the year	-	-	-	-
<b>Outstanding, end of year</b>	<b>452,520</b>	<b>10.00</b>	<b>300,289</b>	<b>10.00</b>
<b>Outstanding at the year-end comprise:</b>				
Options eligible for exercise at year end	32,116	10.00	-	-
Options not eligible for exercise at year end	420,404	10.00	300,289	10.00

\*Includes only options granted to employees who have fulfilled the related conditions in respect of such grant.

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The fair value of options provided under the ESOS, 2017 was estimated at the date of grant using the Black-Scholes method with the following assumptions:

Particulars	Vesting dates		
	February 07, 2019	February 07, 2020	December 31, 2020
Market price of share (as at Feb 06, 2018)	129.35	129.35	129.35
Exercise price of option	10	10	10
Number of period to exercise in years	3.50	4.50	5.42
Risk free interest rate	7.53%	7.51%	7.51%
Expected dividend yield	-	-	-
Standard Deviation (annualised)	58.50%	58.11%	57.61%
<b>Fair value per vest</b>	<b>121.72</b>	<b>122.32</b>	<b>122.84</b>
<b>Fair value of option</b>	<b>122.29</b>		

## 42. Employee benefits obligation

### Defined benefit plan

#### a. Gratuity

The Group 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 ₹2.00 million. The scheme is unfunded and accordingly the disclosures relating to plan assets are not provided.

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.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Change in defined benefit obligation ('DBO')</b>		
1. Defined benefit obligation at the beginning of the period	283.71	239.57
2. Service cost		
a. Current service cost	67.13	53.89
3. Interest expenses	22.13	17.61
4. Cash flows		
a. Benefits paid	(24.91)	(25.03)
5. Remeasurements		
a. Effect of changes in financial assumption	6.46	(17.13)
b. Effect of experience adjustments	7.94	14.81
6. Defined benefit obligation at the end of the period	362.46	283.72
<b>B. Amounts recognized in Balance Sheet</b>		
1. Defined benefit obligation	362.45	283.71
2. Fair value of plan assets	-	-
3. Funded status	-	-
4. Net defined benefit liability/ (asset)	362.45	283.71

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Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>C. Components of defined benefit cost</b>		
1. Service cost		
a. Current service cost	67.13	53.89
2. Net interest cost	-	
a. Interest expense on DBO	22.13	17.61
b. Interest (income) on plan assets	-	-
c. Total net interest cost	22.13	17.61
3. Remeasurements (recognized in OCI)		
a. Effect of changes in Financial assumption	6.46	(17.13)
b. Effect of changes in experience adjustments	7.94	14.81
c. (Return) on plan assets (excluding interest income)	-	-
4. Total defined benefit cost recognized in P&L and OCI	103.66	69.18
<b>D. Re-measurement</b>		
a. Actuarial Loss/ (Gain) on DBO	14.39	(2.32)
b. Returns above interest income	-	-
Total remeasurements (OCI)	14.39	(2.32)
<b>E. Employer expense (P&amp;L)</b>		
a. Current service cost	67.14	53.89
b. Interest cost on net DBO	22.13	17.61
c. Total P&L expenses	89.26	71.50
<b>F. Net defined benefit liability (asset) reconciliation</b>		
1. Net defined benefit liability (asset)	283.71	239.57
2. Defined benefit cost included in P&L	89.26	71.50
3. Total remeasurements included in OCI	14.39	(2.32)
4. a. Employer contribution	(24.91)	(25.03)
5. Net defined benefit liability (asset) as at end of period	362.45	283.72
<b>G. Reconciliation on OCI (Re-measurement)</b>		
1. Recognized in OCI during the period	14.39	(2.32)
2. Recognized in OCI at the end of the period	14.39	(2.32)
<b>H. Sensitivity analysis- DBO end of period</b>		
1. Discount rate + 50 Basis points	(8.80)	(17.72)
2. Discount rate - 50 Basis points	10.68	19.60
3. Salary increase rate + 0.5%	10.85	19.95
4. Salary increase rate - 0.5%	(9.02)	(18.17)
<b>I. Significant actuarial assumption</b>		
1. Discount rate current year	7.80%	7.35%
2. Salary increase rate	5.50%	5.50%

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Particulars	Year ended March 31, 2019	Year ended March 31, 2018
3. Pre-retirement mortality	3% (Up to 30 years) 2% (Age 31-44) 1% ( above age 44)	3% (Up to 30 years) 2% (Age 31-44) 1% ( above age 44)
4. Retirement age	58	58
<b>J. Data</b>		
1. No. of employee's	11,488	8,485
2. Average age (years)	30.40	30.05
3. Average past service	2.89	3.12
4. Average monthly salary	1,881.70	1,472.24
5. Future service (years)	28.10	27.95
6. Weighted average duration of DBO	19.68	20.47
<b>K. Expected total benefit payments</b>		
1. Within the next 12 months (next annual reporting period)	31.55	25.45
2. Between 2 and 5 years	25.75	25.05
3. Beyond 5 years	305.15	233.21
<b>L. Defined benefit obligation at the end of the year</b>		
1. Current obligation	31.55	25.45
2. Non-current obligation	330.90	258.26
<b>Summary</b>		
1. Defined benefit obligation at end of the period	362.45	283.71
2. Fair value plan assets at end of the period	-	-
3. Net defined benefit liability/ (asset)	362.45	283.71
4. Defined benefit cost included in P&L	89.26	69.75
5. Total remeasurement included in OCI	14.39	(2.33)
6. Total defined benefit cost recognized in P&L and OCI	103.66	67.42

## b. Short term compensated absences

The assumptions used for computing the short term accumulated compensated absences on actuarial basis are as follows:

1. Discount rate	7.80%	7.80%
2. Future salary increase	5.50%	5.50%

## c. Contributions to defined contribution plan:

During the year, the Group recognized ₹279.52 Million (Previous year- ₹210.50 Million) to Provident Fund under defined contribution plan and ₹51.60 Million (Previous year - ₹38.00 Million) for contributions to Employee State Insurance scheme in the Statement of profit & loss.

