SpiceJet

2019-2020
ANNUAL REPORT

PERSISTENT.
RESILIENT.
PREPARED.

Forward-looking statements

This annual report contains '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.

Contents

Persistent. Resilient. Prepared.

Just three words. But when they come together, they become a powerful statement. A statement that encapsulates ethos, mirrors mindset and determines direction.

FY 2019-20 has been nothing short of challenging. From setback in our growth strategy due to global grounding of Boeing 737 Max fleet to rise in aviation turbine fuel prices, from rupee depreciation to shutdown of airline operations due to onset of Covid-19 pandemic, the challenges were manifold.

At SpiceJet, we remained persistent and displayed resilience to all. While we acknowledge the challenges ahead, we anticipate unprecedented opportunities for the Indian aviation industry as things return to normalcy. We are prepared for this.

Our persistence comes from our indomitable spirit and strong leadership that has enabled us to overcome many such challenges across our existence.

Our resilience stems from our strong fundamentals and deep expertise that enables us to effectively manage our fleet and resources as per circumstances, alongside maintaining healthy financial position and cost control.

Our persistence and resilience not only give us strength to remain unintimated by challenges, but also the confidence of converting them into opportunity by realigning strategy and rethinking priorities.

At SpiceJet, we are prepared for a stronger and better future.

Flying High with SpiceJet

SpiceJet is one of India's leading and the most favourite low-cost airline. We are making flying affordable and a memorable experience to millions of flyers with our unique customer services, loyalty programmes and value-added services. We are consistently enhancing our reach to more Indians by adding destinations and expanding our fleet. We have employed state-of-the-art technologies and passenger-friendly people to make your journey safe, comfortable and always on time. We also run a dedicated cargo services business, SpiceXpress, which is India's largest cargo operating airline.

India's largest cargo operator

in terms of domestic and international cargo operations

India's largest passenger airline

in terms of regional connectivity

India's 2nd largest passenger airline

in terms of domestic passengers

Being a resilient organisation

Robust fleet and capacity

- 68 mainline Boeing fleet for key destinations
- 32 Q400 for regional connectivity
- 5 Freighter for passengers services
- 2.7 million passengers carried
- 78,000 Cargo carried

Robust business model

- Stable and diversified revenue streams – Primary (Passenger air travel) and Ancillary (Preferred Seating, Business Class, Spice Max, Loyalty Programmes, Insurance, Meals, Spice Vacations, Lounge, Visa, Cab, Cargo, Onboard Merchandise)
- Low-cost model – 92%+ load factor and 12 hours average aircraft utilisation

Unparalleled regional connectivity

- 57 daily UDAN flights
- 10 operational regional destinations

Strong management team

- Mr. Ajay Singh, CMD, a pioneer of low-cost aviation in India
- 23.5 years of average senior management experience

Growing relationship

- Interline and codeshare agreement with Emirates
- MoU with Gulf Air to explore interline and codeshare agreement
- Amadeus as distribution partners

An airline on national duty during the Covid-19 pandemic

76,500 tonnes

of cargo transported through more than 9,930 flights – surgical supplies, sanitisers, face masks, coronavirus rapid test kits, IR thermometers, along with providing doorstep deliveries of essential supplies and medical equipment

Farmer support

Ran special flights to support Government's Krishi Udan and Marine Udan initiatives aimed at helping farmers by transporting record quantities of fresh farm (vegetables and fruits) and shrimp produce

Vande Bharat Mission

Supported the Government's initiatives by operating more than 1,100 flights to repatriate 2,00,000 Indians stranded in across various countries

*Data as on October 31, 2020.

Persistently Expanding Route Network

105

Fleet size (68 Boeing 737 and Max, 32 Q400 and 5 Freighter)

240

Average daily passenger flights

57

Routes operated (47 India and 10 international)

107

Cargo destinations (63 domestic and 44 international)

Passenger business

Domestic

- Adampur
- Ahmedabad
- Amritsar
- Bagdogra
- Belgaum
- Bengaluru
- Calicut
- Chennai
- Coimbatore
- Darbhanga
- Dehradun
- Delhi
- Dharamshala
- Durgapur
- Goa
- Gorakhpur
- Guwahati
- Gwalior
- Hyderabad
- Jabalpur
- Jaipur
- Jaisalmer
- Jammu
- Jharsuguda
- Kandla
- Kanpur
- Kishangarh
- Kochi
- Kolkata
- Leh
- Madurai
- Mangalore
- Mumbai
- Nashik
- Patna
- Porbandar
- Port Blair
- Pune
- Rajkot
- Silchar
- Srinagar
- Surat
- Thiruvananthapuram
- Tirupati
- Udaipur
- Varanasi
- Vijayawada

International

- Bangkok
- Chittagong
- Colombo
- Dhaka
- Dubai
- Hong Kong
- Jeddah
- Kabul
- Muscat
- Riyadh

*Data as on October 31, 2020.

Ensuring an Award-Winning Performance

Asia Pacific Airline Executive of the Year Award 2019
by CAPA - Centre for Aviation to Mr. Ajay Singh, CMD

Best Domestic Low Cost Airline Award 2019
at the 12th ASSOCHAM International Conference cum Awards on Civil Aviation & Cargo

Best Domestic Airline Award 2018
at the 11th ASSOCHAM International Conference cum Awards on Civil Aviation & Cargo

Low-Cost Leadership Award
by Flight Airline Business in London to Mr. Ajay Singh, CMD

USISPF Leadership Award
in Washington DC to Mr. Ajay Singh, CMD

Editor's Choice Award
for best domestic low cost airline at the Times Travel award

BML Munjal Awards 2018
for 'Business Excellence through Learning and Development'

Special Jury Award
for Outstanding Entrepreneur of the civil aviation sector for the decade by Air Passengers Association of India to Mr. Ajay Singh, CMD

Best Airline
operating under the government's Regional Connectivity Scheme (UDAN) by APAI.

Best Domestic Airline Award
at the prestigious Wings India Awards for Excellence in the aviation sector organised by the Ministry of Civil Aviation, Government of India and FICCI

Indian Entrepreneur of the Year 2017
to Mr. Ajay Singh, CMD for Business Transformation by Ernst & Young (EY)

CAPA Chairman's Order of Merit for Excellence
in Indian Aviation Award to Mr. Ajay Singh, CMD

Persistently Delivering Strong Performance

Operational performance: FY 2019-20

40%
Growth in capacity (seat kilometres) to 31.3 Billion in FY 2019-20

93
New routes introduced in FY 2019-20

39
Aircraft added to fleet

Financial performance: FY 2019-20 vs FY 2018-19

36%
Growth in total income from operations

6%
Growth in average fare

32%
Growth in passenger revenue

Net revenue from operations (₹ million)

2019-20	1,23,586
2018-19	91,133
2017-18	77,557

EBITDA & EBITDA margin

	EBITDA (₹ million)	EBITDA margin (%)
2019-20	12,739	10%
2018-19	484	1%
2017-18	8,370	11%

EBITDAR & EBITDAR margin

	EBITDAR (₹ million)	EBITDAR margin (%)
2019-20	16,368	12%
2018-19	13,451	15%
2017-18	18,692	24%

EAT & EAT margin

	EAT (₹ million)	EAT margin (%)
2019-20	(9,348)	(7)%
2018-19	(3,161)	(3)%
2017-18	5,667	7%

Net debt (₹ million)

2019-20	10,065
2018-19	10,319
2017-18	11,569

Debt : Equity

2019-20	(0.64)
2018-19	(2.94)
2017-18	(26.93)

Available seat kilometre (million)

2019-20	31,334
2018-19	22,321
2017-18	19,510

Revenue passenger kilometre (million)

2019-20	28,079
2018-19	20,504
2017-18	18,254

No. of passengers (million)

2019-20	24.78
2018-19	19.90
2017-18	18.09

A Message from the Chairman and Managing Director

Dear Shareholders,

Thriving on challenges – this is one thing that we, at SpiceJet, have always done since inception. The harder the situation gets the greater is our motivation to think creatively and overcome it. It has enabled us to build a robust foundation and a business model that is resilient.

FY 2019-20 has been another such year where we once again demonstrated our ability to overcome the challenge. The year started with the worldwide grounding of Boeing 737 Max following two unfortunate incidents due to technical reasons. These fuel-efficient aircraft were a core part of our growth and cost reduction strategy, and the overnight grounding of 13 of our Boeing 737 Max fleet threw open a major challenge of flight cancellations and hassles for passengers. However, SpiceJet acted fast and re-accommodated passengers to ensure they were in no way affected by it. The incident also forced SpiceJet to use age-old aircraft having higher operational costs and at the same time bear the fixed costs associated with the Max fleet, resulting in significant impact on profitability.

As the year progressed, the aviation industry was further hit by hike in aviation turbine fuel (ATF) prices and rupee depreciation. The year finally ended with an unprecedented crisis due to the global outbreak of Covid-19 pandemic which brought the world to its knees, shutting down economic activity and forcing people to stay at home. Nations, including India, closed their borders and restricted air travel, hitting tourism and businesses worldwide.

While the passenger travel started declining since the beginning of 2020, the third week of March saw complete halt of domestic and international flights due to nationwide lockdown to contain the virus spread. The move, while necessary, affected SpiceJet and other airlines.

With the pandemic taking a tragic toll on lives and livelihoods, never in recent memory has there been a greater need for empathy and compassion than now. SpiceJet was among the first, across industry, to show that it cared as much for the nation and its people as for sustainable returns to shareholders. We contributed to the government's fight by assisting in transporting essential goods, medicines and medical equipment and other cargo both within our borders and outside. We cared for the security of our employees by ensuring no job losses. Unfortunately, we had to implement pay cuts, barring for employees in the lowest pay grades, to keep the airline standing on its wheels. I thank our employees, passengers and all stakeholders for being with us in these difficult times.

Displaying resilient performance

In spite of all the challenges, SpiceJet displayed resilience through FY 2019-20, delivering an exceptional performance on several fronts. Our capacity (average seat kilometres) grew 40%

to 31,334 million and passenger volumes remained strong, as it continued to rule the skies with an enviable 90%+ load factor, which we have done for a record 59 successive months.

An important milestone in FY 2019-20 was the induction of our 100th aircraft – a Boeing 737 – to the fleet. The credit for this goes to all SpiceJetters who worked tirelessly towards achieving this goal. Since April 1, 2019, we have added 39 aircraft, including 737s, Q400s and freighters, taking our total fleet to 114 as on March 31, 2020.

Post March 2020, we calibrated our capacity keeping in view the effects of pandemic and returned many aircraft.

We consolidated operations at Mumbai Airport, shifting from Domestic Terminal (T1) to the world-class Terminal 2 (T2) at Chhatrapati Shivaji Maharaj International Airport. Similarly, at Delhi Airport, we streamlined operations by shifting to Terminal 3 from Terminal 2. These developments will enable us to deliver a hassle-free travel experience to customers. We were also allotted additional departure slots at key airports including Mumbai and Delhi.

While our performance on operational front has been remarkable, our financial performance could have been better. Our Pax revenue grew 33% to ₹ 114,448 million in FY 2019-20. However, inflated costs following the grounding of Max fleet, and decline in passenger travel and finally the suspension of flights due to Covid-19 led to a net loss of ₹ 9,348 million. This included a non-cash loss of ₹ 6,970 million due to forex loss on restatement of lease liability under Ind-AS 116.

Creating opportunities with relationships

SpiceJet continued to forge partnerships with global peers to enhance brand reach. Our pact with Emirates offers wider connectivity to our customers on their network across the US, Europe, Africa and the Middle East. During the year, we also signed MoUs with Gulf Air and Ras Al Khaimah International Airport. The former would enable exploring interlining and code sharing prospects. The latter would enable us to develop and promote tourism in Ras Al Khaimah, U.A.E. while working towards developing it into an aviation hub with aim to extend its connectivity to the Gulf and European destinations.

Building for the future

An airline's strength lies in its robust network. Strong and expanding domestic and international network has always been our USP. This was reflected as we launched non-stop international flights to global hotspots such as Hong Kong, Dubai and Riyadh. Domestic network was strengthened with the addition of new cities and flights to enable more Indians fly and connect the unconnected parts. We added close to 200 new domestic and international flights to our network including 30 routes under UDAN. SpiceJet now flies to 47 domestic and 10 international destinations.

Within a few weeks into the crisis, we stepped up efforts to supply essential commodities and successfully built India's No. 1 Cargo Company. We operated thousands of flights to transport over 76,500 tonnes of cargo including medicines and medical equipment, fruits, vegetables and other essentials to all corners of India and the world. We helped our country and fellow citizens when they needed it the most. Our cargo network now spans 63 domestic and 44 international destinations.

We undertook several cost control measures and adopted robust accounts and payable management strategy to ensure our balance sheet remains strong.

We are also strengthering our technology infrastructure as we see ourselves transforming into a fully technology-driven airline.

Pioneering branding and sustainability efforts

Apart from making aviation affordable, SpiceJet is also strongly focussed on making it environmentally sustainable. In a first-of-its-kind initiative, we launched electric tarmac coaches at Chennai Airport – a new sustainability benchmark in Indian aviation that will considerably reduce carbon footprint.

We also undertook several unique branding initiatives. We launched SpiceDemocracy whereby free flight tickets were offered to voters who wished to cast their votes in the Delhi Assembly elections. Over 7,000 citizens participated in the campaign and helped build a stronger and more vibrant democracy. We converted an aircraft into a flying billboard with movie poster giving a unique and unmatched visibility to the music launch of the Tamil film 'Soorarai Pottru' inside an aircraft at Chennai International Airport. We teamed up with the Sports Authority of India and ran special flights to provide an exclusive flying experience to over 1,000 athletes at the third edition of the 2020 Khelo India Youth Games held in Guwahati.

Outlook

The global aviation industry is presently flying through rough weather and SpiceJet is no exception. In spite of the current situation, SpiceJet is on course to becoming a world-class Indian airline in the true spirit of a strong, Aatma Nirbhar (self-dependent) India. Our immense flexibility to upsize and downsize capacity as per the demand outlook and adjust to any situations makes us a sustainable airline in the challenging Indian aviation space.

The pandemic has given us an opportunity to be of service to our country by leveraging our cargo operations for supplying essentials. Having experienced success in cargo operations, we are extremely confident on this business and intend to expand it considerably over the next two years.

I would like to thank you all for your continued trust and steadfast support that has enabled SpiceJet to fly the Indian skies and beyond for 15 years. I have no doubt that we will, together, continue to set new benchmarks and break new barriers in the coming years.

I look forward to many exciting journeys with you.

Stay safe. Stay well.

Warm regards,

Ajay Singh
Chairman and Managing Director

Displaying Persistence and Resilience

SpiceJet is a dependable name in the Indian aviation industry having a proud history of persistently rising amidst extreme turbulence. In FY 2019-20, the airline once again proved its mettle by resiliently overcoming unprecedented challenges. We continued to display unparalleled operational excellence leveraging our unique low-cost and passenger-centric business model.

Effectively handling Max fleet grounding

SpiceJet was presented with an unprecedented challenge due to suspension of its 13 Boeing 737 Max aircraft following two unfortunate aircraft incidents which led to worldwide grounding of these aircrafts. This led to cancellation of flights. However, SpiceJet acted swiftly to re-accommodate passengers in other aircraft and operated its older inefficient fleet to fulfil passenger promise and ensure they are not impacted.

Flexibly upsizing and downsizing capacity

Our flexibility to scale operations up and down as per demand provides us an edge in a highly cost sensitive aviation industry. This enables us to capitalise on opportunities when demand is high and preserve resources when the demand is low.

We were able to effectively implement in a turbulent FY 2019-20 that witnessed significant fluctuation in passenger demand. While the demand rose in the beginning of the year, it started to decline towards the end and finally completely halted due to lockdown. From adding 39 new aircraft to meet peak demand to ensuring sustained operations due to Max fleet grounding and scaling down resources when demand was low, SpiceJet acted swiftly to rescale capacities and resources as per the demand. Our operational excellence and automation technologies proved critical at these times.

Our resilient performance in a challenging FY 2019-20

80%

Average on-time performance maintained that we have attained since June 2016

90%+

Load factor maintained till February 2020, ensuring 59 consecutive months of 90%+ load factors

240 as on October 31, 2020

Average daily passenger flights

Efficient financial management and cost control

The multiple challenges in FY 2019-20 necessitated players to undertake effective financial management measure and business continuity plans. At these times, SpiceJet leveraged its good relations with partners/vendors to defer/negotiate payments and its robust financial management capabilities to maintain good account and payable management. With this, we were able to better manage cash flows and ensure sustained operations.

We undertook several cost control measures such as cutting down unnecessary expense, employee compensation revision, renegotiating contracts, rationalising and optimising fleet utilisation, and redeployment of capacity in routes having higher demand. We streamlined operations at Mumbai and Delhi Airports by consolidated operations at a single terminal which will result in substantial savings.

The Company continues to implement various measures such as enhancing customer experience, improving selling and distribution, revenue management, fleet rationalisation, optimising aircraft utilisation, redeployment of capacity in key focus markets, management and employee compensation revision, renegotiation of Contracts and other costs control measures, to help the company establish consistent profitable operations and cash flows in the future.

Prepared for a Sustainable Future

In challenging times, most only think of salvaging exiting business. At SpiceJet, we not only did that resiliently, we converted this challenging time into an opportunity by undertaking several efforts to prepare ourselves for the future and make our operations sustainable in the long-term. We are now ready to deliver strong performance as soon as the industry revives.

Strengthening technology platform

While SpiceJet has always been a technology-driven airline, during the year we undertook several measures to give a fillip to our technology strategy. We became the first airline to introduce customer service agent on WhatsApp to allow passengers to check-in through it. While our automated service agent ensures extensive support with minimum physical intervention, WhatsApp servicing will prove useful in case passengers are facing issues of slow and intermittent internet connections. We also revamped our mobile app with a jazzy interface and many new features to make it faster and user-friendly.

Consolidated freighter business

An important development during the year was the consolidation of our dedicated freighter business SpiceXpress. While this business was operating at good pace, the onset of Covid-19 accelerated it as we ran India's first cargo-on-seat flight carrying vital supplies in passenger cabin and belly space. In the seven months since lockdown, we transported ~76,500 tonnes of cargo on more than 9,930 flights to become India's largest air cargo company. Our cargo network now spans over 63 domestic and 44 international destinations and we aim is to scale up capacity and network.

Secured premium slots

We secured 74 premium slots of those vacated by other airlines. These slots, having high passenger demand, will ensure higher revenue generation and hence more profitable operation.

Building international business

During the year, we received permission to operate flights to Jeddah, UK, US and Amsterdam. We have also signed several Memorandum of Understandings ("MoU") to further strengthen our international connectivity. This includes an MoU for a codeshare and interline agreement with Emirates to enable our passengers enjoy wide and seamless connectivity through their extensive network across Europe, Africa, America, and the Middle East. We are exploring similar interline and codeshare agreement with Gulf Air. Further, we signed an MoU with Ras Al Khaimah International Airport to develop it into an aviation hub and promote tourism in the region. Located in the northernmost Emirate of UAE, this airport will enable us to extend our connectivity to the Gulf and European destinations.

Strengthened domestic network

During the FY 2019-20, we added 93 routes to our network including 30 UDAN routes. Several new flights were launched and frequencies from the key metros of Mumbai, Delhi, and Hyderabad were enhanced. We are continuously revisiting our domestic network expansion strategy with a special focus on regional connectivity besides enhancing connectivity between metros and non-metros.

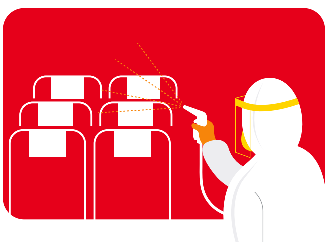
Unique initiatives by SpiceJet during the Covid-19 pandemic

- Initiated facility to book extra seats to enjoy contactless, stress-free flying experience
- Introduced Digit Illness Group Insurance, a unique product covering all hospitalisation expenses incurred due to Covid-19
- Complementary in-flight entertainment, SpiceScreen, developed in collaboration with a local start-up to make available engaging content and latest blockbusters on personal mobile devices
- Introduced WhatsApp servicing facility by integrating automated customer service agent – Ms Pepper – on it

Ensuring a Clean and Safe Journey

Spice Shield For A Safer Travel Experience

Taking all measures to keep you safe



Cabin Sanitization

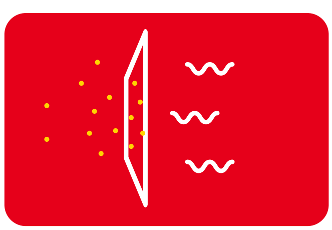
Best-in-class cleaning and sanitizing procedures with Boeing approved disinfectants before every flight.

Synthetic Leather Seats

We are equipping our aircraft with synthetic leather seats that are non-porous and easier to clean as compared to fabric seats.

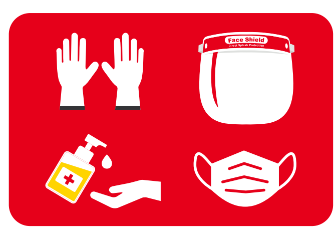
State-of-the-Art Air Circulation Systems

The cabin air does not circulate from front to back, it only flows from the ceiling to the floor and gets absorbed for filtration.



HEPA Filters

All our aircraft use a High Eciency Particulate Air (HEPA) filter that removes up to 99.9% of airborne particles.



Protective Measure

Our crew will be wearing protective gear and customers will be provided with a safety kit. For added safety, the passenger in the middle seat will be given an over-all kit.

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 (upto September 30, 2019)

Mr. Ajay Aggarwal
Independent Director

Mr. Manoj Kumar
Independent Director

Key Managerial Personnel

Mr. Kiran Koteshwar
Chief Financial Officer (upto August 31, 2020)

Mr. Sanjeev Taneja
Chief Financial Officer (effective November 11, 2020)

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

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;
Email: investors@spicejet.com
Phone: +91 124 3913939

Statutory Auditors

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

Registrar & Share Transfer Agents

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

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-sixth Annual General Meeting (the **"AGM"**) of the members of SpiceJet Limited (the **"Company"**) will be held on Thursday, the 24th day of December, 2020 at 4:00 p.m. through video conference and other audio visual means (**"VC"**) to transact the following business:

Ordinary Business:

1. To consider and adopt:

   (a) the audited financial statements of the Company for the financial year ended March 31, 2020, 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, 2020, together with the Report of the Statutory Auditors thereon.

2. To appoint a Director in place of Mr. Ajay Singh (DIN: 01360684), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

3. To appoint Statutory Auditors of the Company from the conclusion of this AGM until the conclusion of the forty first AGM and to pass the following resolution as an ordinary resolution:

   "Resolved that pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, M/s. Walker Chandiok & Co LLP, Chartered Accountants (Registration No. 001076N/N500013), be and is hereby appointed as the Statutory Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of forty-first Annual General Meeting of the Company, at a remuneration of ₹ 80,00,000.00 (Rupees Eighty Lacs) to conduct the audit of the accounts of the Company for the financial year ended March 31, 2021 along with applicable taxes and reimbursement of out of pocket expenses incurred.

   Resolved further that the Board of Directors of the Company on the recommendation of the Audit Committee may alter terms and conditions of appointment of the Statutory Auditors including payment of remuneration, in such manner as may be mutually agreed with the Statutory Auditors subject always to and in compliance with all applicable provisions of the Companies Act, 2013 and rules made thereunder."

Special Business:

4. Transfer of cargo business to its wholly-owned subsidiary

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

"Resolved that pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof), the provisions of the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to include any Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) consent of the members of the Company be and is hereby accorded to the Board to transfer by way of sale or otherwise its cargo business to its wholly-owned subsidiary namely SpiceXpress and Logistics Private Limited, as a whole or part thereof, in one or more tranches, on such terms and conditions as the Board may consider fit and proper and to do all such things as may be considered necessary or expedient to give effect to the same.

Resolved further that the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing and varying the terms and conditions to transfer the business undertaking and finalizing, modifying and executing necessary documents, including business transfer agreement, contracts, agreements, deeds of assignment / conveyance and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including governmental authorities if required, and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, and to settle any questions, difficulties or doubts that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

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

Resolved further that all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

By order of the Board of Directors

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

Date : November 11, 2020
Place : Gurugram

SpiceJet Limited
Indira Gandhi International Airport,
Terminal 1D, New Delhi – 110037
CIN: L51909DL1984PLC288239
Website: www.spicejet.com, Email: investors@spicejet.com
Tel: +91 124 3913939; Fax: +91 124 3913844

Notes:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special business is annexed hereto and forms part of the Notice. An explanatory statement to item no. 3 is also attached and forms part of the Notice.

2. In view of the outbreak of the Covid-19 pandemic, social distancing norm to be followed and pursuant to the General Circular No. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (collectively referred to as the **"e-AGM Circulars"**), the AGM of the Company is being conducted through VC facility, which does not require physical presence of members at a common venue. The special business mentioned in the item no. 4 being unavoidable, be transacted at this AGM of the Company.

   The Company is adhering and complying with all the provisions mentioned in the e-AGM Circulars. The Company has made all the necessary arrangements to avoid failure of VC connection and has ensured sufficient and adequate security to safeguard the integrity of the meeting. KFin Technologies Private Limited (**"KTPL"**) will be providing facility for participation in the AGM through VC, voting through remote e-voting and e-voting during the AGM.

3. **A member entitled to attend and vote at the AGM is 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. Since the AGM is being held in accordance with the e-AGM Circulars through VC, the facility for appointment of proxies by the members shall not be available. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.**

4. Members may participate in the AGM through VC facility by following the procedure as mentioned below which shall be kept open for the members thirty minutes before the time scheduled to start the AGM. To join the VC please visit https://emeetings.kfintech.com with the credentials as mentioned in the Notice para no. 20(b). The helpline toll free no. 1800 345 4001 may be used for assistance with the technology before or during the meeting.

5. Members may note that the VC facility with two-way conferencing and also pose questions concurrently, allows participation of atleast 1,000 members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoter, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come- first-served principle as per the e-AGM Circulars. Institutional Investors who are members of the Company, are encouraged to attend and vote in the AGM through VC facility.

6. In compliance with the e-AGM Circulars, the Annual Report for financial year ended March 31, 2020, the Notice of the thirty-sixth AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).

   All the above documents are also available on the website of the Company at www.spicejet.com under the "Investors" section.

7. We urge members to support our commitment to environment protection by choosing to receive the Company's communication through e-mail. You may do this by updating your e-mail addresses with your depository participant(s).

8. Since the AGM will be held through VC facility in accordance with the e-AGM Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

9. The Register of Members and Share Transfer Books will remain closed from December 18, 2020 to December 24, 2020 (both days inclusive) for purpose of the AGM.

10. Corporate members intending to authorise their representatives to participate and vote at the AGM are requested to send a certified true copy of the board resolution or authorisation letter by e-mail to the Scrutinizer at email ID mkg1999@gmail.com with a copy marked to evoting@kfintech.com.

11. Members holding shares in dematerialised form are requested to direct notifications about change of address and updates about bank account details to their respective depository participant(s) and not to the Registrar and Share Transfer Agent or the Company.

12. All documents referred to in this Notice and the explanatory statement along with statutory records and registers including 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 made 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 upto the date of the AGM and will also be made available for inspection at the AGM.

13. 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 re-appointment of director is provided 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 Registrar and Transfer Agent (**"RTA"**) viz., KFin Technologies Private Limited, Unit: SpiceJet Limited, 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. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.

16. In compliance with 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 and the e-AGM Circulars, the Company is pleased to provide remote e-voting facility to its members in respect of the business to be

transacted during the AGM and facility for those members participating in the AGM to cast their vote through e-voting system during the AGM.

17. The facility for voting shall also be made available during the AGM and the members participating in the meeting who have not cast their votes by remote e-voting shall be able to exercise their right during the meeting through e-voting. The members who have cast their vote by remote e-voting prior to the AGM may also participate in the AGM but shall not be entitled to cast their vote again.

18. The e-voting period commences on Sunday, December 20, 2020 at 9:00 a.m. and ends on Wednesday, December 23, 2020 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. December 17, 2020, may cast their vote electronically. The e-voting module shall be disabled by KTPL for voting thereafter.

19. 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. December 17, 2020, may write to the KTPL on the email ID evoting@kfintech.com or to Ms. C Shobha Anand, Contact No. 040-67162222, at [Unit: SpiceJet Limited], KFin Technologies Private Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032, requesting for the User ID and password.

20. The process and the manner for remote e-voting are as under:

    (a) Open your web browser during the voting period and navigate to https://evoting.kfintech.com.

    (b) Enter the login credentials (i.e. User ID and password sent with this Notice through e-mail). If you have already registered with KTPL 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@kfintech.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_ EVENT No.”

    (m) 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.kfintech.com or contact KTPL at Tel No. 1800 345 4001 (Toll Free).

21. 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.

22. 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 December 26, 2020. 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.

23. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website i.e. www.spicejet.com and on the website of KTPL i.e. https://evoting.kfintech.com and communicated to the Stock Exchange.

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

In conformity with Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying Notice and should be taken as forming part of the Notice. An explanatory statement in relation to Item No. 3 is also furnished and should also be taken as forming part of the Notice.

Item No. 3

In terms of Section 139 of the Companies Act, 2013 and rules made thereunder, the present Statutory Auditors of the Company, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No: 101049W/E300004), will hold office until the conclusion of the ensuing Annual General Meeting. The Company is required to appoint new Statutory Auditor for a period of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the forty first Annual General Meeting.

The Board of Directors at its meeting held on September 15, 2020, after considering the recommendations of the Audit Committee, had recommended the appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants, (ICAI Firm Registration No. 001076N/N500013), as the Statutory Auditors of the Company for approval of the members of the Company. The proposed Statutory Auditors shall hold office for a period of five consecutive years from the conclusion of this Annual General Meeting till the conclusion of forty first Annual General Meeting of the Company. M/s. Walker Chandiok & Co LLP, Chartered Accountants, have consented to the aforesaid appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act, 2013 and the rules made thereunder.

Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution. Accordingly, approval of the members is sought for appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants as the Statutory Auditors of the Company and to fix their remuneration.

Information about the Statutory Auditor pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided below:

Details	Particulars
Proposed fees payable to the Statutory Auditor	₹ 80,00,000 for financial year ended March 31, 2021
Terms of appointment	The proposed Statutory Auditors shall hold office for a period of five consecutive years from the conclusion of thirty-sixth Annual General Meeting till the conclusion of forty-first Annual General Meeting of the Company.
In case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	The remuneration proposed for the new auditors for financial year 2020-21 is similar to what has been paid to the outgoing Statutory Auditors for the financial year 2019-20. Therefore, there is no change in the fees proposed to be paid to the proposed auditors as compared to the fees paid to the outgoing auditors.
Basis of recommendation for appointment including the details in relation to and credentials of the Statutory Auditor(s) proposed to be appointed.	On the basis of comparative analysis with other potential audit firms and in view of the better presence and experience of M/s. Walker Chandiok & Co LLP, the Grant Thornton network firm in handling large sized audits using the tools and methodologies similar to those used by the big audit firms, the Board recommended the appointment of M/s. Walker Chandiok & Co LLP, as the Statutory Auditor of the Company.

The directors recommend the resolution for your approval.

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

Item No. 4

The Company presently has dedicated cargo business which 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. It 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. The Company presently also operates dedicated freighter aircraft to cater to the growing demand in cargo and freighter movements.

In order to provide greater focus to cargo business and to allow the possibility of raising capital for the business to allow the Company to accelerate its growth, at fair market value, it is proposed to transfer by way of sale or otherwise the cargo business of the Company to SpiceXpress and Logistics Private Limited (**"SpiceXpress"**), a wholly-owned subsidiary of the Company. The proposed transfer with separate and dedicated management will provide greater opportunity and flexibility in pursuing long-term growth plans and strategies for cargo business. It will also assist the management in evaluating the performance of cargo business as an independent entity and leveraging the business potential on account of continued increase in domestic and international demand. The financial statements of SpiceXpress shall continue to be consolidated with financial statements of the Company in terms of Section 129(3) of the Companies Act, 2013.

Section 180(1)(a) of the Companies Act, 2013 provides that the Board of Directors of a public company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, the whole or substantially the whole of any such undertaking without the consent of the members by way of a special resolution. The said Section also defines an undertaking as one in which the investment of the company exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year. Since the net worth of the Company is negative, it effectively exceeds the criteria as prescribed in Section 180(1)(a) of the Companies Act, 2013 and accordingly, the approval of the members by way of a special resolution is required.

The directors recommend the resolution for your approval.

Mr. Ajay Singh (Chairman and Managing Director) and Mrs. Shiwani Singh (Director) also holds directorship in SpiceXpress.

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

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 re-appointment of director

Name	Mr. Ajay Singh
DIN	01360684
Date of Birth	December 29, 1965
Date of first Appointment on the Board of SpiceJet Limited	May 21, 2015#
Qualification	B. Tech from IIT, Delhi M.B.A. from Cornell University LL.B. from University of Delhi
Brief resume and experience	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 during the year 2015 by undertaking and implementing various measures in revenue and cost management, customer retention and employee welfare.
No. of Board meetings attended during the year 2019-20	4 (Four)
Relationship with directors and Key Managerial Personnel	Mr. Ajay Singh is relative (Husband) of Mrs. Shiwani Singh.
Directorship in other companies as on March 31, 2020	Canvin Real Estate Pvt. Ltd., Crosslink Finlease Pvt. Ltd., Greenline Communication Pvt. Ltd., Greenline Transit System Pvt. Ltd., I2N Technologies Pvt. Ltd., Indiverse Broadband Pvt. Ltd., Intel Constructions Pvt. Ltd., Pan India Motors Pvt. Ltd., Spice Club Pvt. Ltd., Spice Fresh Pvt. Ltd., Spice Wecare Pvt. Ltd., Spice Shuttle Pvt. Ltd., SpiceJet Innovate Pvt. Ltd., SpiceJet Interactive Pvt. Ltd., SpiceJet Merchandise Pvt. Ltd., SpiceJet Technic Pvt. Ltd., SpiceXpress and Logistics Pvt. Ltd., and Star Bus Services Pvt. Ltd.
Chairperson/Member of the Committee of the Board of Directors of SpiceJet Limited	Nomination and Remuneration Committee – Member, Stakeholders Relationship Committee – Member Corporate Social Responsibility Committee – Member Risk Management Committee – Chairperson
Chairperson/Member of the Committee of other companies in which he is a Director	Nil
Shareholding in the Company (equity shares of ₹10 each) as on March 31, 2020	30,43,33,450 shares
Remuneration to be paid	There are no changes to the remuneration. The remuneration is as approved by the members of the Company at the 34th AGM held on November 29, 2018 and 35th AGM held on September 30, 2019.
Remuneration last drawn	₹72.00 million during financial year 2019-20

#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,

The Board of Directors hereby submits the report of the business and operations of your Company, along with the audited financial statements, for the financial year ended March 31, 2020. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. Financial Performance

The Company's performance during the year ended March 31, 2020 compared to the previous financial year, is summarised below:

(Amount in ₹ million)

Particulars	Standalone		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
TOTAL REVENUE	**131,359.87**	**91,715.44**	**131,347.53**	**91,797.65**
Expenses				
Operating Expenses	**87,799.54**	73,000.54	**87,583.18**	72,948.77
Cost of inventory consumed		-	**126.75**	138.91
Employee Benefit Expenses	**15,257.76**	10,570.07	**15,292.55**	10,584.24
Selling Expenses	**2,269.59**	2,074.41	**2,260.99**	2,081.66
Other Expenses	**13,294.29**	5,586.40	**13,344.09**	5,421.59
Earnings before interest, tax, depreciation and amortization	**12,738.69**	**484.02**	**12,739.97**	**622.48**
Depreciation and amortisation expense	**(17,339.34)**	(2,562.25)	**(17,353.77)**	(2,563.54)
Interest income on bank deposits	**703.12**	864.90	**703.42**	864.90
Finance Cost	**(5,450.08)**	(1,312.84)	**(5,455.30)**	(1,313.03)
Profit/ (Loss) before taxation and extraordinary items	**(9,347.61)**	**(2,526.17)**	**(9,365.68)**	**(2,389.19)**
Tax Expenses	-	-	-	0.26
Extraordinary items	-	(634.66)	-	(634.66)
Profit/ (Loss) after taxation	**(9,347.61)**	**(3,160.83)**	**(9,365.68)**	**(3,024.11)**
Profit/ (Loss) brought Forward	**(19,537.94)**	**(16,362.66)**	**(19,530.75)**	**(16,492.19)**
Depreciation expense adjusted against reserves	-	-	-	-
Profit/ (Loss) for the year	**(9,347.61)**	(3,160.83)	**(9,365.68)**	(3,024.11)
Other comprehensive income	**(32.49)**	(14.45)	**(32.49)**	(14.45)
Amount transferred to Balance Sheet	**(28,918.04)**	**(19,537.94)**	**(28,928.92)**	**(19,530.75)**

During the year under review, the standalone income of the Company increased to ₹131,359.87 million compared to ₹91,715.44 million in the previous year, registering growth of 43.23% and the consolidated income increased to ₹131,347.53 million compared to ₹91,797.65 million in the previous year, registering growth of 43.08%. The profitability of the Company is primarily impacted by adverse foreign exchange rates, fuel prices, pricing pressures and the early impact of Covid-19 apart from worldwide grounding of Boeing 737 Max aircraft. The Company has reported standalone loss of ₹9,347.61 million (that also includes a non-cash loss of ₹6,970.19 million due to foreign exchange loss on restatement of lease liability due to Indian Accounting Standards 116).

2. State of Affairs and Material Development

(a) The Company completed its fifteenth years of operation on May 23, 2020 and registered a growth of 43.23% in standalone income of the Company during the financial year ended March 31, 2020. In its fifteenth year of operations, the Company consolidated its operations on key routes and increased market presence through induction of additional 39 aircraft to its fleet during financial year ended March 31, 2020. The Company operated 570 average daily passenger flights before Covid-19.

(b) **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.

(c) **New development:** The Company has signed an agreement with GMR Hyderabad Aviation SEZ Limited (GHASL) in March 2020 under which GHASL will be constructing a facility for the Company to carry out the warehousing, distribution and trading activity within the free trade warehousing zone of multi-product SEZ, popularly known as GMR Aerospace & Industrial Park. This facility will be 33,000 sq. ft. initially, with a potential to expand to 100,000 sq. ft., based on demand.

The Company has also signed a tripartite Memorandum of Understanding with GMR Hyderabad International Airport Ltd. and Ras-Al-Khaimah International Airport, UAE at the Wings India 2020 in Hyderabad. This association is in line with the Ministry of Civil Aviation's Krishi Udaan scheme to give a boost to agro product exports and to aid farmers in transporting agricultural products. Under this collaboration, a dedicated freight corridor will be created to leverage the tremendous agro and farming sector potential from centrally located Telangana and the neighbouring regions. This will also give direct marketing access and open-up new opportunities for both export and import that would benefit the farming community in India. Besides, special arrangements are being made for handling livestock both at exporting and destination airports.

(d) **Boeing 737 Max aircraft grounding:** Following the worldwide grounding during March, 2019 of Boeing 737 Max aircraft due to technical reasons, the Company's fleet of thirteen Boeing 737 Max aircraft continues to be grounded. Despite its inability to undertake revenue operations, the Company continues to incur various costs with respect to these aircraft. As a result of the above, and the uncertainty in timing of return to operations of these aircraft, the Company has initiated the process of claims on the aircraft manufacturer towards costs and losses, which are currently under discussion. Consequently, and without in any manner limiting or prejudicing the legal and commercial rights of the Company towards its claims in this regard, certain costs (including, inter alia, aircraft and supplemental lease rentals and certain other identified expenses relating to the Boeing 737 Max aircraft) aggregating to ₹6,718.04 million have been recognised as other income during the year ended March 31, 2020.

(e) **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 ₹3,290.89 million through a bank guarantee in favour of the Registrar General of the Court (**"Registrar"**) and to deposit the balance amount of ₹2,500 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 (i) refund an amount of approximately ₹3,082.19 million to the counterparty, (ii) explore the possibility of allotting preference shares in respect of approximately ₹2,708.70 million, failing which, refund such amount to the counterparty, and (iii) pay interest calculated to be ₹924.66 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 ₹5,790.89 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 ₹290.00 million of past interest/servicing charges. During the quarter ended March 31, 2019, the Court has ordered release of ₹2,500.00 million, out of the amount deposited by the Company, to the counterparty, subject to certain conditions as enumerated by the Court in its order. Further, pursuant to an order of the Court dated September 20, 2019, the Company has remitted a further ₹580.00 million out of the guarantee placed with the Court to the counterparty in October 2019. 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 the matter is currently *sub-judice*.

Further, the Court vide its order dated September 2, 2020 in the said matter, directed the Company to deposit an amount of ₹2,429.37 million of interest component under the Award (including the amount of ₹924.66 million provided for as indicated earlier, without prejudice to the rights of the Company under law). The Company preferred a Special Leave Petition before the Hon'ble Supreme Court of India against the aforesaid Order and the Hon'ble Supreme Court of India pursuant to its order dated November 6, 2020, has stayed the deposit of ₹2,429.37 million.

(f) **Global health pandemic from Covid-19:** The Covid-19 pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility, and a significant decrease in economic activity, in global and Indian markets. The Indian government announced a strict lockdown in India to contain the spread of the virus till May 31, 2020, which has been extended by certain states, with varying levels of relaxations. This has led to significant disruptions and dislocations for individuals and businesses and have had consequential impact of grounding the passenger airline operations. The Company has to operate under various regulatory restrictions, which impacts its operations and may have varied financial implications. As per Government guidelines, the Company suspended all passenger travel from March 25, 2020 to May 24, 2020. The Company has reassessed its operating environment based on the anticipated scale of operations in the immediate future. The Company has considered potential impacts arising from the Covid-19 pandemic on the Company's business, and where relevant, have accounted for the same in the financial statements. However, the full extent of impact of the Covid-19 pandemic on the Company's operations, and financial metrics will depend on future developments across the geographies that the Company operates in, and the governmental, regulatory and the Company's responses thereto, which are highly uncertain and incapable of estimation at this time. The impact of the Covid-19 pandemic on the financial position and its financial performance might be different from that estimated as at the date of this report.

We also draw your attention to Section 5 (Opportunities, Risks, Concerns and Threats) and 6 (Future Outlook) of the Management Discussion and Analysis for detailed discussion regarding Covid.

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

3. Board of Directors

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

(b) 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 as laid down in Section 149(6) of the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(c) Mr. Harsha Vardhana Singh (Independent Director) has resigned from the directorship of the Company with effect from October 1, 2019 as he wishes to concentrate more on his personal life and retire from active corporate engagements.

(d) The Nomination and Remuneration Committee conducted the Board evaluation for the year. The evaluation of all the directors, Committees, Chairman of the Board, and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

4. Share Capital

There is no change in authorised share capital of the Company during the financial year 2019-20. However, the paid-up share capital of the Company has increased from ₹ 5,997,183,560 to ₹ 6,000,762,990 pursuant to allotment of 357,943 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 2019-20.

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 in 'Investor' section.

6. Transfer to Reserves

The Company has made no transfers to reserves during the financial year 2019-20.

7. Public Deposits

The Company has not accepted any fixed deposits, including from the public, and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date. Accordingly, no disclosure or reporting is required in respect of details relating to deposits covered under Chapter V of the Companies Act, 2013.

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

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 in 'Investor' section.

All related party transactions that were entered into during the financial year under review were on arm's length basis and were in the ordinary course of business. All related party transactions have been placed before the Audit Committee and Board for their approval as per the provisions of the Companies Act, 2013. 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, 2020, 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, Canvin Real Estate Private Limited; SpiceJet Interactive Private Limited; Spice Club Private Limited; Spice Shuttle Private Limited; SpiceXpress and Logistics Private Limited; and

(b) As on March 31, 2020, the Company has an investment of ₹0.50 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, 2020, the Company has also provided loan of (a) ₹ 257.01 million to SpiceJet Merchandise Private Limited, (b) ₹ 64.60 million to SpiceJet Technic Private Limited, and (c) ₹ 238.70 million to Canvin Real Estate Private Limited.

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

11. Subsidiaries

As on March 31, 2020, following are the subsidiaries of the Company:

S. No.	Name	Business Activity
1.	SpiceJet Merchandise Private Limited	Business of consumer merchandise and goods through various channels
2.	SpiceJet Technic Private Limited	Engineering related service including but not limited to maintenance, repair and overhaul services of aircraft and its parts
3.	Canvin Real Estate Private Limited	Real estate
4.	SpiceJet Interactive Private Limited	Information and communication technology
5.	Spice Club Private Limited	Loyalty and rewards programme management
6.	Spice Shuttle Private Limited	Charter operation by aeroplanes and/or helicopters
7.	SpiceXpress and Logistics Private Limited	Cargo transportation and logistics

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 in 'Investor' section.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared the consolidated financial statements of the Company, which form part of this Annual Report. Further, a statement containing the salient features of the financial statements of the subsidiaries in the prescribed format AOC-1 is annexed as "Annexure - B" to the Board's report. The statement also provides details of the performance and financial position of each of the subsidiaries.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries are available on the website of the Company at www.spicejet.com in 'Investor' section.

12. Number of Meetings of the Board

During the financial year ended March 31, 2020, four (4) 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

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

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, 2020, the Directors of your Company hereby state that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. Reporting of Frauds by Auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

15. 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 Report along with Practicing Company Secretary's Certificate regarding compliance of conditions of corporate governance forms an integral part of this report.

16. 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 2019-20, 19 complaints were received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and as on March 31, 2020, 6 complaints were pending for its disposal.

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.

17. Employees Stock Option Scheme

The members of the Company in its 33rd Annual General Meeting held on November 27, 2017 has approved 'SpiceJet Employee Stock Option Scheme - 2017' for grant of ten million stock options representing ten million equity shares of ₹ 10 each. During the year under review 14,75,000 grant has been made to eligible employees under this scheme.

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 in 'Investor' section.

18. 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 in 'Investor' section.

The Company has also constituted CSR Committee comprising of Mr. Ajay Aggarwal 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 14, 2020 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 annexed as "Annexure - D" and forms an integral part of this Report.

19. Conservation of Energy and Technology Absorption

Conservation of Energy: The management is highly conscious 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.

20. Green Initiatives

The electronic copies of the Annual Report 2019-20 are sent to all members of the Company whose email addresses are registered with the Company/Depository Participant(s). 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. KFin Technologies 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.