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## 43. Leases

Operating lease: Group as a lessee

The Group has taken on lease aircraft, aircraft spares, engines and premises from third parties. Lease charges for aircraft and engines for the year ended March 31, 2019 amount to ₹12,967.16 million (Previous year ₹10,321.57 million), supplemental lease charges amount to ₹7,834.94 million (Previous year ₹6,330.81 million) and rental expense on premises for the year ended March 31, 2019 amount to ₹582.63 million (Previous year ₹461.91 million).

The Group has taken aircraft through dry operating lease from lessors. Under the aircraft lease agreements, the Group 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 4 and 12 years and can be further extended based on mutual agreement with the lessors. There are no significant restrictions imposed by lease arrangements.

The Group has also taken aircraft on wet lease. In a wet lease arrangement, the lessor provides an aircraft, complete crew, maintenance, and insurance (ACMI) to the lessee. The Group pays monthly lease rentals containing fixed and variable consideration. The lease period for a wet lease are generally between 3 to 6 months.

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	Year ended March 31, 2019	Year ended March 31, 2018
<b>Aircraft</b>		
Not later than one year	17,106.73	9,169.92
Later than one year but not later than five years	41,254.35	37,879.13
Later than five years	29,960.56	29,541.81
<b>Aircraft engines &amp; APU</b>		
Not later than one year	721.41	376.27
Later than one year but not later than five years	1,767.96	993.78
Later than five years	787.18	278.24
<b>Wet Lease aircraft</b>		
Not later than one year	-	68.42
Later than one year but not later than five years	-	-
Later than five years	-	-
<b>Building Space rentals</b>		
Not later than one year	196.69	100.86
Later than one year but not later than five years	715.80	334.71
Later than five years	583.23	263.21

## 44. Capital and other commitments

- At March 31, 2019, the Group has commitments of ₹538,189.48 million (March 31, 2018 - ₹529,519.00 million) relating to the acquisition of aircraft.
- The Group 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 41.

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- c. Under certain long-term maintenance contracts for the management, maintenance, repair and overhaul of aircraft components and spares, the Group 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.

## 45. Litigations and claims

### a) Summary

- i) Matters wherein management has concluded the Group's liability to be probable have accordingly been provided for in the books. Also refer note 25.
- ii) Matters wherein management has concluded the Group's liability to be possible have accordingly been disclosed under Note 45(b) Contingent liabilities below.
- iii) Matters wherein management is confident of succeeding in these litigations and have concluded the Group's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

### b) Contingent liabilities

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Liability arising out of legal cases filed against the Group in various Courts/ Consumer Redressal Forums, Consumer Courts, disputed by the Group.	133.47	148.96
Liability arising out of Arbitration proceedings on account of cancellation of leased premises. Refer note (i) below.	-	33.32
Demand in respect of provident fund dues for international workers as explained in note (ii) below.	142.37	142.37
Demand in respect of service tax (including interest and penalty) as explained in note (iii) below.	170.70	170.70
Liability arising out of other legal cases filed against the Group.	11.83	60.61
Show cause notice received in respect of service tax as explained in note (iv) below.	4,005.72	4,005.72
Liability arising out of Integrated Goods and Services Tax ('IGST'), on overseas repairs and replacement of various aircraft equipment as explained in note (v) below.	1,460.30	561.47

The Group has various demands arising from Income-Tax assessments pertaining to Assessment year 2006-07 to 2014-15. The litigations are currently pending at various forums and such sum contested after adjusting the brought forward losses and depreciation was computed to be Nil. Consequently, without prejudice to its legal defence on these matters, the Group have not disclosed the same as a contingent liability.

- i. A vendor has filed an arbitration claim against the Group for ₹ 33.32 million including an interest of ₹ 10.58 million for termination of a lease agreement for accommodation of the Group's crew. The agreement was terminated by the Group citing poor quality of services. The arbitration proceedings in the matter have been completed and the suit has been dismissed in favour of the Group. The vendor had subsequently, challenged the said award by preferring an application under Section 34 of the Arbitration and Conciliation Act, 1996. The said petition was allowed by the Hon'ble High Court. The Group had challenged the said order by filing an appeal against the same. The said appeal was allowed in favour of the Group.
- ii. The Group has received a demand notice from the Regional Provident Fund Commissioner, Gurgaon for ₹ 79.91 million in respect of provident fund ("PF") dues for international workers vide Notifications GSR 706(E)