21. Statutory Auditors

(a) The present Statutory Auditors of the Company, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No: 101049W/E300004), will hold office until the conclusion of this Annual General Meeting. The Board of Directors on the recommendations of the Audit Committee, had recommended the appointment of M/s. Walker Chandlok & Co LLP, Chartered Accountants, (ICAI Firm Registration No.: 001076N/N500013) as the Statutory Auditors of the Company for approval of the members of the Company. The proposed Statutory Auditors shall hold office for a period of five consecutive years from the conclusion of this Annual General Meeting till the conclusion of forty first Annual General Meeting 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 Statutory Auditors in their Report to the members are mentioned in the Notes to the Accounts, which form part of the financial statements for the year ended March 31, 2020.

22. 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, 2020. 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 2 of the observation: The Company is still looking for a suitable candidature for woman independent director and after finalization of such candidature, the Company will file necessary application for security clearance of such candidature as mandated by Civil Aviation Requirements of Ministry of Civil Aviation.

Para 3 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 Circulars bearing nos. CIR/CFD/CMD1/27/2019 and CIR/CFD/CMD1/114/2019 dated February 8, 2019 and October 18, 2019 respectively, the Secretarial Auditor has also issued a Secretarial Compliance Report for the year ended March 31, 2020.

23. Secretarial Standards

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

24. 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, 2020 as "Annexure - F".

25. Foreign Exchange Earnings & Outgo

The details of Foreign Exchange earnings and outgo for the financial year ended March 31, 2020 are set out below:

Particulars	Amount (₹ in millions)
Foreign Exchange Earnings	10,459
Foreign Exchange Outgo	51,131

26. Internal Financial Controls and Risk Management Policy

Your Company has aligned its systems of internal financial control with the requirement of Companies Act 2013. This is intended to increase transparency and accountability in the organisation process of designing and implementing a system of internal control. The framework requires a company to identify and analyse risks and manage appropriate responses. The company has successfully laid down the framework and ensured its effectiveness.

Your Company also 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 from time to time.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the Internal Auditor, Statutory Auditors and Secretarial Auditor and external consultants, including the audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by management and the relevant Board Committees including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended March 31, 2020.

The Company has a Risk Management Committee to identify elements of risk in different areas of operations; the details of the Risk Management Committee are included in the Corporate Governance Report.

27. 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: Gurugram
Date : November 11, 2020

Annexure- A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[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	KFin Technologies Private Limited (formerly Karvy Fintech Private Limited), Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Email: einward.ris@kfintech.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	80.8%

3. Particulars of holding, subsidiary and associate companies

S. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	SpiceJet Merchandise Private Limited	U52520DL2016PTC303136	Subsidiary	100%	Section 2(87)
2.	SpiceJet Technic Private Limited	U74999DL2016PTC306819	Subsidiary	100%	Section 2(87)
3.	Canvin Real Estate Private Limited	U70109DL2017PTC326068	Subsidiary	100%	Section 2(87)
4.	SpiceJet Interactive Private Limited[1]	U72900DL2019PTC349253	Subsidiary	100%	Section 2(87)
5.	Spice Club Private Limited[2]	U74999DL2019PTC356527	Subsidiary	100%	Section 2(87)
6.	Spice Shuttle Private Limited[3]	U62100DL2019PTC356667	Subsidiary	100%	Section 2(87)
7.	SpiceXpress and Logistics Private Limited[4]	U63030DL2019PTC359462	Subsidiary	100%	Section 2(87)

[1]*SpiceJet Interactive Private Limited has become wholly owned subsidiary of SpiceJet Limited effective February 14, 2020. Prior to February 14, 2020, SpiceJet Limited was holding 50.50 equity shares in SpiceJet Interactive Private Limited since its incorporation on April 29, 2019.*

[2]*Effective October 23, 2019*

[3]*Effective October 25, 2019*

[4]*Effective December 30, 2019*

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, 2019)				No. of shares held at the end of the year (As on March 31, 2020)				% 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	60.00	359,609,068	-	359,609,068	59.93	(0.07)
	(b) Central Government	-	-	-	-	-	-	-	-	-
	(c) State Government(s)	-	-	-	-	-	-	-	-	-
	(d) Bodies Corporate	-	-	-	-	-	-	-	-	-
	(e) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
	(f) Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	**359,834,068**	**-**	**359,834,068**	**60.00**	**359,609,068**	**-**	**359,609,068**	**59.93**	**(0.07)**
(2)	Foreign									
	(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
	(b) Other – Individuals	-	-	-	-	-	-	-	-	-
	(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
	(d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
	(e) Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)		**359,834,068**	**-**	**359,834,068**	**60.00**	**359,609,068**	**-**	**359,609,068**	**59.93**	**(0.07)**
(B)	Public Shareholding									
(1)	Institutions									
	(a) Mutual Funds	46,407,531	37,000	46,444,531	7.74	63,272,564	37,000	63,309,564	10.55	2.81
	(b) Banks / Financial Institutions	12,273	-	12,273	0.00	614,012	-	614,012	0.10	0.10
	(c) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
	(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(e) Insurance Companies	-	-	-	-	-	-	-	-	-
	(f) Foreign Institutional Investors	25,474,606	109,000	25,583,606	4.27	10,175,897	109,000	10,284,897	1.72	(2.56)
	(g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(h) Others (Qualified Institutional Buyer)	-	-	-	-	150,000	-	150,000	0.02	0.02
	Sub-total (B)(1)	**71,894,410**	**146,000**	**72,040,410**	**12.01**	**74,212,473**	**146,000**	**74,358,473**	**12.39**	**0.38**
(2)	Non-Institutions									
	(a) Bodies Corporate	15,472,443	2,235,472	17,707,915	2.95	16,740,123	944,872	17,684,995	2.94	(0.01)
	(b) Individuals									
	(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	59,835,211	2,180,708	62,015,919	10.34	69,599,489	2,113,782	71,713,271	11.95	1.61
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	79,153,481	55,100	79,208,581	13.21	64,713,869	55,100	64,768,969	10.79	(2.41)
	(c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	(d) Others (specify)									
	(i) Trusts	4,187	-	4,187	0.00	7,290	-	7,290	0.00	0.00
	(ii) Non-Resident Indians	5,163,327	500,100	5,663,427	0.94	6,412,070	496,500	6908570	1.15	0.21
	(iii) Non-Resident Indians- Repatriation	1,830,919	-	1,830,919	0.31	2,115,164	-	2,115,164	0.36	0.05
	(iv) Clearing Members	1,406,930	-	1,406,930	0.23	2,881,498	-	2,881,498	0.48	0.25
	(v) Directors	6,000	-	6,000	0.00	29,001	-	29,001	0.00	0.00
	Sub-total (B) (2)	**162,872,498**	**4,971,380**	**167,843,878**	**27.98**	**162,498,504**	**3,610,254**	**166,108,758**	**27.67**	**(0.31)**
Total Public Shareholding (B) = (B)(1)+(B)(2)		**234,766,908**	**5,117,380**	**239,884,288**	**40.00**	**236,710,977**	**3,756,254**	**240,467,231**	**40.07**	**0.07**
Total (A+B)		**594,600,976**	**5,117,380**	**599,718,356**	**100.00**	**596,320,045**	**3,756,254**	**600,076,299**	**100.00**	**0.00**
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		**594,600,976**	**5,117,380**	**599,718,356**	**100.00**	**596,320,045**	**3,756,254**	**600,076,299**	**100.00**	**0.00**

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on March 31, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% 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	50.76	23.54	304,333,450	50.72	26.31	(0.04)
2.	Ajay Singh (HUF)	52,961,838	8.83	0.00	52,846,838	8.81	0.00	(0.02)
3.	Kalpna Singh	2,428,780	0.40	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
Ajay Singh				
At the beginning of the year	304,443,450	50.76		
Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	(110,000)	(0.01)	304,333,450	50.75
At the end of the year			304,333,450	50.72
Ajay Singh (HUF)				
At the beginning of the year	52,961,838	8.83		
Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	(115,000)	(0.01)	52,846,838	8.82
At the end of the year			52,846,838	8.81
Kalpna Singh				
At the beginning of the year	2,428,780	0.40		
Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	-	-	2,428,780	0.40
At the end of the year			2,428,780	0.40

(iv) Shareholding pattern of top ten shareholders as on March 31, 2020

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.	**HDFC Trustee Company Ltd. A/c HDFC Balanced Advantage Fund**				
	At the beginning of the year	4,540,291	0.76		
	Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	29,306,135	4.88	33,846,426	5.64
	At the end of the year			33,846,426	5.64
2.	**Franklin India Focused Equity Fund**				
	At the beginning of the year	11,201,913	1.87		
	Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	14,709,173	2.48	25,911,086	4.32
	At the end of the year			25,911,086	4.32
3.	**Meenakshi Bhargava**				
	At the beginning of the year	14,700,557	2.45		
	Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	(8,006,852)	(1.33)	6,693,705	1.12
	At the end of the year			6,693,705	1.12
4.	**Vijay Bhargava**				
	At the beginning of the year	9,972,260	1.66		
	Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	(3,426,708)	(0.57)	6,545,552	1.09
	At the end of the year			6,545,552	1.09
5.	**Rakesh Jhunjhunwala**				
	At the beginning of the year	0	0.00		
	Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	5,000,000	0.83	5,000,000	0.83
	At the end of the year			5,000,000	0.83
6.	**Jhunjhunwala Rakesh Radheshyam**				
	At the beginning of the year	7,500,000	1.25		
	Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	(3,300,000)	(0.55)	4,200,000	0.70
	At the end of the year			4,200,000	0.70
7.	**Jay Street Investment Advisors Private Limited**				
	At the beginning of the year	2,000,100	0.33		
	Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	0	0.00	2,000,100	0.33
	At the end of the year			2,000,100	0.33

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
8.	**Duane Park Pvt. Ltd.**				
	At the beginning of the year	1,500,000	0.25		
	Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	495,000	0.08	1,995,000	0.33
	At the end of the year			1,995,000	0.33
9.	**Ishares Core Emerging Markets Mauritius Co.**				
	At the beginning of the year	1,210,270	0.20		
	Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	279,364	0.05	1,489,634	0.25
	At the end of the year			1,489,634	0.25
10.	**MGE Investment Private Limited**				
	At the beginning of the year	0	0.00		
	Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	1,454,165	0.24	1,454,165	0.24
	At the end of the year			1,454,165	0.24

(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
Mrs. Shiwani Singh – Director				
At the beginning of the year	6,000	0.00		
Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	1	0.00	6,001	0.00
At the end of the year			6,001	0.00
Mr. Ajay Chhotelal Aggarwal – Director				
At the beginning of the year	4,250	0.00		
Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	10,750	0.00	15,000	0.00
At the end of the year			15,000	0.00
Mr. Manoj Kumar – Director[5]				
At the beginning of the year	8,000	0.00		
Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	0	0.00	8,000	0.00
At the end of the year			8,000	0.00
Kiran Koteshwar – CFO[6]				
At the beginning of the year	111,877	0.02		
Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	49,808	001	1,61,685	0.03
At the end of the year			1,61,685	0.03
Chandan Sand – Company Secretary				
At the beginning of the year	107,796	0.02		
Transactions (purchase/sale) from April 1, 2019 to March 31, 2020	100,635	0.02	2,08,431	0.04
At the end of the year			2,08,431	0.04

[5]*Appointed as director on May 28, 2019.*
[6]*Resigned effective September 1, 2020.*

No Director or Key Managerial Personnel other than mentioned hereinabove hold any shares in the Company during the financial year 2019-20.

5. Indebtedness[7]:

(Amount in ₹ Millions)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	4,181.65	6,918.16	-	11,099.81
ii) Interest due but not paid	13.53	-	-	13.53
iii) Interest accrued but not due	-	18.63	-	18.63
Total (i+ii+iii)	**4,195.19**	**6,936.78**	**-**	**11,131.97**
Change in Indebtedness during the financial year				
Addition	11,409.03	828.02	-	12,237.05
Reduction	(10,944.75)	(1,380.73)	-	(12,325.48)
Net Change	**464.28**	**(552.70)**	**-**	**(88.43)**
Indebtedness at the end of the financial year				
i) Principal Amount	4,646.59	6,322.70	-	10,969.29
ii) Interest due but not paid	12.87	-	-	12.87
iii) Interest accrued but not due	-	61.38	-	61.38
Total (i+ii+iii)	**4,659.46**	**6,384.08**	**-**	**11,043.54**

[7]*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) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify…	-	-
	Others, please specify	-	-
	Total	**72.00**	**72.00**
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013	

(ii) Remuneration to other directors:

(Amount in ₹ millions)

Particulars of Remuneration	Fee for attending Board/ Committee Meetings	Commission	Others, please specify	Total Amount
Independent Directors				
Anurag Bhargava	0.40	-	-	0.40
Harsha Vardhana Singh[8]	0.10	-	-	0.10
Ajay Chhotelal Aggarwal	0.40	-	-	0.40
Manoj Kumar[9]	0.30	-	-	0.30
Total (1)	**1.20**	**-**	**-**	**1.20**
Other Non-Executive Directors				
Shiwani Singh	0.20	-	-	0.20
Total (2)	**0.20**	**-**	**-**	**0.20**
Total	**1.40**	**-**	**-**	**1.40**

[8]*Resigned effective October 1, 2019.*
[9]*Appointed as director on May 28, 2019.*

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

(Amount in ₹ million)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	7.75	10.94	18.69
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	11.77	12.51	24.28
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
	Others, please specify	-	-	-	-
	Total	**-**	**19.52**	**23.45**	**42.97**

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	SpiceJet Interactive Private Limited[11]	Spice Club Private Limited	Spice Shuttle Private Limited	SpiceXpress and Logistics Private Limited
Date of Incorporation	July 18, 2016	October 5, 2016	November 16, 2017	April 29, 2019	October 23, 2019	October 25, 2019	December 30, 2019
Reporting period	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
Reporting Currency	INR	INR	INR	INR	INR	INR	INR
Share Capital	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Reserve and surplus	(219.96)	(36.88)	(81.42)	(0.03)	(0.03)	(0.03)	(0.03)
Total assets	171.85	159.86	220.62	0.10	0.10	0.10	0.10
Total liabilities	391.71	196.64	301.94	0.03	0.03	0.03	0.03
Investments	-	-	-	-	-	-	-
Turnover	191.76	217.13	-	-	-	-	-
Profit before taxation	(20.10)	(37.63)	(30.47)	(0.03)	(0.03)	(0.03)	(0.03)
Provision for taxation	-	-	-	-	-	-	-
Profit after taxation	(20.10)	(37.63)	(30.47)	(0.03)	(0.03)	(0.03)	(0.03)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Percentage of shareholding	100.00	100.00	100.00	100.00	100.00	100.00	100.00

[11] SpiceJet Interactive Private Limited has become wholly owned subsidiary of SpiceJet Limited effective February 14, 2020. Prior to February 14, 2020, SpiceJet Limited was holding 50.50 equity shares in SpiceJet Interactive Private Limited since its incorporation on April 29, 2019.

Annexure - C

Disclosures pertaining to remuneration under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2020

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	750	Nil
2.	Mrs. Shiwani Singh	Non-Executive Director	1	Nil
3.	Mr. Anurag Bhargava	Independent Director	2	Nil
4.	Mr. Harsha Vardhana Singh[11]	Independent Director	0	Nil
6.	Mr. Ajay Chhotelal Aggarwal	Independent Director	2	Nil
7.	Mr. Manoj Kumar[12]	Independent Director	1	Nil
8.	Mr. Kiran Koteshwar[13]	Chief Financial Officer	Not applicable	Nil
9.	Mr. Chandan Sand[13]	Company Secretary	Not applicable	Nil

[11]*Resigned effective October 1, 2019.*
[12]*Appointed as director on May 28, 2019.*
[13]*The perquisite value of ESOP allotment is not included.*

B. The percentage increase in the median remuneration of employees in the financial year: 3.48%

C. The number of permanent employees on the rolls of Company: 11,675

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 2.52%	Average percentile increase in managerial personnel is 0.00%	Not applicable as managerial remuneration has not changed

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	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 www.spicejet.com in 'Investor' section. 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.
2.	The Composition of the CSR Committee	S. No. / Name & Designation / Status (a) Mr. Ajay Chhotelal Aggarwal (Independent Director) – Chairman (b) Mr. Ajay Singh (Managing Director) – Member (c) Mrs. Shiwani Singh (Non- Independent Director) – Member
3.	Financial Details	Average net profit of the Company for last three financial year: ₹ 2270.99 million Prescribed CSR Expenditure (2% of the average net profit): ₹ 45.42 million
4.	Details of CSR spent during the financial year ended March 31, 2018	Total amount to be spent for the financial year: ₹ 45.42 million. Amount unspent, if any: ₹ 38.54 million Manner in which amount spent during the financial year is annex as appendix to this report.
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	The profitability and cashflow of the Company is impacted by adverse foreign exchange rates, fuel prices, pricing pressures and the early impact of Covid-19 apart from worldwide grounding of Boeing 737 Max aircraft and the Company reported standalone loss of ₹9,347.61 million. Therefore, the Company's spend on the CSR activities is less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavour to spend the complete amount on CSR activities in accordance with the statutory requirements.
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	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.

Sd/- Ajay Singh Chairman & Managing Director	Sd/- Ajay Chhotelal Aggarwal 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) and Anandam (a home for sick and destitute)	Education and homes for orphan	Alwar, Rajasthan and Noida, U.P.	1.00	1.00	1.00	Sapna NGO
2.	Imdaad (Centre for free learning)	Education	Delhi	0.10	0.10	0.10	Imdaad
3.	Solar electrification	Rural Development	Majuli, Assam	0.08	0.08	0.08	Grassroots and Rural Innovative Development
4.	Boxing Federation of India	Sports		5.00	5.00	5.00	Direct
5.	Gyan Shakti Vidyalaya – Education for slum children	Education	Delhi	0.70	0.70	0.70	Shanti Narayan Memorial Trust
Total				**6.88**	**6.88**	**6.88**	

Annexure - E

Secretarial Audit Report for financial year ended on March 31, 2020

(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

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my 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 authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, 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:

I 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, 2020 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**#

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**#

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**#

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Nil**#

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Nil**#

#*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.

I have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"Listing Regulations"**).

I report that 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. The composition of the Board of Directors of the Company is not as per the requirement of the Regulation 17(1) of the Listing Regulations as the Company has not appointed one independent woman director and the total number of directors are less than six.

2. The disclosure to stock exchange regarding resignation of Mr. Harsha Vardhana Singh (Independent Director) was made after the prescribed time limit under Regulation 30(6) of the Listing Regulations.

3. There was inadvertent delay of one day in filing of initial disclosure with stock exchange in terms of SEBI Circular dated November 26, 2018 bearing no. SEBI/HO/DDHS/CIR/P/2018/144.

4. 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 ₹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. In this regard, we draw your attention to note 5 to the financial statements of the Company for financial year ended March 31, 2020.

I 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 except as stated above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. 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.

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance reports taken on record by the Board of Directors of the Company, 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.

I further report that during the audit period the paid-up share capital of the Company has increased from ₹5,997,183,560 to ₹6,000,762,990 pursuant to allotment of 357,943 equity shares of ₹10 each on February 14, 2020 under SpiceJet Employee Stock Option Scheme - 2017.

I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

For Mahesh Gupta & Company
Company Secretaries

Sd/-
Mahesh Kumar Gupta
Proprietor
FCS 2870::CP 1999
UDIN: F002870B000712799

Date : September 15, 2020
Place : New Delhi

Note: The Covid-19 pandemic has resulted in many restrictions, including free movement of people. We were not able to personally visit the office of the Company for verification of certain physical documents and has obtained most of the documents in electronic mode. The explanation from the Company has also been obtained either telephonically or electronically.

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, 2020 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 : September 15, 2020
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 adopted the principles of business responsibility, as prescribed under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, Government of India, in our code of conduct.

The Business Responsibility Report is one of the avenues to communicate our obligations and performance to all our stakeholders. The Business Responsibility Report for financial year ended March 31, 2020 comprises our responses to key principles demarcated under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Section A: General Information

1.	Corporate Identity Number 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, 2019 to March 31, 2020
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, Male, Muscat and Riyadh)
	No. of National Locations	54
10.	Markets served by the Company	The Company has national and international presence

Section B: Financial Details

1.	Paid up Capital	₹6,000.76 million
2.	Total Turnover	₹131,359.87 million
3.	Total profit after taxes	₹(9,347.61) million
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent ₹ 6.88 million towards its CSR activities in financial year 2019-20. Disclosures in terms of the Companies Act, 2013 have been made in the Annual Report of the Company for financial year ended March 31, 2020.
5.	List of activities in which expenditure in 4 above has been incurred	Education, destitute care, healthcare and rural development.

Section C: Other Details

1.	Does the Company have any subsidiary company(s)?	Yes. As on March 31, 2020, the Company has seven subsidiary companies.
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. Ajay Chhotelal Aggarwal 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 Responsibly activities. The details of the Committee members are as follows:

S. No.	Name	Designation	DIN
1.	Mr. Ajay Chhotelal Aggarwal	Independent Director	00001122
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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?									
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 polices are available on Company's website www.spicejet.com in '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 embedded the principles of business responsibility, as prescribed under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, Government of India, in its code of 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 of 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 in 'Investors' section.

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

We are conducting our business affairs in a fair and transparent manner, by adopting highest standards of professionalism, honesty, integrity, ethical behaviour and accountability. All employees and directors of the Company including our subsidiaries and other business partners are expected to observe these practices. In order to achieve our core values, we have adopted a comprehensive Code of Conduct and other policies which 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. It also extends to our suppliers and business partners.

Our Whistle Blower Policy allows our 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.

Our stakeholders include our investors, clients, employees, vendors / partners, government and local communities. We have in place various mechanisms for receiving and resolving complaints from different stakeholders. There are dedicated persons to respond and deal with the complaints in a timely manner. The details of investor complaints are available in our Corporate Governance Report. The Company did not receive any significant external stakeholder complaint in the last financial year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

We are committed to constantly improve our processes to ensure that our operation conforms to the highest level of safety standards. We strictly adheres to all regulations as enumerated by the Directorate General of Civil Aviation and other regulatory bodies. We persistently comply with all airworthiness directives issued by regulatory bodies.

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. We ensure that all our employees adhere to the safety standards and policies.

We conducts regular checks and audits as part of our quality assurance program covering all aspects of our operations. In addition to internal audits and checks, we are also subject to regular audits by IATA Operational Safety Audit which is an internationally recognised and accepted evaluation system designed to assess the operational management and control systems of an airline. This certifies our commitment to meeting international safety standards.

We are playing a significant role in socio-economic progress of the country by way of expanding connectivity to the unserved areas under Regional Connectivity Scheme of the Government of India. This has generated huge employment and business opportunities across the country. We believes in inclusive growth and encourages procuring goods and services from local vendors to the extent possible.

We are a schedule airline company and hence the services provided by us do not generate any waste which requires recycling. However, we ensures that the waste generated across our offices are disposed off as per applicable waste disposal norms.

Principle 3: Businesses should promote the wellbeing of all employees

We provide equal opportunities to all our employees and to all eligible applicants for employment in our Company and do not unfairly discriminate on any ground. Polices related to our employees are fair and transparent which promote diversity and equality. As on March 31, 2020, the Company has a total of 11,675 permanent employees, of which 4,100 are permanent women employees. About 4,473 employees are working on a contractual or casual basis.

We encourage employees to disclose their disabilities and seek reasonable accommodation to allow them to perform to their full potential. The number of such employees stands at 4 as on March 31, 2020

Our policies does not permit any engagement of child labour, forced labour or involuntary labour and therefore we neither employ any child or forced labour nor engage vendors and suppliers who resort to child and /or forced labour. Details relating to complaints received during the financial year 2019-20 are as follows:

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	-	-
2.	Sexual harassment	19	6
3.	Discriminatory employment	-	-

Our training programs cover all our employees irrespective of race, gender, or physical disability. During the financial year 2019-20, the Company imparted safety and skill upgradation training to 5,035 employees (including training imparted to employee more than once).

We recognise that employees may be interested in joining associations or involving themselves in civic or public affairs in their personal capacities, provided such activities do not create an actual or potential conflict with the interests of our company. We do not have any employee association recognized by the Company.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

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. We have also identified disadvantaged, vulnerable and marginalised stakeholders to follow a system of timely feedback and response through formal and informal channels of communication to ensure that the stakeholders information remains current and updated.

For our each stakeholders (including shareholders, investors, vendors, customers, employees, government and other local authorities), we have devised a separate and dedicated mechanism to engage with them and to receive and address grievance, if any, of such stakeholders. It is our continuous, constructive and responsible engagement with our each stakeholders which help us to expand our efforts to realise a sustainable future for ourselves and for our stakeholders.

Principle 5: Businesses should respect and promote human rights

We believe that it is our responsibility to protect the human rights of our employees and therefore we have adopted various internal policies directed towards adherence to applicable laws and to uphold the spirit of human rights. All our subsidiary companies including their employees are covered by these policies.

We safeguard our employee from any form of discrimination based on age, gender, race or religion and protect their interest and entitles them with the right to privacy and fair remuneration. Additionally, we have a grievance redressal procedure to address concerns, if any, pertaining to human rights and decent labour practices. All the stakeholders can access our Whistle Blower Policy available its website under the 'Investors' section.

Principle 6: Business should respect, protect, and make efforts to restore the environment

We understand the importance of operating in an environmentally sustainable manner and therefore recognizes our responsibility to contain the climate change impacts of increasing carbon emissions and supports the industry initiatives in this regard. 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.

We are conscious 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. 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.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

We are 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. We are also an active member of Federation of Indian Airlines (FIA), which is an industry body formed by scheduled carriers in India and generally represents key industry issues. It is our responsibility to build a better business environment opportunities for everyone and therefore we engage with the government and regulators in a constructive manner in order to promote good governance. Our interaction with government, legislators and regulators is always done with honesty, integrity, openness and in compliance with applicable laws. We allow only authorised and appropriately trained individuals to interact with these organisations.

Principle 8: Businesses should support inclusive growth and equitable development

Our corporate social responsibility initiatives supports inclusive growth and holistic development not only of society in which we operate but also covers the overall development of societies and human capabilities. We have formulated a CSR policy covering different social needs. To encourage inclusive growth and equitable development, the focus of our CSR initiatives has been in the areas of education, healthcare, rehabilitation and rural development.

As a part of CSR initiatives, the Company has provided financial assistance to (a) Sapna NGO for its social welfare activities; (b) Shanti Narayan Memorial Trust for providing emotional support and succour to slum children through the medium of Gyan Shakti Vidyalaya; (c)

Imdaad to educate children and adolescents from economically weaker section; and (d) Boxing Federation of India for training of sports person. The detailed explanation of the CSR initiatives undertaken by us during the financial year 2019-20 can be seen in the Corporate Social Responsibility Report attached with Board's Report.

We adopted the remote village of Baruahchuck, in the Majuli district of Assam under our initiative 'Roshan Hoga Desh Hamara' to provide sustainable energy access through solar microgrid in the village and improving the quality of life of the villagers.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

We are committed for safe and comfortable flight to our customers and endeavour to provide best and delightful experience to them. We provide our services as per applicable laws. The details of our services including terms of carriage, price of air tickets, special services, etc. are published on our website as well as on the tickets as per the prevailing laws and regulations.

We being a schedule airline company is mainly service oriented. In our ordinary course of business, several customers may have service related issues which could result in them filing a consumer complaint alleging deficiency in services. We always strives to have a cordial relationship with our customers and other stakeholders and attempts to have an amicable settlement of the dispute or best possible solution of services issues. There are no cases in relation to unfair trade practices and irresponsible advertising behaviour during the last five years and pending as on end of financial year from any stakeholders.

Apart from consumer cases, we have received 1,373 complaints during the financial year ended March 31, 2020 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.

We carry out customer satisfaction survey regularly which enable us to understand customers' expectations, satisfaction levels and overall experience for flying with us. We also take feedback from our customers through SMS mode immediately after their travel. It help us in improvement of our services.

Corporate Governance Report

1. Company's Philosophy on Corporate Governance

The principles of corporate governance are based on transparency, accountability and focus on the sustainable success of a company over the long-term. We feel proud to belong to a company which has laid the foundation stone for good governance long back and made it an integral principle of the business. This is also reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board and keep our governance practices under continuous review.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We are committed to do things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. We acknowledge our individual and collective responsibilities to manage our business activities with integrity. Our Code of Conduct inspires us to set standards which not only meet applicable legislation but go beyond in many areas of our functioning.

To succeed, we believe, requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to create long-term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

2. Board of Directors

The Board of Directors of the Company continuously reviews our governance, risk and compliance framework, business plans and organisation structure to align with competitive benchmark. The Board have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. 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, 2020, 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.

During the financial year 2019-20, Mr. Harsha Vardhana Singh, Independent Director has resigned with effect from October 1, 2019 from the directorship of the Company due to personal reasons.

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, 2020 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

While it is the policy of the Company to have an appropriate mix of executive and non-executive directors to maintain the independence of the Board and separates its functions of governance and management, the Company witnessed unexpected resignation of one independent director of the Company effective October 1, 2019 thereby resulting the total no. of directors to five as against the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"Listing Regulations"**) . The composition of the Board of Directors of the Company is not as per the requirement of the Regulation 17(1) of the Listing Regulations as the Company has not appointed one independent woman director and the total number of directors are less than six.

The Company is still looking for a suitable candidature for woman independent director and after finalization of such candidature, the Company will file necessary application for security clearance of such candidature as mandated by Civil Aviation Requirements of Ministry of Civil Aviation (Government of India).

Category-wise composition of Board of Directors of the Company 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[1]	Independent Director
5.	Mr. Ajay Chhotelal Aggarwal	Independent Director
6.	Mr. Manoj Kumar[2]	Independent Director

[1]*Resigned effective October 1, 2019.*

[2]*Appointed as director on May 28, 2019.*

During the financial year 2019-20, four (4) Board Meeting were held on May 28, 2019; August 9, 2019; November 13, 2019 and February 14, 2020 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, 2020 are given herein below:

Name of the Director	Category of Director	No. of Board Meeting attended	Attendance at previous Annual General Meeting held on September 30, 2019	Directorship in other public companies[3]	Committees membership/ chairpersonship in other Public Companies[4]	Directorship in other listed entity (Category of directorship)
Mr. Ajay Singh	Executive Director	4	Yes	-	-	-
Mrs. Shiwani Singh	Non-Executive and Non-Independent Director	2	Yes	1	1	Multipurpose Trading and Agencies Ltd. (Non-Executive Director)
Mr. Anurag Bhargava	Independent Director	4	Yes	-	-	-
Mr. Harsha Vardhana Singh[5]	Independent Director	1	No	-	-	-
Mr. Ajay Chhotelal Aggarwal	Independent Director	4	No	1	-	-
Mr. Manoj Kumar[6]	Independent Director	3	Yes	-	-	-

[3]Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

[4]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.

[5]Resigned effective October 1, 2019.

[6]Appointed as director on May 28, 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, 2020 are given below:

Name	Category	No. of Equity Shares
Mrs. Shiwani Singh	Non-Executive Director	6,001
Mr. Ajay Chhotelal Aggarwal	Independent Director	15,000
Mr. Manoj Kumar[7]	Independent Director	8,000

[7]Appointed as director on May 28, 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:

(i) composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;

(ii) 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	Anurag Bhargava	Ajay Chhotelal Aggarwal	Harsha Vardhana Singh[8]	Manoj Kumar[9]
Finance and Accounting Experience (Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge)	✓	✓	✓	✓	✓	✓
Leadership (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)	✓	✓	✓	✓	✓	✓
Diversity (Diversity of thoughts, experience, knowledge, perspective, gender and culture. Varied mix of strategic perspectives, and geographical focus with knowledge and understanding of key geographies)	✓	✓	✓	✓	✓	✓
Global Business (Understanding of diverse business environment, economic conditions, culture and regulatory framework and a broad prospective on global market opportunities)	✓	✓	✓	✓	✓	✓
Corporate Governance (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)	✓	✓	✓	✓	✓	✓
Information Technology (Information Technology expertise with knowledge of current and emerging technologies)	✓	✓	✓	✓	✓	✓

[8]*Resigned effective October 1, 2019.*

[9]*Appointed as director on May 28, 2019.*

(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 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 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. Harsha Vardhana Singh was appointed by the Company as Independent Director with effect from September 7, 2016 to hold office of Independent Director for a period of five years. However, Mr. Singh has resigned from the directorship of the Company with effect from October 1, 2019 as he wishes to concentrate more on his personal life and retire from active corporate engagements.

3. Committees of the Board of Directors

The Company is having the following committee as on March 31, 2020:

(a) Audit Committee

(b) Nomination and Remuneration Committee

(c) Stakeholders Relationship Committee

(d) Corporate Social Responsibility Committee

(e) Risk Management 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 2019-20, the Audit Committee met four (4) times on May 28, 2019, August 9, 2019, November 13, 2019 and February 14, 2020 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.

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.

The Company Secretary acts as the Secretary to the Committee.

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[10]	Independent Director	Member	2	1
Mrs. Shiwani Singh	Non - Executive and Non-Independent Director	Member	4	2
Mr. Ajay Chhotelal Aggarwal	Independent Director	Member	4	4

[10]*Resigned effective from October 1, 2019.*

Effective July 29, 2020, the Audit Committee was reconstituted with Mr. Anurag Bhargava (Independent Director) as Chairperson and Mrs. Shiwani Singh (Non-Executive and Non-Independent Director), Mr. Ajay Chhotelal Aggarwal (Independent Director) and Mr. Manoj Kumar (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:

(i) 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.

(ii) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.

(iii) To recommend to the Board for appointment and removal of directors and senior management.

(iv) 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.

(v) 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

During the financial year 2019-20, the Nomination and Remuneration Committee met two (2) times on May 28, 2019 and August 9, 2019 with necessary quorum being present at both the meetings.

Effective February 11, 2019, the Nomination and Remuneration Committee was reconstituted 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. However, consequent upon resignation of Mr. Harsha Vardhana Singh (Independent Director) effective from October 1, 2019, the Nomination and Remuneration Committee was dissolved and then reconstituted on November 13, 2019 with Mr. Ajay Chhotelal Aggarwal (Independent Director) as Chairperson, Mrs. Shiwani Singh (Non-Executive and Non-Independent Director), Mr. Ajay Singh (Chairman & Managing Director) and Mr. Manoj Kumar (Independent Director) as members.

The Composition of the Nomination and Remuneration Committee is in conformity with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

Details of the composition, meetings and attendance of the members at the Nomination and Remuneration Committee meetings held during the year under review are as under:

Name of the Member	Category	Status	No of Meetings	
			Held	Attended
Mr. Ajay Chhotelal Aggarwal	Independent Director	Chairperson	2	2
Mr. Ajay Singh	Chairman and Managingg Director	Member	2	2
Mrs. Shiwani Singh	Non-Executive and Non-Independent Director	Member	2	1
Mr. Harsha Vardhana Singh[11]	Independent Director	Chairperson	2	1
Mr. Manoj Kumar[12]	Independent Director	Member	-	-

[11]*Resigned effective October 1, 2019*

[12]*Appointed as member of the Nomination and Remuneration Committee effective Novermber 13, 2019.*

(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 the 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 under the "Investors" section.

(d) Details of remuneration to all the directors

During the financial year ended March 31, 2020, there is no pecuniary relationship or transactions of the non-executive director's 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, 2020, Mr. Ajay Singh, Chairman and Managing Director has drawn a remuneration of ₹72.00 million.

(e) Performance Evaluation

The Nomination and Remuneration Committee conducted the Board evaluation for the financial year ended March 31, 2020. 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 2019-20, the Stakeholders Relationship Committee met once on February 14, 2020 with necessary quorum being present at the meeting.

Effective August 14, 2018, the Stakeholders Relationship Committee was reconstituted with Mr. Harsha Vardhana Singh (Independent Director) as Chairperson and Mrs. Shiwani Singh (Non-Executive and Non-Independent Director) and Mr. Ajay Singh (Chairman & Managing Director) as members. However, consequent upon resignation of Mr. Harsha Vardhana Singh (Independent Director) effective from October 1, 2019, the Stakeholders Relationship Committee was dissolved and then reconstituted on November 13, 2019 with Mr. Manoj Kumar (Independent Director) as Chairperson and Mrs. Shiwani Singh (Non-Executive and Non-Independent Director) and Mr. Ajay Singh (Chairman & Managing Director) 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. Manoj Kumar	Independent Director	Chairperson	1	1
Mrs. Shiwani Singh	Non - Executive and Non-Independent Director	Member	1	0
Mr. Ajay Singh	Chairman and Managing Director	Member	1	1
Mr. Harsha Vardhana Singh[12]	Independent Director	Chairperson	-	-

[12]*Resigned effective October 1, 2019*

(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 2019-20, the Company has received 64 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 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 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 2019-20, 19 complaints were received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and as on March 31, 2020, 6 complaints were pending for its disposal.

(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 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, 2020. 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 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 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 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 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 Body 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
35^{th} AGM (2018-19)	September 30, 2019 at 4:00 P.M.	PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016	Remuneration to Mr. Ajay Singh (DIN: 01360684), Managing Director of the Company in case of no profits/ inadequacy of profits of the Company
34^{th} 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^{rd} 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.

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) and the Company (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 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 36th Annual General Meeting**	:	Venue: Through Video Conferencing Date: December 24, 2020 Time: 4:00 p.m.
(b)	**Financial Year**	:	April 1, 2019 to March 31, 2020
(c)	**Book Closure date**	:	December 18, 2020 to December 24, 2020 (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 2020-21**	:	Paid
(g)	**Stock Code**	:	BSE: 500285 Reuters: SPJT.BO Bloomberg: SJET ISIN in NSDL and CDSL: INE285B01017
(h)	**Registrar and Transfer Agents**	:	KFin Technologies Private Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
(i)	**Outstanding Global Depository Receipts/American Depository 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, 2020, the Company operates to 54 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. Dematerialisation of Shares and Liquidity

Over 99.37% of the outstanding equity shares have been dematerialised upto March 31, 2020. The equity shares of the Company are listed at BSE Limited only; where they are actively traded.

13. Subsidiary Companies

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 under the "Investors" section. None of the Indian subsidiary of the Company comes under the purview of the term 'material unlisted 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.

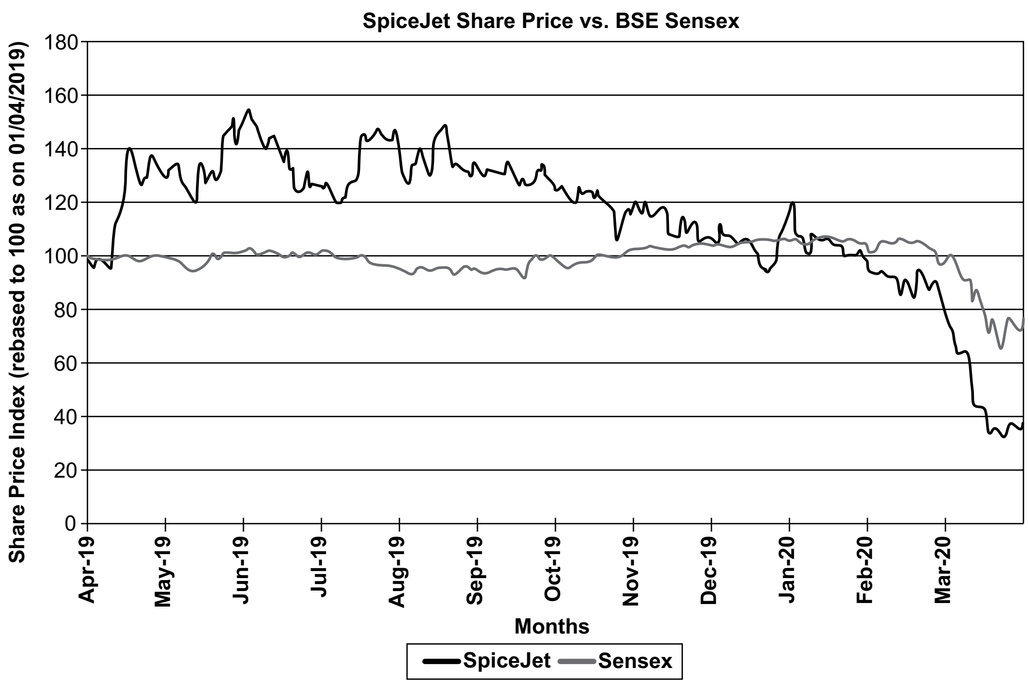
14. Market Price Data

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) during the period under review:

Month	Open Price	High Price	Low Price	Close Price
Apr-19	98.80	152.60	93.00	130.35
May-19	128.60	153.00	114.70	145.95
Jun-19	150.00	156.90	121.45	124.95
Jul-19	127.00	149.00	116.10	141.60
Aug-19	141.00	152.60	122.70	132.80
Sep-19	131.35	135.85	123.35	125.15
Oct-19	125.95	128.00	101.50	115.15
Nov-19	118.00	121.45	103.60	105.35
Dec-19	105.50	119.20	92.40	112.70
Jan-20	113.00	120.00	96.05	96.45
Feb-20	97.40	97.60	81.55	83.30
Mar-20	85.00	86.00	30.80	36.90

15. 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, 2019 to March 31, 2020.



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

16. 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.

17. Shareholding Pattern as on March 31, 2020

S. No.	Category	No. of Shares	Percentage (%)
1.	Promoters	359,609,068	59.93
2.	Resident Individuals	132,184,002	22.03
3.	Mutual Funds	61,667,858	10.28
4.	Foreign Portfolio – Corp	10,100,896	1.69
5.	Bodies Corporates	17,642,779	2.94
6.	Non Resident Indians	6,908,570	1.15
7.	Alternative Investment Fund	1,641,706	0.27
8.	Hindu Undivided Family	3,188,605	0.53
9.	Non-Resident Indian Non Repatriable	2,115,164	0.35
10.	Clearing Members	2,881,498	0.48
11.	Employees	1,079,833	0.18
12.	Indian Financial Institutions	513,712	0.08
13.	Qualified Institutional Buyer	150,000	0.02
14.	Foreign Institutional Investors	109,000	0.02
15.	Foreign Portfolio Investors	75,001	0.01
16.	Banks	100,300	0.02
17.	NBFC	42,216	0.00
18.	Directors	29,001	0.00
19.	Directors and their Relatives	20,000	0.00
20.	Foreign Nationals	9,800	0.00
21.	Trusts	7,290	0.00
	Total	**600,076,299**	**100.00**

18. Distribution of Shareholding as on March 31, 2020:

Category	Shareholders		Shares	
	Number	% of total	Number	% of total
1-5000	163,120	83.82	21,749,028	3.62
5001-10000	15,136	7.78	12,359,618	2.06
10001-20000	7,737	3.97	11,911,457	1.98
20001-30000	2,677	1.37	6,954,501	1.16
30001-40000	1,330	0.68	4,801,751	0.80
40001-50000	1,120	0.57	5,324,364	0.89
50001-100000	1,801	0.93	13,423,377	2.24
100001 and above	1,692	0.87	523,552,203	87.25
Total	**194,613**	**100**	**600,076,299**	**100**

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 Auditor during the financial year under review is as follows:

S. No.	Particulars	Amount (₹ in million)
1.	Audit Fees as Statutory Auditor	10.05
2.	Tax Fees	-
3.	Re-imbursement of out of pocket expenses	0.08
4.	Other	3.00

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. For financial year ended March 31, 2020, ATF constituted 33% of the expenses. 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 of the Company, if any, are as per applicable guidelines.

21. Other Disclosures

(a) **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 ₹28,320 for late submission of corporate governance report for the quarter ended June 30, 2018 and ₹542,800, ₹542,800 and ₹536,900 for non-appointment of independent woman director for the quarter ended September 30, 2019, December 31, 2019 and March 31, 2020 respectively.

(b) **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, 2020. 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

(c) **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 2019-20. The said certificate is attached with this report as Annexure - II.

(d) **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.

(e) **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.

(f) **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 except that the composition of the Board of Directors of the Company is not as per the requirement of the Regulation 17(1) of the Listing Regulations as the Company has not appointed one independent woman director and the total number of directors are less than six.

Further, securities of the Company have not been suspended for trading at any point of time during the financial year ended March 31, 2020.

(g) **Non-mandatory requirements:** The Company did not have a non-executive chairman during the financial year 2019-20, 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**
KFin Technologies Private Limited,
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032
Email: einward.ris@kfintech.com
Tel: +91 40 67162222
Fax: +91 40 23001153

(b) **Any query on Annual Report**
Legal & Company Affairs
SpiceJet Ltd., 319, Udyog Vihar,
Phase IV, Gurugram-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.

I hereby declare that all Board Members and Senior Management personnel have affirmed compliance with the Code for the Financial Year ended March 31, 2020.

Sd/-
Ajay Singh
Chairman & Managing Director

Date : July 29, 2020
Place : Gurugram

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 Koteshwar, 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, 2020 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 Koteshwar
Chief Financial Officer

Date : July 29, 2020
Place : Gurugram

Annexure - III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SpiceJet Limited (the **"Company"**), produced before me 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.

In my opinion and to the best of my 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 me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2020 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[1]	01360684	May 21, 2015
2.	Mrs. Shiwani Singh[1]	05229788	May 21, 2015
3.	Mr. Anurag Bhargava	01297542	September 7, 2016
4.	Mr. Harsha Vardhana Singh[2]	07110296	September 7, 2016
5.	Mr. Ajay Chhotelal Aggarwal	00001122	February 11, 2019

[1]These directors were flagged under Section 164(2)(a) of the Companies Act, 2013 for non-filing of financial statement/annual return of certain companies in which they were/are directors. In accordance with the order passed by the Hon'ble High Court of Delhi and the Condonation of Delay Scheme, 2018, the necessary filing has been completed.
[2]Resigned effective October 1, 2020.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

For Mahesh Gupta & Company
Company Secretaries

Sd/-
Mahesh Kumar Gupta
Proprietor
FCS 2870::CP 1999
UDIN: F002870B000712766

Date : September 15, 2020
Place : New Delhi

Note: The Covid-19 pandemic has resulted in many restrictions, including free movement of people. We were not able to personally visit the office of the Company for verification of certain physical documents and has obtained most of the documents in electronic mode. The explanation from the Company has also been obtained either telephonically or electronically.

Annexure - IV

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

I have examined the compliance of conditions of Corporate Governance by SpiceJet Limited (the "**Company**"), for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**").

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the Listing Regulations. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my findings from the examination of the records produced and explanations and information furnished to me and the representation made by the management of the Company, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the financial year ended March 31, 2020 except that the composition of the Board of Directors of the Company is not as per the requirement of the Regulation 17(1) of the Listing Regulations as the Company has not appointed one independent woman director and the total number of directors are less than six.