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- dated 1st October 2008 and GSR 148 dated 3rd September 2010, for the period from November 2008 to February 2011. The Group has responded to the notice disputing the demand and, without admitting any liability towards the same, has deposited an amount of ₹1.96 million towards the PF contributions in respect of international workers for the period from November 2008 to July 2011 under the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 ('PF Act'). Since August 2011, the Group 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 Group has filed a writ petition with the Hon'ble Delhi High Court contending that the above notifications relating to international workers are unreasonable and ultra vires the PF Act. The Court has directed that this matter be put up in the regular list and the interim order in favour of the Group has been made absolute till disposal of the petition. In addition, during the earlier year, a report has been filed by the Department's Representatives before the Regional Provident Fund Commissioner on March 22, 2017 pursuant to which there is an additional claim against the Group aggregating ₹64.42 million for the period from March 2011 till January 2012. The aggregate demand on account of this matter from the period November 2008 to January 2012 is ₹144.43 million. Pending disposal of the petition, the Group has not accrued for any additional liability in respect of provident fund contributions to international workers.
- iii. The Group has received a demand order for a sum of ₹77.28 million, and applicable interest, as well as penalty of ₹77.28 million from the service tax department for non-remittance of service tax on reverse charge mechanism on certain payments made during the period April 18, 2006 to March 31, 2012. The Group is contesting the order on the grounds that the services obtained by the Group were not liable to service tax under the categories determined by the authorities and are hence not taxable services. Effective July 2012, pursuant to the enactment of the negative list of taxable services, the Group has been paying service tax on these services received on reverse charge basis under the relevant provisions of the Finance Act, 1994. Based on advice by its tax consultants and internal evaluation, the Group has provided an amount of ₹67.09 million (including a portion of applicable interest) on a conservative basis (also refer note 26). However, the Group continues to contest the entire demand and has filed an appeal against the adverse order with the CESTAT and is confident of its success. The balance amount of the matter under litigation, (including interest and penalty) of ₹170.70 million, has not been accrued pending final outcome of this matter and has been disclosed as a contingent liability.
  - iv. The Group has received certain show cause notices from the service tax authorities, citing various defaults, including failure/delay in remitting service tax collected, over past financial years as well as alleged failure in remittance of service tax on certain other items. Based on their assessment of the contentions of the service tax authorities, management has submitted a detailed reply to the notice, and based on legal advice obtained, believes that the likelihood of this liability devolving on the Group is low, and accordingly has made no adjustments to the financial statements.
  - v. The Group has received certain orders from the customs authorities, levying IGST, on overseas repairs and replacement of various aircraft equipment, which in the opinion of management and based on expert advice obtained, is not subject to such levy. Accordingly no further adjustments have been made in this regard as at March 31, 2019.  
  
Further to the above,
  - vi. In another case, M/s Hindustan Development Corporation Limited ("HDCL") (now renamed as Mallanpur Steels Limited) who had lent ₹ 50 million by way of intercorporate deposit to the Group, has filed an appeal before the division bench of the Hon'ble Delhi High Court against the Scheme of Settlement passed by the Hon'ble Delhi High Court wherein the Group's liability was fixed at ₹ 35 million. The Group had made a deposit of ₹ 35 million to the Official Administrator of the Scheme in accordance with approved Scheme. Pending disposition of the review petition, the likelihood of the balance amount of ₹ 15 million devolving on the Group is not probable. Also, the interest (if any) on the same is not ascertainable.
  - vii. The Competition Commission of India ("CCI") passed an order dated November 17, 2015 against, inter alia, the Group, which included a demand of ₹424.80 million on the Group. The Group's appeal against this order with Competition Appellate Tribunal ("COMPAT") was disposed of by the COMPAT, which set

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aside the impugned order on technical grounds and has referred the matter back to the CCI for fresh adjudication based on the COMPAT's directions. Subsequent thereto, the matter was reconsidered by CCI and a revised order dated March 7, 2018 imposing fine of ₹51 million was imposed on the Group. The Group has filed an appeal before COMPAT and based on legal advice received, management is confident of a favourable outcome in this matter and accordingly no adjustments are considered necessary in the financial statements.

- viii. The Assistant Commissioner of Income-Tax ("ACIT") has filed a complaint against the Group and its erstwhile Chairman and Managing Director in their individual capacity, over delayed payment of tax deducted at source in contravention of section 276B of the IT Act, 1961 for financial years 2013-14 and 2014-15. The matter is sub-judice as on date and based on professional advice, the management is confident of a favourable outcome in this matter in so far as it relates to the Group. Accordingly, no adjustments are considered necessary in the financial statements.
- ix. There are numerous interpretative issues relating to the Hon'ble Supreme Court judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the Hon'ble Supreme Court order. The Group will update its provision, on receiving further clarity on the subject.

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

## 46. Status of advance money received against securities proposed to be issued

The Group had, in earlier financial years, received amounts aggregating ₹5,790.9 Million from Mr. Kalanithi Maran and M/s KAL Airways Private Limited together, ("Erstwhile Promoters") as advance money towards proposed allotment of certain securities (189,091,378 share warrants and 3,750,000 non-convertible cumulative redeemable preference shares, issuable based on approvals to be obtained), to be adjusted at the time those securities were to be issued. Pursuant to the legal proceedings in this regard before the Hon'ble High Court of Delhi ("Court") between the Erstwhile Promoters, the present promoter and the Group, the Group was required to secure an amount of ₹3,290.9 Million through a bank guarantee in favour of the Registrar General of the Court ("Registrar") and to deposit the balance amount of ₹2,500.0 Million with the Registrar. The Group has complied with these requirements as at March 31, 2018.