For Mahesh Gupta & Company
Company Secretaries

Sd/-
Mahesh Kumar Gupta
Proprietor
FCS 2870::CP 1999
UDIN: F002870B000712733

Date : September 15, 2020
Place : New Delhi

Note: The Covid-19 pandemic has resulted in many restrictions, including free movement of people. We were not able to personally visit the office of the Company for verification of certain physical documents and has obtained most of the documents in electronic mode. The explanation from the Company has also been obtained either telephonically or electronically.

Management Discussion & Analysis

1. Economy and Prospects

(a) Indian economy

India's Gross Domestic Product (GDP) slowed down to 4.2% in FY 2019-20 as against 6.1% growth clocked in FY 2018-19. Primary factors responsible for the deceleration in growth included global economic slowdown, subdued consumption and private investment, and liquidity constraints in the non-banking finance sector. The unexpected outbreak of Covid-19 pandemic in the last quarter of FY 2019-20 created unprecedented challenges for the Indian economy. Growing spread of the virus, social distancing measures and fears among consumers and businesses rose dramatically in India. Steps taken to contain the spread, such as the nationwide lockdown stalled economic activity and are expected to impact both consumption and investment. Inflation remained majorly under control with CPI averaging 4.8%, though it was higher than the 3.4% achieved in the previous year. Foreign exchange reserves increased by USD 62 billion to USD 476.2 billion.

With the pandemic significantly impacting economic activity, the IMF has forecasted the Indian economy to contract by 4.5% in FY 2020-21 with potential downsides. Growth is, however, expected to rebound to 6% in FY 2021-22 supported by fiscal and monetary stimulus to limit the economic fallout.

(b) Support measures

Policymakers have been implementing substantial fiscal and monetary measures to support the economy in a post-Covid-19 scenario. On the fiscal front, the government rolled out a mammoth ₹ 20 lakh crore special economic and comprehensive package, equivalent to 10% of India's GDP. This includes ₹ 1.7 trillion relief package to support the marginalised population in tackling the challenges caused by the pandemic though any relief package for the aviation sector is yet to be awarded. Further, the Government also announced the 'Atmanirbhar Bharat Abhiyan' focussed on promoting and supporting domestic product and services to help local companies tide over the crisis.

The Reserve Bank of India, too, slashed the key repo rate by a cumulative 115 bps to 4.0% and reverse repo rate by 155 bps to 3.35% since the beginning of the crisis to maintain financial stability. In addition, it allowed commercial banks and non-bank finance companies to offer their customers a three-month moratorium on loan instalments. Further, in May 2020, it allowed further extension of the moratorium period by another three months to August 31, 2020.

These supportive measures are in line with those taken in major economies across the globe, most of which are facing an imminent slowdown with the pandemic triggering a recessionary scenario. The IMF forecasts the global economy to contract 4.4% in 2020 amidst decline in economic activities and job losses.

(c) Future outlook

The long-term growth outlook of the country continues to remain positive. Key reformative policies including Goods and Services Tax (GST), Insolvency and Bankruptcy Code (IBC), Foreign Direct Investment (FDI) liberalisation, among others, have amplified the fundamentals of the Indian economy. Recent measures such as corporate tax rate cuts, front-loaded infrastructure investment programmes, and bank recapitalisation are likely to drive growth. Particularly, reduced tax rates for individuals, forecast of a normal monsoon, along with prospects of a bumper crop output will propel spending and consumption.

2. Indian Aviation

(a) Industry overview

India has the third largest domestic aviation market globally. It is expected to overtake United Kingdom (UK) to become the third largest air passenger market (domestic and international) by 2024 as rising incomes, tourism, and a shift to air from rail increases air travel penetration. Based on the customer experience and operating models, the operating airlines are categorised into Full Service Carriers (FSC) and Low Cost Carriers (LCC). LCCs has been the most successful airline industry model in India over the long term. With faster turnarounds and lower unit costs, LCCs dominate the domestic market and have been steadily gaining share in international routes.

Indian aviation landscape

Airline	Promoter	Market Share (Domestic)[1]	Service Type[2]	Fleet Size[3]	Aircraft Type[3]
Air Asia	Air Asia, Tata Sons	7.7%	LCC	30	A320
Air India	Govt. of India	10.5%	FSC	171	A319, A320, A320N, A321, B737, B747, B777, B787, ATR42/72
GoAir	Wadia Group	9.9%	LCC	56	A320, A320N
Indigo	InterGlobe Enterprises	49.0%	LCC	260	A320, A320N, A321, ATR
SpiceJet	Ajay Singh	16.1%	LCC	114	B737, Q400, B737Max
Vistara	Tata Group	5.9%	FSC	41	A320

Source: [1] DGCA

[2] Service Type (FSC/LCC) is a term assigned by various analysts to these airlines.

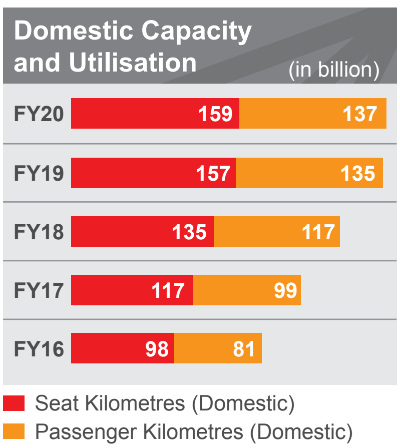
[3] Company website and internet search. Data as on March 31, 2020

FY 2019-20 was a challenging year for the Indian aviation sector. The year started with the closure of Jet Airways' operations, India's largest international and second largest domestic carrier. This, combined with the subdued demand due to economic slowdown led to a muted growth in air traffic over the year. Furthermore, the sector experienced several operational difficulties in addition to increased operational expenses, including the worldwide grounding of Boeing 737 Max; continuing issues with Pratt & Whitney engines on NEO aircraft; and towering debt issues in Air India.

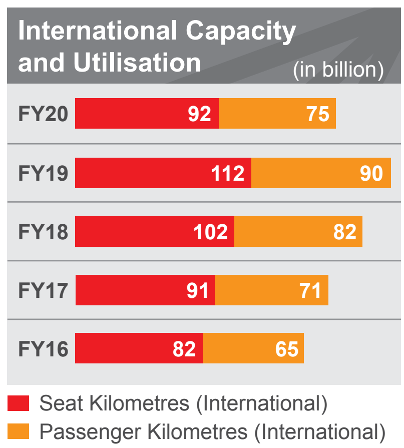
Adding significantly to industry headwinds, the Covid-19 pandemic hit the aviation industry in Q4 FY 2020 as passenger count started declining from January 2020 onwards and finally the lockdowns across countries. In India, the Government banned international and domestic flights with effect from March 22, 2020 and March 25, 2020 respectively. This had a major impact on the financial performance of the Indian carriers. Even after the gradual reopening of economies across most countries, airlines around the world are confronting the challenge of a sharp decline in demand due to passenger apprehensions. The fall in demand has forced major global airlines to take drastic cost-cutting measures, grounding of fleet, and cessation of operations.

Given the global emergence situation, it is expected to take passenger air travel demand several months to recover to pre-Covid-19 levels. It will be essential for the government to undertake commensurate response to support the revival of the sector. The return to normalcy in airline travel will also depend on multiple factors including the speed of virus containment, lifting of country border closures, restoration of confidence in air travel, and normalcy in economic activities.

Indian aviation performance in FY 2019-20



(Source: DGCA)



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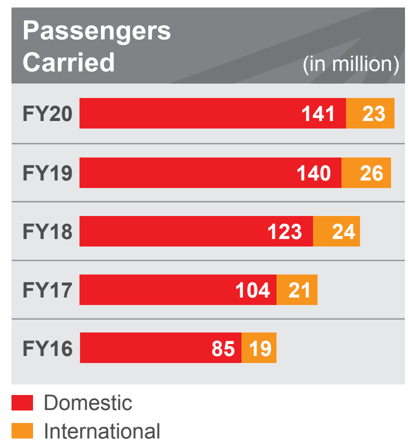

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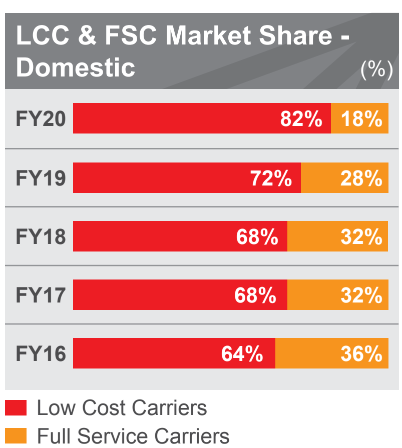

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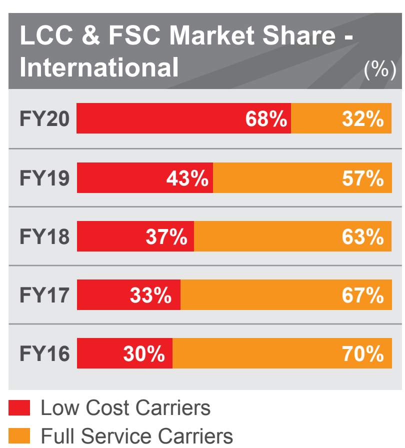


(Source: DGCA)

(b) Growth prospects

With sustained strong performance and rising traffic, India has emerged as the seventh largest civil aviation market in the world (domestic and international). The four Indian LCCs - Indigo, SpiceJet, GoAir, and Air Asia command a market share of over 82% and have been pivotal in driving air passenger traffic growth over the years.

In terms of air cargo operations, the aviation industry is presently largely dependent on foreign carriers. However, the lockdown period during pandemic has unleashed an urgent need to build national air cargo capacity. India, with its favourable geographical location, is likely to be in an advantageous position for movement of cargo globally. An Indian network would further contribute to reduction in traffic directional difference and lower operational costs.

While the short-term demand outlook for Indian aviation industry is challenging, the medium to long term outlook remains strong, driven by under-penetration, rise in working population, expansion of middle class, and rapid proliferation of online channels. Further, the rise in trade and tourism is also likely to boost the industry. As per Airports Authority of India (AAI), India is projected to have 480 million flyers by 2036, which will be more than that of Japan (just under 225 million) and Germany (just over 200 million) combined.

Further, cargo has also been seeing increasing demand over the last few years. Growth in trade will be the key driver for growth in freight traffic as 30% of total trade is undertaken via airways. In this context, aviation is considered the fastest and most reliable mode to deliver humanitarian aid during extreme conditions. Various Indian airlines have been instrumental in helping the country in times of Covid-19 outbreak by transporting essential supplies. As per AAI, by 2023, total freight traffic is expected to touch 4.1 million tonnes, exhibiting a CAGR of 7.3% between FY 2015-16 and FY 2022-23.

(c) Government initiatives

Over the past few years, the Government has been enforcing conducive policies to boost the growth of the sector. The clearance of National Civil Aviation Policy 2016 has contributed to progress in enhancing connectivity and widening network for domestic carriers. Increasing investments on infrastructure development and modernisation and upgradation of existing airports will further drive growth of India's aviation sector.

Major initiatives implemented by the Government include:

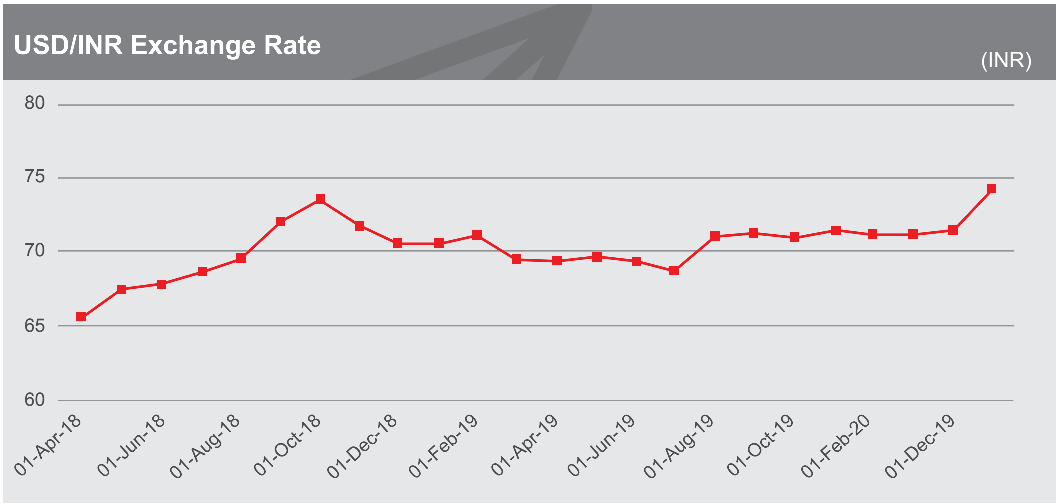
- Plan to develop 100 new airports in India by 2024 to cater to the rising air traffic. Airport Authority of India (AAI) has planned to invest ₹ 25,000 crore (USD 3.58 billion) over the next five years to augment facilities and infrastructure at the airports
- Plan to develop over 20 airports in Tier II and III cities over the next five years
- Opening of the airport sector to private participation, resulting in six airports across major cities being developed under PPP mode
- Permitting 100% FDI under automatic route for greenfield projects and 74% for brownfield airport projects
- Exemption to Indian aircraft manufacture, repair, and overhaul (MRO) service providers from customs and countervailing duties which will ensure development of MRO services in India and thus airline can avail it domestically
- Promotion of aircraft financing and leasing activities to make India's aviation market self-reliant
- Approval of policy on biometric digital processing of passengers at airports named 'Digi Yatra' to enhance service quality and passenger experience
- Proposal of increasing FDI limit in domestic carriers from the existing 49%
- Introduction of 'Lifeline Udan' flights to transport essential medical cargo to remote parts of the country to support India's war against Covid-19

The airline sector was faced with challenging environment at the outbreak of Covid-19 and there have been some initiatives taken by the Government during these times including:

- Reserve Bank of India allowing commercial banks to restructure loans.
- Civil airspace ratioanlisation to allow civil aircraft to utilize shorter and straight routes thereby saving on fuel burn.
- Fare band introduced by the Government post lock-down to prevent pradatory as well and excessive pricing.

(d) Input costs

The aviation industry is highly susceptible to fluctuations in international crude oil prices and exchange rates. FY 2019-20 saw significant increase in global crude oil prices, leading to a spike in aviation turbine fuel (ATF) prices. However, crude oil prices have fallen significantly since January 2020, largely driven by economic contraction caused by Covid-19 and a sudden increase in oil supply following the suspension of previously agreed upon production cuts. This led to a substantial decline in aviation turbine fuel prices during the period. However, LCCs with their lean cost structures are well equipped to navigate the challenges in the operating environment. For the coming two years – 2020 and 2021, the ATF prices are likely to be at sustainable levels with EIA predicting the global crude oil prices to average USD 41.42 and USD 49.53 respectively in these years. This is comparatively lower to the average prices of USD 64.37 in 2018.



(Source: Bloomberg)

3. Developments at SpiceJet

During the year under review, the Company continued to focus on enhancing customer experience, improving selling and distribution, revenue management, fleet rationalisation, optimal utilisation, and effective redeployment in key focus markets. The Company also undertook several renegotiations of contracts along with other cost control measures to sustain consistent profitable operations. Major initiatives undertaken during the year include:

(a) Financial performance

The FY 2019-20 posed unprecedented challenges starting with worldwide grounding of the Boeing 737 Max on account of technical reasons. This resulted in sudden grounding of SpiceJet's 13 Boeing 737 Max fleet, thus leading to several flight cancellations and throwing open the challenge of accommodating passengers in other flights. Despite grounding, the Company continued to incur various costs on these aircraft impacting its bottomline. The year ended with Covid-19 pandemic which significantly reduced passenger travel from mid-February and then finally complete suspension of operations due to lockdown in March 2020. These factors adversely impacted the performance and bottom line of the Company. For the full year, SpiceJet posted a loss of ₹ 9,347.61 million, which includes a non-cash loss of ₹ 6,970.19 million due to foreign exchange loss on restatement of lease liability. With this, the Company's net worth turned negative and stood at ₹ 15,792.65 million as on March 31, 2020.

(b) Fleet and network augmentation

During FY 2019-20, the Company added more destinations to its network and expanded its fleet of passenger and freighter aircraft. During the year, as one of the full service carrier suspended operations leading to vacation of slots, SpiceJet was allotted 74 major slots. The airline additionally inducted 31 aircraft to its fleet in a short span which were made available due to suspension of operations of said full service carrier. These capacity additions helped the Company to offset some of the capacity constraints it faced with the grounding of the Boeing 737 Max fleet. In May 2019, SpiceJet celebrated the big milestone of inducting its 100th aircraft.

During the extraordinary times of the Covid-19 pandemic, the Company has been contributing positively to ensure well-being of the people of India. In April 2020, SpiceJet leveraged its SpiceXpress cargo operations to run India's first cargo-on-seat flight carrying vital supplies in passenger cabin and belly space. Since then, it has deployed B737 and Q400 passenger aircraft to carry cargo in the passenger cabin.

In terms of market position, SpiceJet is the 2nd largest airline (domestic passenger market share) and the largest regional operator in India. In FY 2019-20, the average domestic load factor was 92%, and was able to maintain 90% plus load factor for 59 successive months (a feat unparalleled globally) till February 2020.

Since the announcement of the nationwide lockdown in March 2020 and until October 2020, it transported around 76,500 tonnes of cargo on nearly 9,930 flights, thus becoming India's largest air cargo company. This included surgical supplies, sanitisers, face masks, coronavirus rapid test kits, IR thermometers, along with providing doorstep deliveries of essential supplies and medical equipment to various cities in India. The airline also helped Indian farmers maintain continuity of supply chains by operating special cargo flights to take farm produce, fresh fruits, and vegetables to various domestic and international destinations. SpiceXpress' cargo network now spans over 63 domestic and 44 international destinations including Almaty, Abu Dhabi, Baghdad, Bahrain, Bangkok, Bishkek, Cambodia, Cairo, Cebu, Chad, Colombo, Dhaka, Doha, Dubai, Guangzhou, Ho Chi Minh, Hong Kong, Huangzhou, Incheon, Jakarta, Kabul, Kathmandu, Khartoum, Kyrgyzstan, Kuala Lumpur, Kuwait, Male, Myanmar, Shanghai, Singapore, Sharjah, Sulaymaniyah, Tashkent, Ukraine, among others. The airline has been actively using Ras Al-Khaimah airport as a hub for its cargo operations.

As of October 2020, SpiceJet has operated over 1,100 charter flights under the Vande Bharat Mission (VBM) to repatriate over 2,00,000 stranded Indian nationals stranded from countries such as Canada, The Netherlands, Philippines, Kyrgyzstan, Turkmenistan, UAE, Saudi Arabia, Oman, Qatar, Lebanon, Bangladesh, Maldives, Kuwait, Kabul, South Korea, Kazakhstan, Russia, Georgia, Hong

Kong, Uzbekistan and Sri Lanka. The airline has also been designated as an Indian scheduled carrier to operate to the US and UK as well as operate its first long-haul flight from Amsterdam. The airline also operated around 148 special flights carrying ~11,000 Hajj pilgrims from Srinagar to Medina and Jeddah and back for the great religious gathering in Mecca.

The year also saw SpiceJet entering into a Memorandum of Understanding (MoU) with Ras Al Khaimah International Airport L.L.C. to co-operate, develop, and promote tourism in Ras Al Khaimah, U.A.E. and also work towards developing it into an aviation hub. By making this airport in the northernmost Emirate of UAE, the airline aims to extend its connectivity to the Gulf and European destinations.

As part of its international expansion strategy, SpiceJet signed a codeshare and interline agreement with Emirates, one of the world's largest airlines, to give travellers to and from India seamless access to a wider and stronger network route. It will enable SpiceJet passengers from India to enjoy seamless connectivity leveraging Emirates extensive network across Europe, Africa, America, and the Middle East. Further, SpiceJet signed a Memorandum of Understanding with Gulf Air, the national carrier of the Kingdom of Bahrain, to explore greater cooperation between the two airlines including an interline and codeshare agreement.

During FY 2019-20, SpiceJet added 93 routes to its network including 30 UDAN routes. The airline launched a number of new flights and enhanced frequencies on its international network from the key metros of Mumbai, Delhi, and Hyderabad to global hotspots such as Jeddah, Bangkok, Colombo, Hong Kong, Dubai, and Dhaka. Besides, SpiceJet also announced the launch of flight services from Mumbai to the Saudi capital city of Riyadh which earmarks the airline's 10th international destination. In another important milestone, the airline also launched its Guwahati-Dhaka flight under the International Air Connectivity Scheme (IACS), which makes it the country's first IACS flight.

During the year, SpiceJet added Rajkot as its 54th domestic destination. The domestic network expansion was laid out with a special focus on regional connectivity besides enhancing connectivity between metros and non-metros. SpiceJet became the first and only carrier in the country to launch non-stop flight services on the Ahmedabad-Aurangabad, Pune-Jodhpur, and Chennai-Durgapur sectors. It also introduced new flights on the Mumbai-Jodhpur, Chennai-Vishakhapatnam, Vijayawada-Vishakhapatnam, Hyderabad-Aurangabad, Surat-Kolkata, and Surat-Udaipur sectors. It also enhanced operations on Bengaluru-Chennai-Bengaluru, Bengaluru-Vijayawada-Bengaluru, and Mumbai-Mangalore-Mumbai sectors.

(c) Revenue enhancement and new ancillary streams

Passenger revenue

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

Ancillary revenue

The Company constantly works towards offering innovative and pioneering products and services by leveraging technology to augment its ancillary revenue streams.

Its new-age, graded loyalty programme – SpiceClub – offers huge benefits to its customers. The programme is aimed at delighting the customers and building a loyal customer base focussed on increasing direct flight bookings and boost ancillary sales. In addition, SpicEngage - the in-flight entertainment system offers a fascinating range of entertainment content onboard to enhance the flying experience of customers. Its niche products and services such as YouFirst (priority check-in, priority baggage), combo products like seat + meal, Visa, Gift Cards, MyFlexi Plan have received impressive response from customers. Its dedicated air cargo network SpiceXpress has been instrumental in offering efficient and seamless cargo connectivity across India and on international routes with the Company intending to ramp-up freighter capacity in the coming years.

The Company's all-new complimentary in-flight entertainment system – SpiceScreen offers passengers seamless access to the latest blockbuster content on their personal devices through the Wi-Fi network. This indigenous technology is developed by SpiceJet's team in collaboration with a local startup and is backed by the strong belief of Make in India.

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 activities portal platform on Spice Vacations to offer a wide range of destination specific fun-filled activities, airport transfers and local transport to customers for their convenience.

Further, the Company engages in the business of selling consumer merchandise and goods which operated through its subsidiary SpiceJet Merchandise Private Limited. These products are offered to passengers onboard at attractive prices.

(d) Cost reduction measures

Cost reduction has always been one of the key focus areas for SpiceJet so as to maintain an optimal cost structure in a price sensitive industry. The Company continued its focus towards automation, fleet rationalisation, efficient aircraft utilisation, and improving efficiencies to reduce costs. During the year, SpiceJet consolidated its position at Mumbai Airport by shifting its operations from the Domestic Terminal (T1) to the state-of-the-art Terminal 2 (T2) at Chhatrapati Shivaji International Airport. Consolidation of operations at one terminal in Mumbai will enhance customer convenience and result in substantial savings for the airline.

The Covid-19 pandemic posed unprecedented new challenges for the airline. In continuation of its cost ratonalisation initiates, the Company early terminated certain aircraft leases and returned aircraft without any cost implications. It also restructured aircraft leases by introduction of power by hour structures leading to rent reduction. Further, with the significant decline in demand due to Covid-19 pandemic, the Company has rationalised and restructured its workforce cost in proportion with the reduced operational requirement while keeping basic minimum threshold for employees thereby ensuring no retrenchment on account of Covid-19.

(e) Brand consolidation

The Company has developed a unique product namely SpiceMax for maximising flying experience of its passengers. It offers a range of bundled services and priority privileges to provide an exceptional flying experience. This includes a welcome drink and refreshing towel (on international flight), ergonomic seat with extra leg-room, complimentary meal with beverage, priority services (check-in, boarding, baggage delivery), comfortable 4-way adjustable headrest, pillow and blanket (on international flight).

The Company introduced 'SpiceJet Extra Seats' across its domestic network, allowing passengers to book two seats or even a full row to make their travel more comfortable and hassle-free. In a pioneering initiative, SpiceJet introduced Ms Pepper, its 24*7 automated customer service agent on WhatsApp, in addition to its website and mobile app, to allow passengers check-in through it. At a time when travellers seek extensive support with minimum physical intervention, Ms Pepper offers a seamless customer service experience by resolving queries and ensuring access to important travel information through a simple conversation on one of the most preferred messaging platforms. WhatsApp servicing will also prove useful in enabling passengers get services in areas with slow and intermittent internet connections.

SpiceJet also became the first and only airline in the country to offer a comprehensive Covid-19 insurance cover for its passengers, which includes tests, medication, and consultations. This insurance cover is available at a low premium and covers all pre- and post-hospitalisation expenses.

SpiceJet undertook several promotional initiatives during the year, heralding a new era in brand marketing. In a one-of-its-kind campaign Spice Democracy, the airline ensured interested voters to participate in the democratic process irrespective of geographical boundaries In line with this, it gave free tickets to those wanting to fly back to Delhi to cast their vote in the Delhi Assembly Elections. Further, SpiceJet joined hands with Khelo India, a world-class sports experience for the young sports stars, as their official travel partner. Under the initiative, it provided a unique flying experience to over 1,000 participating athletes at the third edition of the 2020 Khelo India Youth Games held in Guwahati. To celebrate Children's Day, the airline took 118 underprivileged children and cancer patients on a specially designated aircraft 'joy-flight' flown for them.

In another industry-first initiative, SpiceJet hosted the launch of Tamil superstar Suriya's song 'Veyyon Silli' from his upcoming movie 'Soorarai Pottru' (Hail the Brave) inside the aircraft at Chennai International Airport. It converted one of its aircraft into a flying billboard with movie poster giving a unique and unmatched visibility to the music launch. In addition, leading brands like Paytm, Nestle, Panasonic, Amazon, FlipKart, Netflix, among others have also partnered with SpiceJet. This positions the Company as one of the most preferred brands for marketing associations with renowned celebrities and corporates.

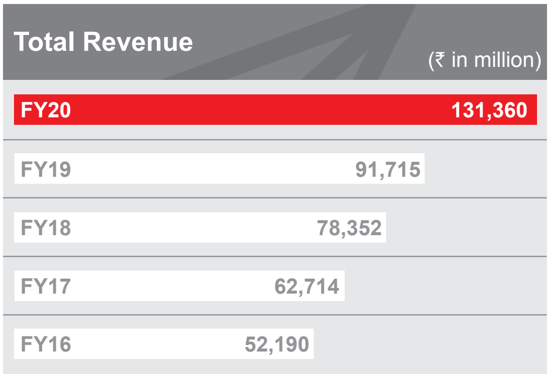
4. Operational and Financial Highlights

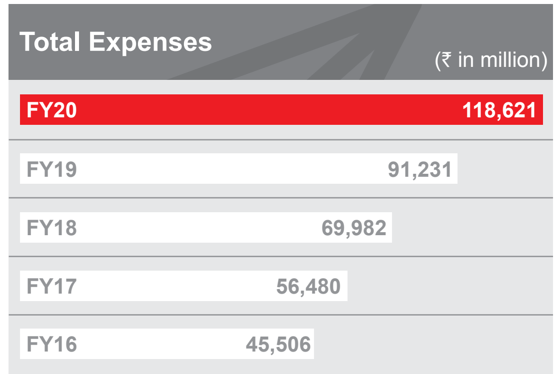
(a) Operational Highlights

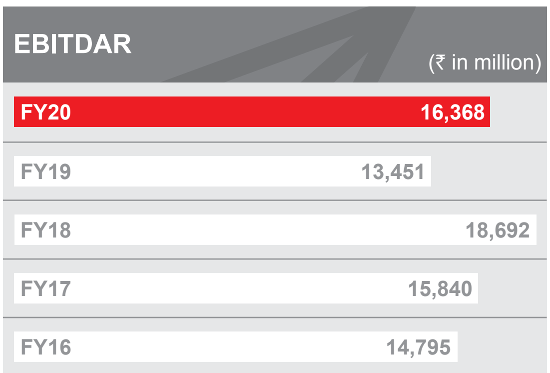
	Available Seat Kilometres (million)	Revenue Passenger Kilometres (million)	Passengers Carried (million)
FY20	31,334	28,079	25
FY19	22,317	20,504	20
FY18	19,510	18,254	18
FY17	16,438	15,056	15
FY16	12,916	11,700	12

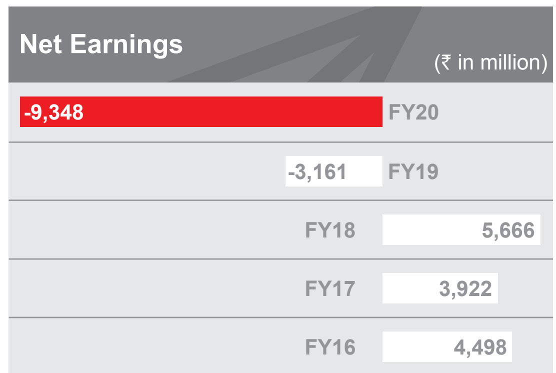
	Flights operated (nos.)	Load factor (%)	Aircraft at end (nos.)
FY20	195,976	90	114
FY19	156,182	92	76
FY18	138,311	94	60
FY17	115,207	92	49
FY16	95,755	91	42

(b) Financial Highlights









(c) Revenues

SpiceJet's total revenues increased by 43% to ₹ 131,360 million in FY 2019-20 from ₹ 91,715 million in FY 2018-19.

Revenue from operations increased by 36% to ₹ 123,586 million in FY 2019-20 from ₹ 91,133 million in FY 2018-19 as the Company expended its fleet capacity and operated more flights.

Other income increased by 1,233% to ₹ 7,773 million in FY 2019-20 from ₹ 589 million in FY 2018-19 as the Company recognised ₹ 6,718 million reimbursement towards aircraft and supplemental lease rentals and other identified expenses of its grounded Boeing 737 Max fleet.

(d) Expenses

Total expenses for FY 2019-20 increased by 30% to ₹ 118,621 million from ₹ 91,231 million in FY 2018-19.

i. **Aircraft Fuel and Oil**
Expenditure on aircraft fuel increased by 34% to ₹ 46,162 million in FY 2019-20 from ₹ 34,453 million in FY 2018-19. The increase is on account of fleet capacity addition and increase in aviation turbine fuel costs with surging oil prices.

ii. **Lease-Rental Aircraft and Engines**
Expenditure on lease rental aircraft and engines decreased by 72% to ₹ 3,630 million in FY 2019-20 from ₹ 12,967 million in FY 2018-19. The decrease is on account of implementation of Ind AS 116 effective April 1, 2019.

iii. **Aircraft Maintenance Cost**
Expenditure on aircraft maintenance cost increased by 44% to ₹ 21,717 million in FY 2019-20 from ₹ 15,043 million in FY 2018-19. The increase in maintenance and repair costs was due to capacity and aircraft maintenance.

iv. **Employee Benefit/Expenses**
Employee remuneration and benefits expenses increased by 44% to ₹ 15,258 million in FY 2019-20 from ₹ 10,570 million in FY 2018-19. This was primarily due to increase in manpower to support the additional fleet capacity.

v. **Selling expenses**
Selling expenses increased by 9% to ₹ 2,270 million for FY 2019-20 from ₹ 2,074 million for FY 2018-19.

vi. **Other expenses**
Other expenses increased by 138% largely due to increase in capacity.

vii. **Finance Cost**

Finance Cost increased by 315% to ₹ 5,450 million in FY 2019-20 from ₹ 1,313 million in FY 2018-19. The increase is on account of implementation of Ind AS 116 effective April 1, 2019.

viii. **Depreciation and amortisation**

Depreciation and amortisation increased by 577% to ₹ 17,339 million in FY 2019-20 from ₹ 2,562 million in FY 2018-19. The increase is on account of implementation of Ind AS 116 effective April 1, 2019.

Key Financial Ratios

Particulars	FY 2019-20	FY 2018-19
Debtors Turnover Ratio	6.48	4.65
Inventory Turnover Ratio	78.49	69.65
Interest Coverage Ratio	(0.72)	(0.92)
Current Ratio	0.33	0.38
Debt Equity Ratio	(0.69)	(3.16)
Operating Profit Margin	4.02%	(0.11%)
Net Profit Margin	(7.56%)	(3.47%)

5. Opportunities, Risks, Concerns and Threats

The short-term outlook of the global aviation industry remains challenging due to the pandemic related restrictions on travel. However, the industry is expected to gradually recover and grow at a strong pace in the long term. Increasing middle-class population, a favourable demography, along with the continuation of economic development and growth in household incomes support the positive outlook. Growth will be further spurred by strong growth in tourism, increased aircraft penetration from current levels, and the expansion of aviation infrastructure.

The potential risks and challenges which may further impact business and profitability include continued subdued demand due to pandemic and related restrictions, adverse movement in fuel prices and foreign exchange; high competition; talent crunch; airport infrastructure constraints. Fuel costs can be mitigated through adequate hedging and direct import which will be taken at appropriate time. Additionally, adverse government regulations, irrational pricing behaviour, uncontrolled capacity infusion, and overconcentration in certain markets by incumbents pose significant threat.

Introduction and availability of Covid-19 vaccine in the near term will provide the much required impetus to mobilise travel and return to normalcy, while scepticism related to travel will continue to depress demand.

6. Future Outlook

SpiceJet remains confident of a strong recovery in the future on the back of availability of Covid-19 vaccine, relaxations in travel restrictions, fleet expansion and strong cargo operations and expansion.

Going forward, the Company intends to emerge from the crisis stronger than ever and has been giving particular attention on cost control, revenue management, and brand value. At the same time, SpiceJet has been constantly adapting to the changing environment and new norms of flying. The airline, in these unprecedented times, is focussed on profitability and managing cash and liquidity by making its fleet more efficient, ensuring that the capacity is right sized to the market, and reducing costs further.

SpiceJet sees tremendous potential in its cargo business in post-Covid-19 environment. Even during the lockdown, SpiceJet utilised its cargo capacity to carry essential suppliers, which places it well to augment the operations in the months ahead. Currently, the airline's fleet consists of 11 freighters (five Boeing and six Q400) and three wide body aircraft (the first Indian budget airline to induct such aircraft). In the near and mid term, SpiceJet plans to add more cargo aircraft to scale up SpiceXpress' existing capacity and transform into a full-scale freighter cargo service.

At present, SpiceJet operates to 47 domestic and 10 international destinations including newly received permission to operate flights to Jeddah, UK, US, and Amsterdam. It is the largest regional player in the country with 53 UDAN flights (currently 39 flying) operating in 10 destinations under the regional connectivity scheme. The Company has planned a phased ramp-up of operations to ensure that it adheres to all safety and social distancing norms and at the same time is able to cater to the available demand. SpiceJet has sufficient aircraft, crew and other operating staff available to resume and scale operations rapidly. Further, its highly skilled and energised workforce, strong fleet size, robust network, seamless cargo connectivity, and pioneering innovations will enable it to tide over the challenges and meet new customer expectations in this changed environment.

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

7. Internal Control

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

- Effectiveness and efficiency of operations
- Adequacy of safeguarding of 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 takes corrective action.

8. Human Resources

SpiceJet considers human resources as a principal driver of growth and change. As the Company works towards transcending to the next level of excellence and achievement by creating a digitally empowered and future-ready organisation, the upskilling, empowering and unleashing talent are key. Therefore, it is focussed on ensuring individual development and growth in a professional work culture that enables innovation, high performance and is empowering.

Talent management is an important agenda for the Company. It is committed to hiring and retaining the best talent and being among the industry's leading employers. For this, it promotes a collaborative, transparent and participative organisation culture, and rewarding individual contribution and innovation. This will motivate the employees to raise the bar, not just for customers but also for themselves.

SpiceJet encourages learning on-the-job and facilitates various training programmes 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 FY 2018-19, while the Company's focus was on expansion due to the induction of new aircraft, FY 2019-20 was more about consolidation. It continued 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 and retaining the best ones. The Company undertook various strategic learning programmes, employee engagement and health management initiatives to aid overall professional and personal development of its employees.

SpiceJet implemented a robust behavioural training calendar to address the training needs of employees across departments in the areas like - Communication Skills, Team Building, Time and Stress Management, E-mail Etiquette, Conflict Management and Emotional Intelligence.

In a special educational tie-up with UPES University, the Company fulfilled higher educational aspirations of 18 distant learning specialised graduate, post graduate and diploma programs employees. 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 prides itself in being an equal opportunity and women-friendly organisation. It has zero tolerance for sexual harassment. It ensures a safe and secure work environment for the women employees by regularly training employees on the Prevention of Sexual Harassment policy.

The Company also encourages employees to participate in CSR initiatives (done in collaboration with renowned NGOs) for the underprivileged and the environment. In an effort to drive cohesiveness among employees, SpiceJet, for the first time ever organised a sporting event 'SpiceJet Khelotsav'. Received with a lot of fanfare, the event saw participation of all employees in six sports categories.

As on March 2020, the Company's overall employee strength stood at 11,675 as compared to 8,556 in March 2019. It continues to maintain its record on industrial relations without any interruption in work.

9. Information Technology

SpiceJet has been at the forefront in investing in technology to strengthen its competitive positioning. During FY 2019-20, the airline introduced new technologies, processes and innovation, paving the way for more competent, efficient and profitable business operations. Since the announcement of lockdown due to the Covid-19 pandemic and subsequent unlocking in phases, the airline has witnessed zero passenger operations. During this phase, the airline focussed on introducing new contactless processes to ensure safe and comfortable journey for flyers once operations resume. This necessitated several changes in the IT infrastructure.

Airports: The airline launched a new mishandled baggage application at all airports. This enables passengers to enter mishandled baggage information electronically rather paper forms and retrieve information on left behind baggage at the destination airports on arrival. The airline also initiated passenger reconciliation system whereby scanning machines is used at aircraft entry, thus doing away with the process of tearing boarding passes. A new windows-based user interface was launched at the check-in counters to move away from the old teletext-based check-in systems.

Keeping customer delight in mind, the airline launched an in-flight entertainment system which delivers high quality movies and TV shows, free of cost, directly on the customers mobile device while on board. Plans are on anvil to expand this to all flights. A completely revamped customer loyalty program was launched which enables customers to get points for all their travel which can be used to purchase tickets on the SpiceJet network or to reduce the cost of tickets.

Independent Auditor's Report

To the Members of SpiceJet Limited

Report on the Audit of the Standalone Ind AS Financial Statements

1. Qualified 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 2020, 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 standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects and possible effects of the matters described in the '2. Basis for Qualified Opinion' section of our report, the aforesaid standalone 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 state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

2. Basis for Qualified Opinion

We draw attention to Note 48 to the accompanying standalone Ind AS financial statements, regarding recognition of other income of ₹ 6,718.04 million for the year ended March 31, 2020 and the related foreign exchange gain on restatement of this balance amounting to ₹ 427.30 million. In our view, there is no virtual certainty to recognise such other income and related receivable, as required by paragraph 33 of Ind-AS 37, "Provisions, Contingent Liabilities and Contingent Assets". Had the Company not recognised such other income (including its related foreign exchange restatement), the reported loss for the year ended March 31, 2020 would have been ₹ 16,492.95 million and accumulated losses as at March 31, 2020 would have been higher by ₹ 7,145.34 million.

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 qualified audit opinion on the standalone Ind AS financial statements.

3. Material Uncertainty Related to Going Concern

We draw attention to Note 2 A (a) (iii) in the standalone Ind AS financial statements which, indicate that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss during the current and previous year and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 2 A (a) (iii), indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not qualified in respect of this matter.

4. Emphasis of Matter

We draw attention to the following matters:

a. Note 49 of the standalone Ind AS financial statements, which describes the economic and social disruption the Company is facing as a result of Covid-19 pandemic, and its possible consequential implications, on the Company's operations and financial metrics.

b. Note 47 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.

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

5. 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, 2020. 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. In addition to the matter described in the '2. Basis for Qualified Opinion' section and in the '3. Material Uncertainty Related to Going Concern' section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

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
Provision for aircraft maintenance *(Refer note 23, 29 and 41 of the standalone Ind AS financial statements)*	
As at March 31, 2020, the Company operated 76 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. 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. Provisions for aircraft maintenance costs include ₹ 3,629.54 million as at March 31, 2020 in this regard. We have identified provision for aircraft maintenance as a key audit matter because of the inherent level of complexity and subjective management judgements required in assessing the variable factors and assumptions, in order to quantify the provision amounts.	Our audit procedures in this regard included the following: • We read the maintenance agreements to gain a detailed understanding of the significant terms relating to maintenance of aircrafts and its components. • 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; • We evaluated the provisioning model, methodology, inputs used for preparing the model and key assumptions adopted by management in estimating the provisions and any changes therein by reviewing the terms of the operating leases (including modifications to lease agreements subsequent to year end, where relevant) and terms of maintenance contracts with third party vendors, and comparing assumptions with contract terms, information from the lessors and the Company's past experience of incurring maintenance costs; • We discussed with the appropriate management personnel responsible for aircraft engineering, the actual and expected utilisation pattern of the aircraft, the basis for the other key inputs used in preparing the model and the consistency of the provisions with management's assessment of the condition of aircraft and its components; • We assessed the disclosures made in the Standalone Ind AS financial statements.
Capitalisation of aircraft maintenance and overhaul costs *(Refer note 41 and 2(A)(c) of the standalone Ind AS financial statements)*	
The Company has entered into engine maintenance agreements with engine manufacturers, where the maintenance costs are predicated primarily on the actual use of the related underlying assets. 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. 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. Determining the useful lives of maintenance inspections requires judgement and is a key focus for our audit.	Our audit procedures to assess aircraft maintenance and overhaul costs included the following: • We read the maintenance agreements to gain a detailed understanding of the significant terms which influence the economics of, and hence, accounting for the agreements. • 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. • We assessed the estimates, having regard to the interval between major overhauls for each component and the useful lives of major engine overhaul events and the compliance of the accounting treatment applied to maintenance costs, with industry practice and the requirements of accounting principles generally accepted in India. • We assessed the disclosures made in the Standalone Ind AS financial statements.
Impact of adopting Ind AS 116 - Leases *(Refer note 2(A)(a)(iii) and 44 of the standalone Ind AS financial statements)*	
The Company has adopted Ind AS 116 Leases from 1 April 2019, which introduces a new lease accounting model, where lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on its balance sheet. The Company has applied Ind AS 116 with an effective date of 1 April 2019, in the preparation of the accompanying financial statements, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 is recognised as an adjustment to the opening balance of equity at 1 April 2019, with no restatement of comparative information, as more fully described in Note 44 to the financial statements. Significant judgement is required in the assumptions and estimates made in order to determine the ROU asset and lease liability. The assumptions and estimates include assessment of lease term, determining the impact of past lease renewals as well as aircraft return obligations, and the application of appropriate discount rates. The impact on the financial statements on adoption of Ind AS 116 is material to the Company and, accordingly, is an area of key focus for our audit.	Our audit procedures in this regard included the following: • We understood the Company's processes to identify lease contracts, including other contracts containing leases, from our discussions with management and reading of internally prepared memoranda. • We assessed the design, implementation and operating effectiveness of management's key internal controls over accounting of leases as per the requirements of Ind AS 116; • We read a sample of contracts of each major type of lease, to assess management's identification of leases. • We obtained the Company's calculation of right-of-use assets and lease liabilities. For a sample of leases, we tested the inputs used in the quantification to the lease agreements including aircraft return obligations, agreement renewals, cancellations and practical expedients applied, challenged the calculations of the discount rate applied, and performed re-computations as required. • We obtained the adjustments made by the Company pursuant to renegotiations of lease agreements for lease modifications and for a sample of leases, we assessed the appropriateness of lease modification accounting and tested the calculations for the remeasurement of the lease-liability and the consequent adjustment to ROU asset. • We tested the completeness of the aircraft lease database used by validating the scope of the aircraft leases and comparing it with the list of "operating leases" identified under the previously applicable standard and reviewing the residual lease expenses; • We assessed the compliance of the accounting treatment with industry practice and the requirements of accounting principles generally accepted in India. • We assessed the disclosures made in the Standalone Ind AS financial statements.

6. 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

7. Responsibilities of the Management and Those Charged with Governance 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.

8. 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 with reference to financial statements 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, 2020 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.

9. 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 except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) Except for the matter described in the Basis for Qualified Opinion paragraph, 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) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid 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) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above, the matter described in the Basis for Qualified Opinion paragraph and Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

   (h) 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;

   (i) In our opinion, the managerial remuneration for the year ended March 31, 2020 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.

   (j) 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 46 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
UDIN: 20211107AAAACY7597

Place : Chennai
Date : July 29, 2020

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 47 of the financial statements, the Company is not in co mpliance 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 employees' state insurance, sales-tax, service tax, duty of custom, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been serious delays in the case of provident fund, income tax and goods and service tax. The provisions relating to excise duty are not applicable to the Company.

(b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months

Name of the statute	Nature of dues	Amount (₹ in million)	Period to which the amount relates	Due Date	Date of Payment
The Employees' Provident Funds And Miscellaneous Provisions Act, 1952	Provident Fund	108.13	February 2019 to August 2019	Various dates	Not paid till date

(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	2,369.53	August 2017 to March 2020	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
UDIN: 20211107AAAACY7597

Place : Chennai
Date : July 29, 2020

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SPICEJET LIMTED

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, 2020, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

1. 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.

2. Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone 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 standalone 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 qualified audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

3. Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

A company's internal financial control over financial reporting with reference to these standalone 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 standalone 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.

4. Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

5. Qualified Opinion

According to the information and explanations given to us and based on our audit and read with the matter stated in Note 48 to the financial statements, the following material weakness has been identified as at March 31, 2020:

- The Company's internal controls over financial reporting relating to recognition of income were not operating effectively, in respect of other income of ₹ 6,718.04 million.

  A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these standalone financial statements as of March 31, 2020, 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, and except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as of March 31, 2020.

6. Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of SpiceJet Limited, which comprise the Balance Sheet as at March 31, 2020, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 standalone financial statements of SpiceJet Limited and has affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership Number: 211107
UDIN: 20211107AAAACY7597

Place : Chennai
Date : July 29, 2020

Standalone Balance Sheet

as at March 31, 2020

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

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment ('PPE')	3	16,129.70	15,908.93
Right of use assets	4	70,506.67	-
Intangible assets	5	173.16	128.73
Investments in subsidiaries	6a	0.70	0.30
Financial assets			
(i) Investments	6b	0.50	0.24
(ii) Loans	7	330.40	332.54
(iii) Other financial assets	8	11,585.05	11,344.23
Income tax assets (net)	9	669.94	343.18
Other non current assets	10	8,004.12	6,270.82
Total non-current assets		107,400.24	**34,328.97**
Current assets			
Inventories	11	1,775.87	1,373.24
Financial assets			
(i) Investments	12	3.89	3.63
(ii) Trade receivables	13	2,916.64	1,471.96
(iii) Other receivables	14	12,541.60	5,791.00
(iv) Cash and cash equivalents	15	281.55	649.47
(v) Bank balances other than (iv) above		120.22	129.50
(vi) Other financial assets	16	2,391.71	1,031.92
Other current assets	17	2,236.49	3,289.83
Total current assets		22,267.97	**13,740.55**
Total Assets		129,668.21	**48,069.52**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	6,000.76	5,997.18
Other equity	19		
(i) Retained earnings		(31,940.93)	(19,537.94)
(ii) Securities premium account		9,949.45	9,901.12
(iii) Other reserves		198.07	132.81
Total equity		(15,792.65)	**(3,506.83)**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	4,593.03	5,566.28
(ii) Lease liability	21	67,931.93	-
(iii) Trade payables	22		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		-	77.65
Long-term provisions	23	6,284.80	4,289.76
Other non-current liabilities	24	152.72	5,298.35
Total non-current liabilities		78,962.48	**15,232.04**
Current liabilities			
Financial liabilities			
(i) Borrowings	25	4,144.38	4,179.44
(ii) Lease liability	26	21,599.61	-
(iii) Trade payables	27		
- total outstanding dues of micro enterprises and small enterprises		174.84	188.50
- total outstanding dues of creditors other than micro enterprises and small enterprises		17,196.30	10,941.72
(iv) Other current financial liabilities	28	2,797.48	1,621.86
Short-term provisions	29	4,761.75	2,169.54
Other current liabilities	30	15,824.02	17,243.25
Total current liabilities		66,498.38	**36,344.31**
Total Liabilities		145,460.86	**51,576.35**
TOTAL EQUITY AND LIABLITIES		129,668.21	**48,069.52**

Summary of significant accounting policies 2

The accompanying notes form an integral part of the standalone 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: Chennai
Date: July 29, 2020

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: July 29, 2020

Kiran Koteshwar
Chief Financial Officer
Place: Gurugram
Date: July 29, 2020

Chandan Sand
Company Secretary
Place: Gurugram
Date: July 29, 2020

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

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

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from contracts with customers	31	123,586.41	91,132.54
Other income	32	7,773.46	582.90
Total income		**131,359.87**	**91,715.44**
Expenses			
Operating expenses	34	87,799.54	73,000.54
Employee benefits expense	35	15,257.76	10,570.07
Sales and marketing expenses	36	2,269.59	2,074.41
Other expenses	37	13,294.29	5,586.40
Total expenses		**118,621.18**	**91,231.42**
Earnings before interest, tax, depreciation and amortization (EBITDA)		**12,738.69**	**484.02**
Depreciation and amortization expense	3 & 4	(17,339.34)	(2,562.25)
Finance income	33	703.12	864.90
Finance costs	38	(5,450.08)	(1,312.84)
Loss for the year before exceptional items		**(9,347.61)**	**(2,526.17)**
Exceptional items	39	-	(634.66)
Loss Before Tax		**(9,347.61)**	**(3,160.83)**
Income Tax Expense			
- Current Tax		-	-
- Deferred Tax		-	-
Total tax expense		-	-
Loss for the year		**(9,347.61)**	**(3,160.83)**
Other Comprehensive Income: **Other comprehensive income not to be reclassified to profit or loss in subsequent periods:**			
Remeasurement losses on defined benefit obligations (net)		(32.49)	(14.45)
Income tax impact		-	-
Other comprehensive loss for the year		**(32.49)**	**(14.45)**
Total comprehensive loss for the year		**(9,380.10)**	**(3,175.28)**
Earnings per equity share of face value of ₹ 10 each (previous year ₹ 10 each)	40		
- Basic earnings per share		(15.58)	(5.27)
- Diluted earnings per share	40c	(15.53)	(5.27)

Summary of significant accounting policies

The accompanying notes form an integral part of the standalone 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: Chennai
Date: July 29, 2020

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: July 29, 2020

Kiran Koteshwar
Chief Financial Officer
Place: Gurugram
Date: July 29, 2020

Chandan Sand
Company Secretary
Place: Gurugram
Date: July 29, 2020

Standalone Cash Flow Statement

for the year ended March 31, 2020

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

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities			
Loss before tax and exceptional items		(9,347.61)	(2,526.16)
Adjustments to reconcile loss before tax and exceptional items to net cash flows:			
Depreciation and amortisation expense		17,339.34	2,562.25
Provision for doubtful claims / advances		131.63	237.59
Loss on disposal of PPE (net) / assets written off		196.40	20.02
Provision for litigations		13.50	9.51
Advances / debts written off		75.29	227.39
Share-based payment expense		117.15	85.52
Provision for aircraft maintenance		5,097.80	5,400.86
Provision for aircraft redelivery		1,241.79	267.58
Liabilities / provision no longer required written back		(402.31)	(369.78)
Interest accretion on financial liabilities measured at amortised cost		4,393.26	88.35
Interest income from financial assets measured at amortised cost		(165.12)	(96.16)
Profit on sale of aircraft and engines under sale and lease-back arrangement		-	(243.99)
Net (gain) / loss on financial assets measured at fair value through profit or loss ('FVTPL')		(0.21)	12.39
Finance income		(703.12)	(864.90)
Finance costs		1,056.82	1,312.84
Translation loss on monetary assets and liabilities		7,128.16	123.33
Operating profit before working capital changes		**26,172.77**	**6,246.64**
Movements in working capital :			
Increase in trade and other receivables		(7,596.05)	(5,772.01)
Increase in inventories		(402.63)	(129.56)
Increase in other financial assets		(1,714.40)	(1,044.76)
Decrease / (increase) in other assets		85.15	(1,402.31)
Increase / (decrease) in trade payables		1,052.58	(1,119.61)
Increase in other financial liabilities		253.13	53.47
(Decrease) / increase in other liabilities		(801.96)	6,457.57
Increase in provisions		1,696.05	1,326.43
Cash generated from operations		**18,744.65**	**4,615.86**
Income taxes paid		(326.76)	(52.55)
Net cash flow from operating activities	A	**18,417.89**	**4,563.31**
Cash flow from investing activities			
Purchase of PPE and capital work in progress (including capital advances)		(2,744.25)	(2,002.39)
Proceeds from sale of PPE		32.40	3.71

Standalone Cash Flow Statement (Contd.)

for the year ended March 31, 2020

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

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
Investment in subsidiary		(0.40)	-
Loans to subsidiary		(17.86)	(44.92)
(Purchase) / Proceeds from sale of investments		(0.31)	996.60
Investments in bank deposits		9.28	141.50
Deposit with Delhi High Court		(577.98)	(109.04)
Margin money deposits placed		(441.43)	(5,746.18)
Margin money deposits withdrawn		1,354.38	4,414.46
Finance income		599.21	891.22
Net cash used in investing activities	**B**	**(1,786.96)**	**(1,455.04)**
Cash flow from financing activities			
Proceeds from issue of shares on exercise of stock options		3.58	2.68
Proceeds from short-term borrowings (net)		170.47	642.90
Repayment of lease liability		(15,064.17)	-
Repayment of long-term borrowings (net)		(1,140.26)	(2,947.16)
Finance costs		(1,012.12)	(1,335.76)
Net cash used in financing activities	**C**	**(17,042.49)**	**(3,637.34)**
Net decrease in cash and cash equivalents	**(A+B+C)**	**(411.57)**	**(529.07)**
Effects of exchange difference on cash and cash equivalents held in foreign currency		43.65	(8.17)
Cash and cash equivalents at the beginning of the year		649.47	1,186.71
Cash and cash equivalents at the end of the year		281.55	**649.47**
Notes :			
Components of cash and cash equivalents			
Cash on hand		76.18	41.34
Balance with banks:			
- On current accounts		205.07	592.25
- On deposit accounts		0.30	15.88
		281.55	**649.47**

Summary of significant accounting policies

The accompanying notes form an integral part of the standalone 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: Chennai
Date: July 29, 2020

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: July 29, 2020

Kiran Koteshwar
Chief Financial Officer
Place: Gurugram
Date: July 29, 2020

Chandan Sand
Company Secretary
Place: Gurugram
Date: July 29, 2020

Standalone Statement of Changes in Equity

for the year ended March 31, 2020

(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**
Issue during the year pursuant to exercise of employee stock options scheme	357,943	3.58
At March 31, 2020	**600,076,299**	**6,000.76**

b. Other equity

For the year ended March 31, 2020

Particulars	Retained earnings	Securities Premium Account	General Reserve	Share-based payment reserves	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Total Equity
Balance as at April 01, 2019	(19,537.94)	9,901.12	49.09	62.33	21.39	(9,504.01)
Impact of Ind AS 116 - Leases (Refer to Note 44)	(3,022.89)	-	-	-	-	(3,022.89)
Restated balance as at April 01, 2019	**(22,560.83)**	**9,901.12**	**49.09**	**62.33**	**21.39**	**(12,526.90)**
Changes in other equity during the year ended March 31, 2020:						
Loss for the year	(9,347.61)	-	-	-	-	(9,347.61)
Other comprehensive income	(32.49)	-	-	-	-	(32.49)
Total Comprehensive Income	**(9,380.10)**	**-**	**-**	**-**	**-**	**(9,380.10)**
Options granted during the year	-	-	-	117.15	-	117.15
Movement during the year in Foreign Currency Monetary Item Translation Difference Account ('FCMITDA'), net	-	-	-	-	46.13	46.13
Transfer to Securities Premium upon excise of options	-	48.32	-	(48.32)	-	-
Recognised in the Statement of P&L during the year	-	-	-	-	(49.69)	(49.69)
Balance as at March 31, 2020	**(31,940.93)**	**9,949.45**	**49.09**	**131.15**	**17.83**	**(21,793.41)**

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
Balance as at April 01, 2018	(16,362.66)	9,864.92	49.09	13.01	11.47	(6,424.17)
Loss for the year	(3,160.83)	-	-	-	-	(3,160.83)
Other comprehensive income	(14.45)	-	-	-	-	(14.45)
Total Comprehensive Income	(3,175.28)	-	-	-	-	(3,175.28)
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)
Balance as at March 31, 2019	**(19,537.94)**	**9,901.12**	**49.09**	**62.33**	**21.39**	**(9,504.01)**

Summary of significant accounting policies

The accompanying notes form an integral part of the standalone 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: Chennai
Date: July 29, 2020

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: July 29, 2020

Kiran Koteshwar
Chief Financial Officer
Place: Gurugram
Date: July 29, 2020

Chandan Sand
Company Secretary
Place: Gurugram
Date: July 29, 2020

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(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 113 aircraft including 5 freighter aircraft across various routes in India and abroad as at March 31, 2020. 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 July 29, 2020.

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, 2020 have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements,.

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 had a negative net worth of ₹ 14,852 million as at March 31, 2015, after which it had been consistently profitable for three financial years up to 2017-18. However, due to net losses of ₹ 3,160.83 million for the year ended March 31, 2019, and ₹ 9,347.61 million for the year ended March 31, 2020 (after considering the impact of the matter in note 48), the Company's negative net worth stands at ₹ 15,792.65 million as at March 31, 2020 (after considering adjustments on account of Ind AS 116 implementation – Refer note 44, and foreign exchange losses including those referred to in Note 37).

The losses for the year ended March 31, 2019 and March 31, 2020 have been primarily driven by adverse foreign exchange rates, fuel prices, and pricing pressures, and the early impact of Covid-19 in the period January-March 2020. On account of its operational and financial position, and the impact of the ongoing Covid-19 pandemic (refer note 49), the Company has deferred payments to various parties, including vendors and its dues to statutory authorities. Where determinable, the Company has accrued for additional liabilities, if any, on such delays in accordance with contractual terms / applicable laws and regulations and based on necessary estimates and assumptions. However, it is not practically possible to determine the amount of all such costs or any penalties or other similar consequences resulting from contractual or regulatory non- compliances. Management is confident that they will be able to negotiate settlements in order to minimise / avoid any or further penalties. In view of the foregoing, no amounts of such penalties have been recorded in these financial statements.

The Company continues to implement various measures such as enhancing customer experience, improving selling and distribution, revenue management, fleet rationalisation, optimising aircraft utilization, redeployment of capacity in key focus markets, management and employee compensation revisions, renegotiation of contracts and other cost control measures, to help the Company establish consistent profitable operations and cash flows in the future. Further, improvements in certain macroeconomic factors relevant to the Company's business and operations, the resumption of airline operations (which includes the Company's expectations of the timing of re-introduction of Boeing 737 Max aircraft into its operations), as well as the renegotiations with vendors discussed in Note 49, are expected to increase operational efficiency and support cash-profitable operations. The Company also continues to remain confident of compensation in respect of the matter discussed in Note 48. Based on the foregoing and their effect on business plans and cash flow projections, management is of the view that the Company will be able to achieve 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 be able to continue as a going concern for the foreseeable future.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

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
- 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 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

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 group 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.

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.

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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.

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.

Government Grant

Grants from the government are recognised where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions. The grant which is revenue in nature is recognised as other operating income on a systematic basis over the period for which such grant is entitled.

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'

Notes to the Standalone Financial Statements

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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.

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

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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.

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

With effect from April 01, 2019, the Company has adopted Ind AS 116, 'Leases' retrospectively with the cumulative effect of initially applying the standard, recognised as an adjustment to the opening balance of retained earnings as on the date of initial application (April 01, 2019). Accordingly, the Company is not required to restate the comparative information for the year ended March 31, 2019.

The Company's lease asset classes primarily consist of leases for aircraft and engines, equipment, and buildings. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

At the commencement date, the right of use assets is measured at cost. The cost includes an amount equal to the lease liabilities plus any lease payments made before the commencement date and any initial direct costs, less any incentives received from equipment manufacturer in terms of the same lease. An estimate of costs to be incurred in respect of redelivery obligation, in accordance with the terms of the lease, is also included in the right of use assets at commencement date.

After the commencement date, the right of use assets is measured in accordance with the accounting policy for property, plant and equipment i.e. right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Aircraft - 1 to 12 years

Aircraft components – 1 to 10 years

Buildings - 2 to 10 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of non-financial assets.

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ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Lease Term

At the commencement date, the Company determines the lease term which represents non-cancellable period of initial lease for which the asset is expected to be used, together with the periods covered by an option to extend or terminate the lease, if the Company is reasonably certain at the commencement date to exercise the extension or termination option.

iv) Sale and leaseback transactions

Where sale proceeds received are judged to reflect the aircraft's fair value, any gain or loss arising on disposal is recognised in the income statement, to the extent that it relates to the rights that have been transferred.

Gains and losses that relate to the rights that have been retained are included in the carrying amount of the right of use assets recognised at commencement of the lease. Where sale proceeds received are not at the aircraft's fair value, any below market terms are recognised as a prepayment of lease payments, and above market terms are recognised as additional financing provided by the lessor.

v) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis which is more representative of the pattern of use of underlying asset.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Accounting standard effective till March 31, 2019, Ind AS 17 - 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.

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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.

l) Supplementary rentals and aircraft repair and maintenance

The Company accrues monthly expenses in the form of supplementary rentals which are based on aircraft utilisation that is calculated with reference to the number of hours or cycles operated during each month. Accrual of supplementary rentals are made for heavy maintenance visits, engine overhaul and landing gear overhaul for aircraft taken on lease.

Aircraft repairs and maintenance includes additional accrual, beyond supplementary rentals, for the estimated future costs of engine maintenance checks. These accruals are based on past trends for costs incurred on such events, future expected utilization of engine, condition of the engine and expected maintenance interval and are recorded over the period of the next expected maintenance visit.

The Company recognises aircraft repair and maintenance cost in the Standalone Statement of Profit and Loss on incurred basis, except for aircraft maintenance covered by third party maintenance agreements, wherein a portion of the cost are charged to the Standalone Statement of Profit and Loss at a contractual rate per hour in accordance with the terms of the agreements.

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 Company's cash management.

n) 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.

o) 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.

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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

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 53).

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 54).

p) 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.

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

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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.

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.

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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.

Equity investment in Subsidiaries

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

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

<u>Cash Incentives</u>

The Company receives incentives from Original equipment manufacturers ('OEMs') of aircraft components in connection with acquisition of aircraft under operating lease. These incentives are recorded as reduction to the carrying amount of right to use assets at the commencement of lease of the respective aircraft or aircraft components.

<u>Accounting standard effective till March 31, 2019 (prior to implementation of IND AS 116)</u>

The Company 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.

<u>Non-cash Incentives</u>

Non-cash incentives are recorded as and when due to the Company by setting up a deferred asset and a corresponding deferred incentive. These incentives are recorded as a reduction to the cost of related aircraft and aircraft components and as a reduction to the carrying amount of right to use assets at the commencement of lease of the respective aircraft or aircraft components taken on operating lease.

The deferred asset explained above is reduced on the basis of utilisation of incentives against liability towards purchase of goods and services.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

Accounting standard effective till March 31, 2019 (prior to implementation of IND AS 116)

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.

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 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 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 who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments

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 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.

x) 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 applied Ind AS 116 *Leases* for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

Several other amendments apply for the first time for the year ending March 31, 2019, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (i.e. April 01, 2019). Accordingly, the Company has not restated comparative information; instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 01, 2019. Refer to Note 44.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 *Income Taxes*. It 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 Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex environment, it assessed whether the Appendix had an impact on its standalone financial statements.

The Appendix did not have an impact on the standalone financial statements of the Company.

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 an 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. These amendments had no impact on the standalone financial statements of the Company.

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 determine the 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. An entity is also required to determine the 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 had no impact on the standalone financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

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*.

These amendments had no impact on the standalone financial statements as the Company does not have long-term interests in its associate and joint venture.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(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	Motor Vehicles**	Leasehold Improvements	Aircraft ^	Land	Total
Cost or valuation										
As at April 01, 2018	725.99	2,809.55	98.59	201.40	25.99	489.61	44.65	17,375.01	171.37	21,942.16
Additions #	212.20	383.99	43.56	74.39	5.60	124.49	12.60	1,142.76	-	1,999.59
Disposals	1.64	25.68	0.98	-	0.01	11.13	-	-	-	39.44
Exchange Differences *	-	-	-	-	-	-	-	500.81	-	500.81
As at March 31, 2019	**936.55**	**3,167.86**	**141.17**	**275.79**	**31.58**	**602.97**	**57.25**	**19,018.58**	**171.37**	**24,403.12**
Additions #	411.33	756.18	61.17	137.82	8.17	242.19	19.55	736.51	-	2,372.92
Disposals	8.59	300.19	0.73	0.10	0.32	1.78	-	-	-	311.71
Exchange Differences *	-	-	-	-	-	-	-	544.08	-	544.08
As at March 31, 2020	**1,339.29**	**3,623.85**	**201.61**	**413.51**	**39.43**	**843.38**	**76.80**	**20,299.17**	**171.37**	**27,008.41**
Depreciation and impairment										228.80
At April 1, 2018	122.64	358.84	51.15	82.17	13.10	192.46	26.03	5,159.38	-	6,005.77
Charge for the Year	66.05	210.26	21.53	61.96	6.55	82.46	12.17	1,831.39	-	2,292.37
Disposals	0.70	5.59	0.93	-	0.01	9.15	-	-	-	16.38
Exchange Differences *	-	-	-	-	-	-	-	212.43	-	212.43
As at March 31, 2019	**187.99**	**563.51**	**71.75**	**144.13**	**19.64**	**265.77**	**38.20**	**7,203.20**	**-**	**8,494.19**
Charge for the Year	83.86	238.72	26.55	80.73	7.76	83.96	12.54	1,707.21	-	2,241.33
Disposals	5.30	75.70	0.43	0.08	0.06	1.34	-	-	-	82.91
Exchange Differences *	-	-	-	-	-	-	-	226.10	-	226.10
As at March 31, 2020	**266.55**	**726.53**	**97.87**	**224.78**	**27.34**	**348.39**	**50.74**	**9,136.51**	**-**	**10,878.71**
Net Block										
As at March 31, 2019	**748.56**	**2,604.35**	**69.42**	**131.66**	**11.94**	**337.20**	**19.05**	**11,815.38**	**171.37**	**15,908.93**
As at March 31, 2020	**1,072.74**	**2,897.32**	**103.74**	**188.73**	**12.09**	**494.99**	**26.06**	**11,162.66**	**171.37**	**16,129.70**

*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 20(b).

#Additions to Aircraft comprise ₹ 736.51 million for the year March 31,2020 and ₹ 1,142.76 million for the March 31, 2019 pertaining to overhaul costs capitalised on aircraft.

**Rotables and tools, Ground support equipment and Motor Vehicles with a carrying amount of ₹ 237.93 million (March 31, 2019 ₹ 289.67 million), are subject to a first charge to secure the facilities provided by Allahabad Bank.

Refer Note. 45 for contractual commitments for the acquisition of PPE.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

4. Right of use assets

	Aircraft	Aircraft components	Buildings	Total
Cost or valuation				
As at 1 April 2019 on account of adoption of Ind AS 116 (Refer to Note 44)	58,023.45	2,506.28	1,260.60	61,790.34
Reclassified on account of adoption of Ind AS 116 (Refer to Note 44)	(4,226.50)	(434.59)	-	(4,661.08)
Additions	26,415.75	2,610.37	271.27	29,297.39
Disposals	1,710.61	-	-	1,710.61
Balance as at March 31, 2020	**78,502.10**	**4,682.07**	**1,531.87**	**84,716.05**
Accumulated depreciation				
As at 1 April 2019 on account of adoption of Ind AS 116 (Refer to Note 44)	-	-	-	-
Depreciation for the year	13,897.85	698.84	192.75	14,789.43
Depreciation on disposals	580.06	-	-	580.06
Balance as at March 31, 2020	**13,317.79**	**698.84**	**192.75**	**14,209.37**
Net carrying value as at March 31, 2020	**65,184.31**	**3,983.23**	**1,339.13**	**70,506.67**

5. Intangible Assets

	Software	Total
Cost or valuation		
As at April 01, 2018	78.20	78.20
Additions	145.80	145.80
Disposals	-	-
As at March 31, 2019	**224.00**	**224.00**
Additions	125.92	125.92
Disposals	-	-
As at March 31, 2020	**349.92**	**349.92**
Accumulated Amortization		
As at April 01, 2018	37.82	37.82
Charge for the year	57.45	57.45
Disposals	-	-
As at March 31, 2019	95.27	95.27
Charge for the year	81.49	81.49
Disposals	-	-
As at March 31, 2020	**176.76**	**176.76**
Net Block		
As at March 31, 2019	**128.73**	**128.73**
As at March 31, 2020	**173.16**	**173.16**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

6. Non-current investments (fully paid-up)

		As at 31-Mar-2020	As at 31-Mar-2019
a.	**Unquoted equity investments in subsidiaries, at cost**		
	10,000 (March 31, 2019:10,000) equity shares of SpiceJet Merchandise Private Limited	0.10	0.10
	10,000 (March 31, 2019:10,000) equity shares of SpiceJet Technic Private Limited	0.10	0.10
	10,000 (March 31, 2019:10,000) equity shares of Canvin Realestate Private Limited	0.10	0.10
	10,000 (March 31, 2019:Nil) equity shares of SpiceJet Interactive Private Limited	0.10	-
	10,000 (March 31, 2019:Nil) equity shares of Spice Shuttle Private Limited	0.10	-
	10,000 (March 31, 2019:Nil) equity shares of Spice Club Private Limited	0.10	-
	10,000 (March 31, 2019:Nil) equity shares of SpiceXpress & Logistics Private Limited	0.10	-
		0.70	**0.30**
b.	**Unquoted equity investments, at fair value**		
	2,874 (March 31, 2019: 1,270) equity shares of Aeronautical Radio of Thailand Limited	0.50	0.24
		1.20	**0.54**

7. Long-term loans

(Unsecured, considered good unless stated otherwise)

Loan to subsidiary		
Unsecured, credit impaired	230.00	210.00
Unsecured, considered good	330.40	332.54
	560.40	**542.54**
Impairment Allowance		
Unsecured, credit impaired	(230.00)	(210.00)
Unsecured, considered good	-	-
	(230.00)	**(210.00)**
	330.40	**332.54**

Loan to subsidiary is repayable ranging from 3 - 5 years from the date of borrowing and carries an interest of 12.75%.