The parties to the aforementioned litigation concurrently initiated arbitration proceedings before a three-member arbitral tribunal (the "Tribunal"), which pronounced its award on July 20, 2018 (the "Award"). In terms of the Award, the Group was required to (a) refund an amount of approximately ₹3,082.2 million to the counterparty, (b) explore the possibility of allotting preference shares in respect of approximately ₹2,708.7 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be ₹924.7 million (being interest on the amount stated under (a) above, in terms of the Award). The amounts referred to under (a), (b) and (c) above, aggregating ₹6,425.6 million are carried as current liabilities without prejudice to the rights of the Group under law. Further, the Group was entitled to receive from the counterparty, under the said Award, an amount of ₹290.0 million of past interest/servicing charges. During the current year, the Court has ordered release of ₹2,500 million, out of the amount deposited by the Group, to the counterparty, subject to certain conditions as enumerated by the Court in its order.

The Group, its present promoter and the counterparties have challenged various aspects of the Award, including the abovementioned interest obligations and rights, petitions for which have been admitted by the Court and notices issued, as a result of which the matter is currently sub-judice. In view of the foregoing, and pending outcome of the aforesaid challenges at the Court, management is of the view that it is not possible to determine the effects of any such obligations and rights (including any additional/consequential obligations and rights). Further, the effects of the above matter may attract the consequent provisions (including penal provisions) of applicable provisions of law, including deeming provisions, relating to acceptance of deposits. Based on their assessment and legal advice obtained, management is of the view that any possible consequential effects (including penal consequences and any compounding thereof), of past events and actions in relation to the foregoing, are not likely to have a material impact

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on the financial statements of the Group. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

## 47. Segment reporting

For management purposes, the Group's operations are organised into major segments – Airline transport services and other services which comprise the primary basis of segmental information.

The Management Committee headed by Managing Director (CODM) also consisting of the Chief Financial Officer and Leaders of Strategic Business Units have identified the above two reportable business segments. It reviews and monitors the operating results of the business segments for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole and are not allocable to any segment. Expenses that are directly identifiable to segments are considered for determining the segment results. Expenses which relate to the Group as a whole and are not allocable to segments are included under unallocated corporate expenses.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

### Year ended March 31, 2019

Particulars	Air Transport	Others	Total Segments	Adjustments and eliminations	Consolidated
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	91,132.54	82.71	91,215.25	-	91,215.25
Inter-segment	-	67.41	67.41		67.41
<b>Total Revenue</b>	<b>91,132.54</b>	<b>150.12</b>	<b>91,282.66</b>	<b>-</b>	<b>91,282.66</b>
<b>Income/(Expenses)</b>					
Revenue from operations	91,132.54	150.12	91,282.66	(67.91)	91,214.75
Other income	582.90	-	582.90	-	582.90
Finance Income	864.90	-	864.90	-	864.90
Operating expenses	(73,000.54)	-	(73,000.54)	(51.77)	(72,948.77)
Cost of inventory consumed	-	(39.55)	(39.55)	(95.48)	(135.03)
Employee benefits expense	(10,570.07)	(28.98)	(10,599.05)	14.81	(10,584.24)
Selling expenses	(2,074.41)	(7.25)	(2,081.66)	(0.00)	(2,081.66)
Other expenses	(5,586.40)	(50.00)	(5,636.40)	214.81	(5,421.59)
Depreciation and amortization expense	(2,562.25)	(1.29)	(2,563.54)	(0.00)	(2,563.54)
Finance costs	(1,312.84)	(65.89)	(1,378.73)	65.70	(1,313.03)
<b>Segment profit/ (loss)</b>	<b>(2,526.17)</b>	<b>(42.84)</b>	<b>(2,569.01)</b>	<b>80.16</b>	<b>(2,385.31)</b>
<b>Total assets</b>	<b>47,950.71</b>	<b>499.13</b>	<b>48,449.84</b>	<b>(521.93)</b>	<b>47,927.91</b>
<b>Total liabilities</b>	<b>51,457.54</b>	<b>672.40</b>	<b>52,129.94</b>	<b>(702.40)</b>	<b>51,427.54</b>

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## Year ended March 31, 2018

Particulars	Air Transport	Others	Total Segments	Adjustments and eliminations	Consolidated
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	77,556.91	44.43	77,601.34	-	77,601.34
Inter-segment	-	29.85	29.85	(29.85)	0.00
<b>Total Revenue</b>	<b>77,556.91</b>	<b>74.28</b>	<b>77,631.19</b>	<b>(29.85)</b>	<b>77,601.34</b>
<b>Income/(Expenses)</b>					
Revenue from operations	77,556.91	74.28	77,631.19	(29.85)	77,601.34
Other income	795.18	-	795.18	-	795.18
Finance Income	530.42	-	530.42	(33.20)	497.22
Operating expenses	(55,449.97)	-	(55,449.97)	-	(55,449.97)
Cost of inventory consumed	-	(31.93)	(31.93)	(0.18)	(32.11)
Employee benefits expense	(8,625.67)	(21.11)	(8,646.78)	29.86	(8,616.92)
Selling expenses	(1,890.62)	(9.76)	(1,900.38)	0.00	(1,900.38)
Other expenses	(4,015.84)	(71.05)	(4,086.89)	1.06	(4,085.83)
Depreciation and amortization expense	(2,312.00)	(1.18)	(2,313.18)	(0.00)	(2,313.18)
Finance costs	(921.90)	(34.61)	(956.51)	33.21	(923.30)
<b>Segment profit/(loss)</b>	<b>5,666.51</b>	<b>(95.36)</b>	<b>5,571.15</b>	<b>0.90</b>	<b>5,572.06</b>
<b>Total assets</b>	<b>40,315.91</b>	<b>438.97</b>	<b>40,754.88</b>	<b>(439.03)</b>	<b>40,192.54</b>
<b>Total liabilities</b>	<b>40,745.58</b>	<b>569.29</b>	<b>41,314.87</b>	<b>(569.12)</b>	<b>40,751.73</b>

## Revenue from external customers

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
India	82,460.56	72,730.07
Outside India	8,754.19	4,871.27
<b>Total revenue as per statement of profit or loss</b>	<b>91,214.75</b>	<b>77,601.34</b>

The revenue information above is based on the locations of the customers.

## Non-current operating assets

India	22,534.76	21,697.58
Outside India	-	-
<b>Total</b>	<b>22,534.76</b>	<b>21,697.58</b>

Non-current assets for this purpose consist of property, plant and equipment, intangible assets and other non-current assets.

There are no sales to external customers more than 10% of total revenue.

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## 48. Income Tax Expense

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

### Profit or loss section

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Current Tax:</b>		
Current income tax charge	0.26	-
<b>Deferred Tax:</b>		
Relating to the origination and reversal of temporary differences	-	-
<b>Income Tax expense reported in the statement of profit and loss</b>	<b>0.26</b>	<b>-</b>

### Other Comprehensive Income(OCI) section

Deferred tax related to items recognised in OCI during in the year:

Net loss/(gain) on remeasurement of defined benefit plan	14.45	(2.34)
<b>Income Tax charged to OCI</b>	<b>14.45</b>	<b>(2.34)</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018 :

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (34.944%) as follows:

<b>Accounting Profit before income tax</b>	<b>(3,023.85)</b>	<b>5,572.06</b>
Profit before income tax multiplied by standard rate of corporate tax in India of 34.944% (2018: 34.608%)	(1,056.65)	1,928.38
<b>Effects of:</b>		
Income exempted from tax	(33.60)	(22.48)
Non-deductible expenses for tax purposes	344.85	263.79
Set-off of brought forward losses	745.41	(2,169.69)
<b>Net effective income tax</b>	<b>-</b>	<b>-</b>

### Deferred Tax

The Group 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 temporary difference on depreciation of ₹4,185.33 million as at March 31, 2019 (₹4,276.32 million as at March 31, 2018) since it is not probable that future taxable profit will be available against which the complete unused tax losses and unused tax credits will be utilised.

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax liability	(4,185.33)	(4,276.32)
Deferred Tax asset	4,185.33	4,276.32
<b>Net Deferred Tax asset/ (liability)</b>	<b>-</b>	<b>-</b>

Year ended March 2019	Opening	Recognised in profit or loss	Recognised in OCI	Closing Balance
Property, plant & equipment	(4,276.32)	90.99	-	(4,185.33)
Tax losses	4,276.32	(90.99)	-	4,185.33
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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Year ended March 2018	Opening	Recognised in profit or loss	Recognised in OCI	Closing Balance
Property, plant & equipment	(4,470.24)	193.92	-	(4,276.32)
Tax losses	4,470.24	(193.92)	-	4,276.32
<b>Total</b>	-	-	-	-

## Unused tax losses and unused tax credits

Unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

Particulars	As at March 31, 2019	As at March 31, 2018
Unused Tax losses *	3,649.86	2,356.57
Unabsorbed Tax depreciation #	13,081.97	12,013.40
<b>Net Deferred Tax asset/ (liability)</b>	<b>16,731.83</b>	<b>14,369.97</b>

## # Unabsorbed depreciation does not have any expiry period under the Income Tax Act, 1961

\*The following table details the expiry of the unused tax losses

Particulars	As at March 31, 2019	As at March 31, 2018
< 4 years	2,356.57	2,356.57
< 8 years	1,293.29	-
<b>Total</b>	<b>3,649.86</b>	<b>2,356.57</b>

The unused tax losses and unabsorbed depreciation considered above are based in the tax records and returns of the Group and does not consider the potential effect of matters under dispute/litigation with the tax authorities which are currently sub-judice at various levels. Also refer note 45.

## 49. Related party transactions

Relationship	Name of the party
Party exercising control	Mr. Ajay Singh
Enterprises over which parties above or their relatives have control/ significant influence ('Affiliates')	Crosslink Finlease Private Limited
	Greenline Transit System Private Limited
	Intel Constructions Private Limited
	One City, Promoters Private Limited
	Indiverse Broadband Private Limited
	Starbus Services Private Limited
	Argentum Electric Vehicles Private Limited
	i2n Technologies Private Limited
	Greenline Communication Private Limited
	Pan India Motors Private Limited
	Spice Fresh Private Limited
	Spice Wecare Private Limited
	SpiceJet Innovate Private Limited
	Multipurpose Trading and Agencies Limited

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Relationship	Name of the party
Key management personnel	Mr. Ajay Singh, Chairman and Managing Director
	Mrs. Shiwani Singh, Non-Executive Promoter Director
	Mr. Kiran Koteswar, Chief Financial Officer
	Mr. Chandan Sand, Group Secretary
	Mr. HarshaVardhana Singh, Independent Director
	Mr. Anurag Bhargava, Independent Director
	Mr. R. Sasiprabhu, Independent Director (up to May 9, 2018)
	Mr Ajay Chhotelal Aggarwal, Independent Director (from February 11, 2019)

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

Subsidiaries	Year ended March 31, 2019	Year ended March 31, 2018
<b>i2n Technologies Private Limited</b>		
<i>Transactions during the year</i>		
Legal and professional services	7.70	-
<i>Balances outstanding as at the period end</i>		
Advance to suppliers	-	1.25

## Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2019, the Group has not recorded impairment of loans and receivables relating to amounts owed by related parties (March 31, 2018: Nil).

## Compensation of Key management personnel of the Group

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits*	101.74	200.05
Share-based payment transaction (Refer note 41)	62.13	9.45
Provident Fund Contribution	1.48	1.40
<b>Total</b>	<b>165.35</b>	<b>210.90</b>
<i>Sitting fees</i>		
Mr. Anurag Bhargava	0.50	0.26
Mr. R. Sasiprabhu	-	0.34
Dr. Harsha Vardhana Singh	0.50	0.35
Ms. Shiwani Singh	0.40	0.10
<b>Total</b>	<b>1.40</b>	<b>1.05</b>
<b>Total compensation paid to key management personnel</b>	<b>166.75</b>	<b>211.95</b>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

As the liabilities for gratuity and compensated absences are provided on actuarial basis for the Group as a whole, the amounts pertaining to the key management personnel are not included above.

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## 50. Fair Values

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities.

Particulars	Carrying value		Fair value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Financial Assets</b>				
Investments - Non current	0.24	0.24	0.24	0.24
Investments - Current	3.63	1,012.62	3.63	1,012.62
Other financial assets - Non current	11,349.21	8,797.33	11,349.21	8,797.33
Other financial assets - Current	1,042.64	1,134.76	1,042.64	1,134.76
Trade receivables	1,353.37	858.28	1,353.37	858.28
Other receivables	5,791.00	711.36	5,791.00	711.36
Cash and cash equivalents	797.11	1,470.51	797.11	1,470.51
<b>Total</b>	<b>20,337.20</b>	<b>13,985.10</b>	<b>20,337.20</b>	<b>13,985.10</b>
<b>Financial Liabilities (Non-current and Current)</b>				
Borrowings - Non current	5,566.28	6,509.53	5,560.93	6,528.14
Borrowings - current	4,179.44	3,574.38	4,179.44	3,574.38
Trade payables - Non current	77.65	150.69	77.65	150.69
Trade Payables - Current	10,481.78	6,885.27	10,481.78	6,885.27
Other current financial liabilities	1,621.84	3,182.45	1,621.84	3,182.45
<b>Total</b>	<b>21,926.99</b>	<b>20,302.32</b>	<b>21,921.64</b>	<b>20,320.93</b>

The Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values. The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables, and other current and non-current financial liabilities and financial assets approximate their carrying amounts largely due to the short-term maturities of these financial instruments. The fair value of borrowings is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return, adjusted for the Credit spread considered by the lenders for instruments of the similar maturity.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## 51. Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities are measured at fair value in the Balance Sheet.

Particulars	Fair value hierarchy as at March 31, 2019		
	Level 1	Level 2	Level 3
Investments in mutual funds	3.63	-	-
Equity Investments	-	-	0.24
Particulars	Fair value hierarchy as at March 31, 2018		
	Level 1	Level 2	Level 3
Investments in mutual funds	1,012.62	-	-
Equity Investments	-	-	0.24

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The fair value of the derivative instruments have been calculated in reference to the intermediate market rate between offer rate and bid rate (both interest rate and exchange rate) or intermediate price between buying price and selling price as on the reporting date.

There have been no transfers between level 1 and level 2 during the period.

## 52. Financial risk management objectives and policies

The Group's principal financial liabilities, comprise of loans and borrowings, trade and other payables and derivatives. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a treasury team. The treasury team provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. Market risk comprises three types of risk: interest rate risk, currency risk and foreign currency risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2019.

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The majority of the Group's investments are in the shares of subsidiaries, which are carried at cost. The investments in other equity instruments as at the reporting date are not material.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because it borrow funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. As at March 31, 2019 approximately 49.32% of the Group's borrowings are at a variable rate of interest (March 31, 2018 - 47.06%)

#### Interest rate sensitivity

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended March 31, 2019 would decrease/increase by ₹28.44 million (March 31, 2018: decrease/increase by ₹30.98 million).

In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group actively manages its currency rate exposures through its treasury team using derivative instruments such as forward contracts to mitigate the risks from such exposures.

The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

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## Foreign currency sensitivity

The following demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The sensitivity analysis includes only outstanding unhedged foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

If the foreign currency rates had been 5% higher/lower and all other variables were held constant, the Group's profit for the year ended March 31, 2019 would decrease/increase by ₹262.99 million (March 31, 2018: decrease/increase by 415.32 million).

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

## Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Trade receivables are typically unsecured and are primarily derived from cargo and other revenue streams. Majority of the Group's passenger revenue is made against deposits made by agents. Trade receivables primarily comprise of domestic customers, which are fragmented and are not concentrated to individual customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored. At March 31, 2019, the Group had 26 customers (March 31, 2018: 11 customers) that owed the Group more than ₹10 million each and accounted for approximately 65% (March 31, 2018: 61%) of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are widely dispersed and operate in largely independent markets. The average credit period ranges between 30 and 90 days.

## Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Group also constantly monitors funding options available in the debt markets with a view to maintaining financial flexibility.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments

Year ended March 2019	On demand	Up to 1 year	1 to 5 years	> 5 years	Total
<b>Financial Liabilities (Non-current and Current)</b>					
Borrowings	997.79	3,181.65	5,202.16	364.12	9,745.72
Trade Payables	4,309.29	5,983.99	77.65	-	10,370.93
Other current financial liabilities	-	1,563.63	58.21	-	1,621.84
<b>Total</b>	<b>5,307.08</b>	<b>10,729.27</b>	<b>5,338.02</b>	<b>364.12</b>	<b>21,738.49</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

Year ended March 2018	On demand	Up to 1 year	1 to 5 years	> 5 years	Total
<b>Financial Liabilities (Non-current and Current)</b>					
Borrowings	2,162.61	1,416.89	5,083.92	1,420.50	10,083.91
Trade Payables	4,172.50	2,712.77	150.69	-	7,035.96
Other current financial liabilities	67.50	3,100.63	14.32	-	3,182.45
<b>Total</b>	<b>6,402.61</b>	<b>7,230.29</b>	<b>5,248.93</b>	<b>1,420.50</b>	<b>20,302.32</b>

## 53. Capital management

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Group.

The Group determines the amount of capital required on the basis of annual operating plans and long-term fleet expansion plans. The funding requirements are met through internal accruals and other long-term/short-term borrowings. The Group's policy is aimed at combination of short-term and long-term borrowings.

The Group monitors capital employed using a Debt equity ratio, which is total debt divided by total equity and maturity profile of the overall debt portfolio of the Group.

The Group's policy is to keep the net debt to total equity ratio above (1.00).

Particulars	As at March 31, 2019	As at March 31, 2018
Long term borrowings	5,566.28	6,509.53
Short term borrowings	4,179.44	3,574.38
Other current liabilities (Current maturities of Long term borrowing)	1,351.88	2,943.01
Cash and cash equivalents	(667.61)	(1,199.51)
Bank balances other than above	(129.50)	(271.00)
Net debt	10,300.49	11,556.41
Total equity	(3,499.63)	(559.19)
<b>Net debt to total equity ratio</b>	<b>(2.94)</b>	<b>(20.67)</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

## 54. Details of CSR Expenditure

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gross amount required to be spent by the Group during the year	95.85	21.55
<b>Amount spent during the year ending on March 31, 2019</b>	<b>Paid in cash</b>	<b>Yet to be paid in cash</b>
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	4.65	91.20

## Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Amount spent during the year ending on March 31, 2018</b>	<b>Paid in cash</b>	<b>Yet to be paid in cash</b>
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	3.11	18.44

### 55. Previous year figures

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

As per our report of even date.

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

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

For and on behalf of the Board of Directors

**per Aniruddh Sankaran**

Partner

Membership No: 211107

Place: Gurgaon

Date: May 28, 2019

**Ajay Singh**

Chairman & Managing  
Director

Place: Gurgaon

Date: May 28, 2019

**Kiran Koteswar**

Chief Financial Officer

Place: Gurgaon

Date: May 28, 2019

**Chandan Sand**

Company Secretary

Place: Gurgaon

Date: May 28, 2019

# SpiceJet Limited

CIN: L51909DL1984PLC288239

**Regd. Office:** Indira Gandhi International Airport, Terminal 1D, New Delhi - 110 037

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

## PROXY FORM

**35<sup>th</sup> Annual General Meeting - September 30, 2019**

**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: **L51909DL1984PLC288239**

Name of the Company: **SpiceJet Limited**

Registered Office: **Indira Gandhi International Airport, Terminal 1D, New Delhi - 110 037**

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

Registered address: .....

E-mail Id: .....

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

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

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

Address: .....

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

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

Address: .....

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

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

Address: .....

Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, the 30<sup>th</sup> day of September, 2019 at 4:00 p.m. at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description
Ordinary Business	1. (a) Adoption of audited standalone financial statements of the Company for the financial year ended March 31, 2019, together with the Report of the Board of Directors and the Statutory Auditors thereon. (b) Adoption of audited consolidated financial statements of the Company for the financial year ended March 31, 2019, together with the Report of the Statutory Auditors thereon.
	2. Appointment of Mrs. Shiwani Singh, who retires by rotation and being eligible, offers herself for re-appointment.
Special Business	3. Appointment of Mr. Ajay Chhotelal Aggarwal as an Independent Director of the Company.
	4. Appointment of Mr. Manoj Kumar as an Independent Director of the Company.
	5. Remuneration to Mr. Ajay Singh, Managing Director of the Company in case of no profits/ inadequacy of profits of the Company.

Signed this ..... day of ....., 2019.

Signature of Member .....

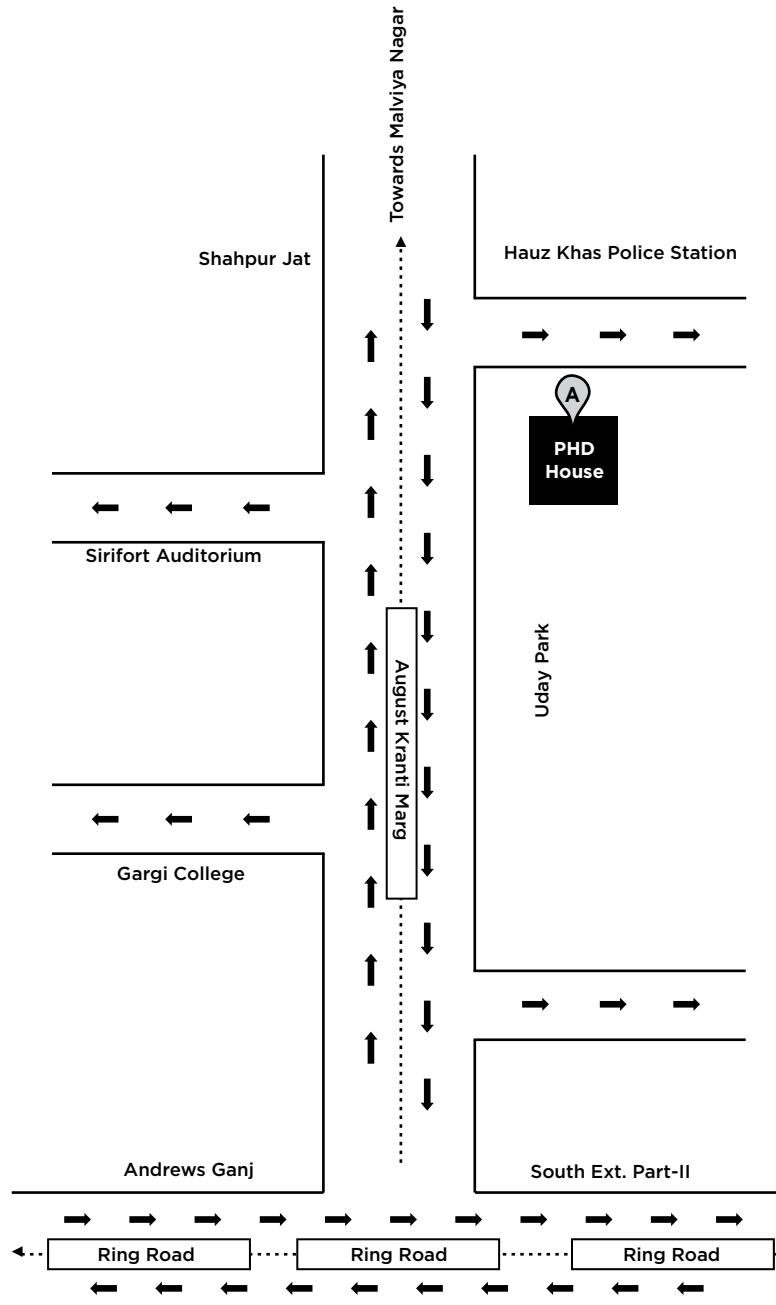
Signature of Proxy holder(s) .....

Affix  
revenue  
stamp of  
not less than  
₹ 1

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

# ROUTE MAP TO THE VENUE

of the 35<sup>th</sup> Annual General Meeting of SpiceJet Limited



PHD Chamber of Commerce and Industry,  
PHD House, 4/2, Siri Institutional Area,  
August Kranti Marg, New Delhi - 110 016

[illegible]

## NOTES

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### SpiceJet Limited

CIN: L51909DL1984PLC288239

**Regd. Office:** Indira Gandhi International Airport, Terminal 1D, New Delhi - 110 037

Website: [www.spicejet.com](http://www.spicejet.com); email: [investors@spicejet.com](mailto:investors@spicejet.com); T: +91 124 3913939; F: +91 124 3913844

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#### ATTENDANCE SLIP

#### 35<sup>th</sup> Annual General Meeting - September 30, 2019

I, hereby, record my presence at the 35<sup>th</sup> Annual General Meeting of SpiceJet Limited held on Monday, the 30<sup>th</sup> day of September, 2019 at 4:00 p.m. at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016.

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

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

.....  
Signature of Member/ Proxy

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

# SpiceXpress

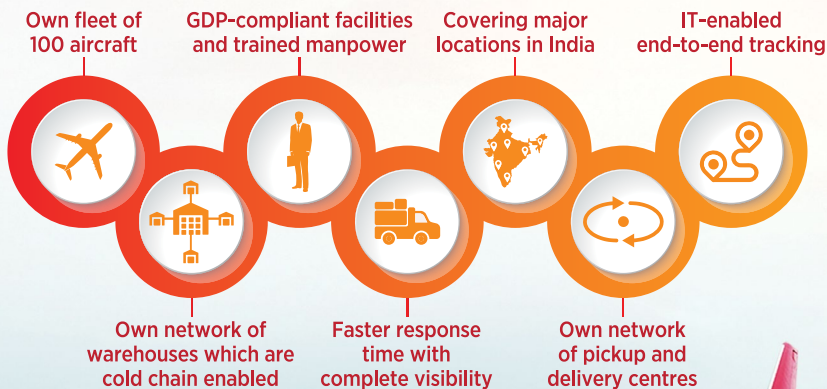
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SG 7032	HYDERABAD	DELHI	DAILY
SG 7032	DELHI	MUMBAI	DAILY
SG 7032	MUMBAI	BANGALORE	DAILY
SG 7031	BANGALORE	CHENNAI	DAILY

### OUR SERVICES

- Overnight service for next day delivery before noon
- Dangerous Goods
- Oversized Goods
- Automotive
- Pharma
- Perishable Goods
- Mobile Phones
- E-commerce
- Live animals and much more



For more information:



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**SPICEJET LIMITED**

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