8. Other non-current financial assets

(Unsecured, considered good unless stated otherwise)

Security deposits (at amortised cost)	4,638.87	3,485.10
Non-current bank balances (also refer note 15)	6,946.18	7,859.13
	11,585.05	**11,344.23**

9. Income tax assets (net)

Advance income-tax and tax deducted at source (net of provision for taxation)	669.94	343.18
	669.94	**343.18**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

10. Other non-current assets

(Unsecured, considered good unless stated otherwise)

	As at 31-Mar-2020	As at 31-Mar-2019
Accrued overhaul obligation on finance lease aircraft	950.33	766.47
Deposit with Delhi High Court (also refer **note 47**)	3,187.02	2,609.04
Tax paid under protest (also refer note 46 (b))	2,369.53	1,460.34
Capital advances		
Unsecured, credit impaired	109.32	109.32
Unsecured, considered good	1,497.24	1,434.97
	8,113.44	**6,380.14**
Impairment Allowance		
Unsecured, credit impaired	(109.32)	(109.32)
Unsecured, considered good	-	-
	(109.32)	**(109.32)**
	8,004.12	**6,270.82**

11. Inventories

Engineering stores and spares	1,641.83	1,303.24
Other stores	134.04	70.00
	1,775.87	**1,373.24**

12. Investments at fair value through profit or loss (‘FVTPL’)

Quoted investment in mutual funds	3.89	3.63
Aggregate amount of quoted investments and market value thereof	3.89	**3.63**

13. Trade receivables

(Unsecured, considered good unless stated otherwise)

Trade receivables	2,916.64	1,471.96
	2,916.64	**1,471.96**
Break-up for security details:		
Unsecured, credit impaired	101.35	28.99
Unsecured, considered good	2,976.47	1,493.66
	3,077.82	**1,522.65**
Impairment Allowance		
Unsecured, credit impaired	(101.35)	(28.99)
Unsecured, considered good	(59.83)	(21.70)
	(161.18)	**(50.69)**
	2,916.64	**1,471.96**

Trade receivables also includes receivables from credit card companies which are realisable within a period 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 52**.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

14. Other receivables

(Unsecured, considered good unless stated otherwise)

	As at 31-Mar-2020	As at 31-Mar-2019
Maintenance recoverables	2,738.83	1,581.50
Insurance recoverables	204.67	205.23
Other recoverables	9,598.10	4,004.27
	12,541.60	**5,791.00**

15. Cash and cash equivalents

Balances with banks:		
– On current accounts	205.07	592.25
– On deposit accounts	0.30	15.88
Cash on hand	76.18	41.34
	281.55	**649.47**
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	0.23	50.88
Deposits with original maturity more than 12 months	119.99	78.62
Margin money / Security against fund and non-fund based facilities*	6,946.18	7,859.13
	7,066.40	**7,988.63**
Less: Amount disclosed under other non-current asset (Refer note 8)	(6,946.18)	(7,859.13)
	120.22	**129.50**
	401.77	**778.97**

At March 31, 2020, the Company had available INR 1,500 million (March 31, 2019: INR 2,820.83 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, 2019	Cash Flow	Foreign Exchange Impact	Others	March 31, 2020
Current borrowings	4,179.44	170.47	294.47	(500.00)	4,144.38
Finance Cost	32.08	(1,012.12)	-	1,056.82	76.78
Non-current borrowings	6,918.16	(1,140.26)	544.80	500.00	6,822.70
Lease liability	64,010.13	(15,064.17)	6,970.19	33,615.39	89,531.54
Total liabilities from financing activities	**75,139.81**	**(17,046.07)**	**7,809.45**	**34,672.21**	**100,575.40**

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	9,452.54	(2,947.16)	412.78	-	6,918.16
Lease liability	-	-	-	-	-
Total liabilities from financing activities	**13,081.92**	**(3,640.02)**	**374.94**	**1,312.84**	**11,129.68**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

16. Other current financial assets

(Unsecured, considered good unless stated otherwise)

	As at 31-Mar-2020	As at 31-Mar-2019
Security deposits	1,341.33	314.07
Employee advances	162.46	133.72
Interest accrued		
- on fixed deposits	399.23	295.32
Contract asset	488.69	288.81
	2,391.71	1,031.92

17. Other Current Assets

(Unsecured, considered good unless stated otherwise)

Prepaid expenses	1,211.09	2,608.15
Advances to suppliers		
Unsecured, credit impaired	-	-
Unsecured, considered good	1,025.40	681.68
	2,236.49	3,289.83
Impairment Allowance		
Unsecured, credit impaired	-	-
Unsecured, considered good	-	-
	-	-
	2,236.49	3,289.83

18. SHARE CAPITAL

Authorised Capital		
(1,500,000,000 equity shares of ₹10/- each)		
As at April 01, 2018	15,000.00	15,000.00
Increase during the year	-	-
As at March 31, 2019	15,000.00	15,000.00
Increase during the year	-	-
As at March 31, 2020	15,000.00	15,000.00
Issued, Subscribed and Paid-up Capital		
Equity shares of ₹ 10/- each issued, subscribed and fully paid		
As at April 01, 2018	5,997.18	5,994.50
Increase during the year	-	2.68
As at March 31, 2019	5,997.18	5,997.18
Increase during the year	3.58	-
As at March 31, 2020	6,000.76	5,997.18

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

Particulars	As at Mar 31, 2020		As at March 31, 2019	
	Number	Value (₹)	Number	Value (₹)
Shares outstanding at the beginning of the period	599,718,356	5,997,183,560	599,450,183	5,994,501,830
Issued during the year	357,943	3,579,430	268,173	2,681,730
Shares outstanding at the end of the period	600,076,299	6,000,762,990	**599,718,356**	**5,997,183,560**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

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.

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-2020		As at 31-Mar-2019	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Mr. Ajay Singh	304,333,450	50.72%	304,333,450	50.75%
Mr. Ajay Singh (HUF)	52,846,838	8.81%	52,961,838	8.83%
Total	**357,180,288**	**59.52%**	**357,295,288**	**59.58%**

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 626,116 shares (March 31, 2019 - 268,173) 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 42**

19. Other equity

	As at 31-Mar-2020	As at 31-Mar-2019
Reserves and Surplus		
Securities Premium Account	9,949.45	9,901.12
Retained Earnings	(31,940.93)	(19,537.94)
	(21,991.48)	**(9,636.82)**
Other reserves		
General Reserve	49.09	49.09
Share-based payment reserves	131.15	62.33
Foreign Currency Monetary Item Translation Difference Account	17.83	21.39
	198.07	**132.81**
a. Securities Premium		
Balance at the beginning of the year	**9,901.12**	**9,864.92**
Additions during the year	48.32	36.20
Deductions during the year	-	-
Balance at the end of the year	**9,949.45**	**9,901.12**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

b. General Reserve

The general reserves is a free reserve, retained from company's profits to meet future obligations.

	As at 31-Mar-2020	As at 31-Mar-2019
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	62.33	13.01
Options granted during the year	117.15	85.52
Transferred to Securities Premium upon exercise of such options	(48.32)	(36.20)
Balance at the end of the year	131.15	62.33

d. Retained Earnings

Balance at the beginning of the year	(19,537.94)	(16,362.66)
Profit / (Loss) for the year	(9,347.61)	(3,160.83)
Re-measurement Gain/(Loss) on Defined Benefit Obligations	(32.49)	(14.45)
Balance at the end of the year	(28,918.04)	(19,537.94)

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	21.39	11.47
Movement during the year in FCMITDA, net	46.13	28.47
Recognised in the Statement of P&L during the year	(49.69)	(18.55)
Balance at the end of the year	17.83	21.39

20. LONG TERM BORROWINGS (SECURED)

Term Loans		
From bank	500.00	-
Less: Current maturities of long term borrowings (refer **note 28**)	(500.00)	-
	-	-
Other loans		
External commercial borrowing (Unsecured)	6,322.70	6,918.16
Less: Current maturities of long term borrowings (refer **note 28**)	(1,729.67)	(1,351.88)
	4,593.03	5,566.28
	4,593.03	5,566.28

a. The Company had taken a loan of ₹ 500 million from IDFC First Bank Limited during the current year. The loan is repayable after 3 years from the date of the borrowing and carries an interest rate of 12.35%. The loan agreement requires the Company to maintain debt service coverage ratio of 1.25. The Company have not complied with this financial covenant and the borrowing have been reclassified to current maturities of long term borrowings.

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 3.70% to 4.7%. 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 ₹ 256.31 million. The Company has accrued penal interest of ₹ 0.39 million pursuant to this default.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

21. NON CURRENT LEASE LIABILITIES

	As at 31-Mar-2020	As at 31-Mar-2019
Lease liability	67,931.93	-
	67,931.93	**-**

22. NON CURRENT TRADE PAYABLES

Trade payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	77.65
	-	**77.65**

Trade payables are non interest bearing and carry a credit period exceeding 365 days

23. LONG TERM PROVISIONS

Provision for gratuity (also refer note 43)	458.51	330.48
Provision for aircraft redelivery (also refer note 41)	1,335.86	583.78
Provision for aircraft maintenance (also refer note 41)	4,490.43	3,375.50
	6,284.80	**4,289.76**

24. OTHER NON-CURRENT LIABILITIES

Deferred incentive	169.96	559.91
Less: Current portion of above	(17.24)	(55.49)
	152.72	**504.42**
Deferred gain on Sale and lease-back (also refer note 44)	-	5,390.07
Less: Current portion of above	-	(596.14)
	-	**4,793.93**
	152.72	**5,298.35**

25. SHORT TERM BORROWINGS (SECURED)

Working capital demand loan from bank	1,000.00	997.79
Pre-shipment credit foreign currency loan	3,144.38	3,181.65
	4,144.38	**4,179.44**

a. 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%.

b. 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 3.3% to 5.7%.

26. CURRENT LEASE LIABILITIES

Lease liability	21,599.61	-
	21,599.61	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

27. TRADE PAYABLES

	As at 31-Mar-2020	As at 31-Mar-2019
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	174.84	188.50
- total outstanding dues of creditors other than micro enterprises and small enterprises	17,196.30	10,941.72
	17,371.14	**11,130.22**
Dues to Micro, Small & Medium Enterprises ('MSMED')		
Principal amount due to suppliers under MSMED Act	167.74	182.28
Interest accrued and due to suppliers under MSMED Act, on the above amount	7.10	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	7.10	6.22
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	7.10	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

28. OTHER CURRENT FINANCIAL LIABILITIES

Unsecured		
Employee compensation payable	366.24	179.69
Security deposits received	124.79	58.21
Secured		
Current maturities of long-term borrowings (also refer note 20) (includes current maturities of ECB ₹ 1,729.67 million (March 31, 2019 - ₹ 1,351.88 million)	2,229.67	1,351.88
Interest accrued and due on borrowings	2.53	-
Interest accrued but not due on borrowings	74.25	32.08
	2,797.48	**1,621.86**
Break up of financial liabilities carried at amortised cost :		
Borrowings (non-current) (note 20)	4,593.03	5,566.28
Borrowings (current) (note 25)	4,144.38	4,179.44
Current maturity of long term loans (note 28)	2,229.67	1,351.88
Trade payables (non current) (note 22)	-	77.65
Lease liability (non current) (note 21)	67,931.93	-
Trade payables (current) (note 27)	17,371.14	11,130.22
Lease liability (current) (note 26)	21,599.61	-
Other current financial liabilities (note 28)	567.81	269.98
Total financial liabilities carried at amortised cost	**118,437.57**	**22,575.45**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

29. SHORT TERM PROVISIONS

	As at 31-Mar-2020	As at 31-Mar-2019
Provision for employee benefits		
Provision for gratuity (also refer note 43)	44.04	31.55
Provision for compensated absences (also refer note 43)	182.80	134.41
Provision for litigation (also refer note 46)	107.20	107.20
Provision for aircraft maintenance (also refer note 41)	3,968.14	1,807.06
Provision for aircraft redelivery (also refer note 41)	459.57	89.32
	4,761.75	**2,169.54**
Provision for litigation:		
At the beginning of the year	107.20	97.69
Additions during the year	13.50	9.51
Utilisation / reversal during the year	(13.50)	-
At the end of the year	**107.20**	**107.20**
Provision for aircraft maintenance		
At the beginning of the year	5,182.56	3,814.75
Additions during the year	5,097.80	5,400.86
Utilisation during the year	(1,821.79)	(4,033.05)
At the end of the year	**8,458.57**	**5,182.56**
Provision for aircraft redelivery		
At the beginning of the year	673.10	440.42
Provision made over the lease period	1,241.79	267.58
Utilisation during the year	(119.46)	(34.90)
At the end of the year	**1,795.43**	**673.10**

30. OTHER CURRENT LIABILITIES (Unsecured)

Current portion of deferred incentives	17.24	55.49
Current portion of deferred gain on sale and lease-back (also refer note 44)	-	596.14
Amount due under order of Delhi High Court (also refer note 47)	6,425.55	6,425.55
Contract liabilities	3,615.40	6,935.64
Advance received from agents	3,765.23	1,927.12
Statutory dues (including interest thereon)	1,000.67	595.37
Airport Taxes Payable	991.21	701.95
Others	8.72	5.99
	15,824.02	**17,243.25**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

31. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Sale of services		
Passenger revenue	114,447.88	85,783.70
Cargo revenue	5,448.26	3,079.12
Other operating revenues		
Incentives received	196.98	1,136.34
Income from training services	368.10	289.75
Others	3,125.19	843.63
	123,586.41	**91,132.54**
India	114,670.05	82,378.35
Outside India	8,916.36	8,754.19
	123,586.41	**91,132.54**

32. OTHER INCOME

Net Gain on financial assets measured at FVTPL	0.21	-
Net Gain on sale of investments	24.21	52.47
Liabilities / provision no longer required written back	402.31	369.78
Insurance / warranty claims received	6,937.30	118.43
Miscellaneous income	409.43	42.22
	7,773.46	**582.90**

33. FINANCE INCOME

Interest income on discounting of financial intruments	165.12	96.16
Interest income		
- on bank deposits	538.00	768.74
	703.12	**864.90**

34. OPERATING EXPENSES

Aviation turbine fuel	46,162.03	34,452.52
Lease charges - aircraft, engines and auxiliary power units (also refer note 44)	3,629.71	12,967.16
Aircraft repairs and maintenance	8,507.76	6,129.34
Supplemental lease charges - aircraft, engines and auxiliary power units	11,674.84	7,834.94
Consumption of stores and spare parts	1,534.85	1,078.34
Aviation insurance	1,048.19	361.71
Landing, navigation and other airport charges	11,445.82	7,520.54
Cost of inflight food and beverages	1,581.26	1,066.54
Aircraft navigation software expenses	785.99	596.72
Aircraft redelivery costs	219.33	178.76
Cargo handling costs	724.84	406.93
Other operating expenses	484.92	407.04
	87,799.54	**73,000.54**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

35. EMPLOYEE BENEFITS EXPENSES

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Salaries, wages and bonus	13,391.66	9,400.76
Contribution to provident and other funds (also refer note 43(c))	656.29	329.18
Employee stock option scheme (also refer note 42)	117.15	85.52
Gratuity expense (also refer note 43(a))	132.95	88.90
Recruitment and training cost	622.59	393.82
Staff welfare	337.12	271.89
	15,257.76	**10,570.07**

36. SALES AND MARKETING EXPENSES

Commission to agents *	1,328.13	1,060.56
Business promotion and advertisement	941.46	1,013.85
	2,269.59	**2,074.41**

* Includes deposit incentive to agents

37. OTHER EXPENSES

Rent	636.83	567.24
Rates and taxes	674.31	564.06
Repairs and maintenance		
- buildings	130.27	77.99
- plant and machinery	23.03	34.26
- others	418.33	270.00
Crew accomodation cost	705.51	440.97
Communication	134.73	97.26
Printing and stationery	182.70	146.57
Travelling and conveyance	1,536.21	1,183.79
Legal, and professional fees (Refer note below for details of payment to auditor)	399.60	344.64
Power and fuel	138.50	109.25
Advances / debts written off	96.39	227.39
Provision for doubtful debts	110.49	237.59
Provision for litigation	13.50	9.51
Insurance	196.76	152.94
Credit card charges	342.83	299.82
Bank charges	9.37	23.23
Exchange fluctuation loss (net)*	7,296.04	746.25
Net Loss on financial assets measured at FVTPL	-	12.39
Loss on sale of assets (net)	196.40	20.02
Miscellaneous expenses	52.45	21.23
	13,294.29	**5,586.40**

*Foreign exchange loss for the year ended March 31, 2020 includes ₹6,970.19 million (March 31, 2019 : Nil), pertaining to foreign exchange loss on restatement of lease liability arising from the implementation of Ind-AS 116 (Refer Note 44).

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Payment to auditor		
As auditor		
Audit fees	10.05	8.85
Tax audit fees	0.75	0.75
Limited review	3.00	2.25
In other capacity		
Other services (certification fees)	0.15	0.15
Reimbursement of expenses	0.69	0.54

38. FINANCE COSTS

Interest		
- on fixed loan from banks	337.95	652.07
- on fixed loan from others	562.74	487.48
Interest cost on discounting of financial intruments	4,393.26	88.35
Other borrowing cost	156.13	84.94
	5,450.08	**1,312.84**

39. EXCEPTIONAL ITEMS

Interest Cost for Arbitration Order (Refer note 47)	-	634.66
	-	**634.66**

40. Earnings per share ('EPS')

a. 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.

b. 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:

Number of equity shares outstanding at the beginning of the year	599,718,356	599,450,183
Number of equity shares issued	357,943	268,173
Number of equity shares outstanding at the end of the year	600,076,299	599,718,356
Weighted average number of shares		
a. Basic	599,765,428	599,450,183
Effect of dilution:	-	-
Stock option granted under ESOP	1,886,990	863,872
b. Diluted	601,652,417	600,314,055
Profit / (Loss) for the year	(9,347.61)	(3,160.83)
Earnings per share :		
-- Basic earnings / (loss) per share (₹)	(15.58)	(5.27)
-- Diluted earnings / (loss) per share (₹)	(15.53)	(5.27)
Nominal value per share (₹)	10.00	10.00

c. Having regard to the status of the matters relating to the allotment and conversion of share warrants, as stated in Note 47, it is not possible to determine the dilutive effect, if any, of those on Diluted Earnings Per Share calculations. Accordingly, diluted earnings per share do not include the dilutive impact on the allotment and conversion of share warrants stated in Note 47.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

41. 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.

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 rates, 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 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 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 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

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.

42. 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 compensation cost for ESOS been recognized based on the fair value at the date of grant in accordance with the Black-Scholes method.

Grant Date	No. of Options	Vesting Period	Market Value per Share (In INR)	Fair Value per option (In INR)	Exercise Price (In INR)	Expected Volatility	Expected Life (in years)	Expected Dividend	Risk Free Return
February 7, 2018	1,201,155	2 years 10 months and 24 days	129.35	122.29	10.00	58.50% to 57.61%	3.50 to 5.40	Nil	7.53% to 7.51%
May 28, 2019	500,000	1 year 7 months and 3 days	145.75	138.26	10.00	48.66% to 51.32%	3.50 to 4.10	Nil	6.92%
May 28, 2019	85,000	2 years 6 months and 2 days	145.75	138.26	10.00	48.66% to 57.76%	3.50 to 5.00	Nil	6.92% to 7.03%
August 9, 2019	140,000	4 years	135.95	128.81	10.00	46.37% to 56.21%	3.50 to 6.50	Nil	6.33% to 6.54%
November 13, 2019	250,000	4 years	115.05	107.96	10.00	46.56% to 55.64%	3.50 to 6.50	Nil	6.32% to 6.92%
February 14, 2020	500,000	2 years	84.70	76.90	10.00	46.50% to 50.93%	3.50 to 4.50	Nil	6.00% to 6.02%

Expected volatility calculation is based on daily volatility of the share prices over a period prior to the date of grant, corresponding to the expected life of the options.

The risk free interest rate is the implied yield currently available on zero coupon government issues, with a remaining term equal to the expected term of the option being valued.

The above calculation is based on government yield on zero coupon bonds with 4 to 5 as term to maturity.

Expected Life of the option have been calculated by adding the vesting period and half of the exercise period.

The company has not declared any dividend from last several years. Therefore, expected dividend yield is taken as Nil.

Effect of employee stock option scheme on the Standalone Statement of Profit and Loss:

Particulars	March 31, 2020	March 31, 2019
Employee stock option scheme expense	117.15	85.52

Reconciliation of outstanding share options:

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Options outstanding as at the beginning of the year	932,982	10.00	-	10.00
Add: Options granted during the year*	1,475,000	10.00	1,201,155	10.00
Less: Options forfeited and expired during the year	-	10.00	-	10.00
Less: Options exercised during the year	-	10.00	268,173	10.00
Options outstanding as at the year end	2,407,982	10.00	**932,982**	**10.00**

*Includes only options granted to employees who have fulfilled the related conditions in respect of such grant.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

43. 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, 2020	Year ended March 31, 2019
A.	**Change in defined benefit obligation ('DBO')**				
	1.	Defined benefit obligation at the beginning of the period		362.03	283.59
	2.	Service cost			
		a.	Current service cost	105.21	66.78
	3.	Interest expenses		27.74	22.12
	4.	Cash flows			
		a.	Benefits paid	(24.92)	(24.91)
	5.	Remeasurements			
		a.	Effect of changes in financial assumption	24.48	6.46
		b.	Effect of experience adjustments	1.66	7.99
		c.	Effect of changes in demographic assumptions	6.35	
	6.	Defined benefit obligation at the end of the period		502.55	362.03
B.	**Amounts recognized in Balance Sheet**				
	1.	Defined benefit obligation		502.55	362.03
	2.	Fair value of plan assets		-	-
	3.	Funded status		-	-
	4.	Net defined benefit liability / (asset)		502.55	362.03
C.	**Components of defined benefit cost**				
	1.	Service cost			
		a.	Current service cost	105.21	66.78
	2.	Net interest cost		-	-
		a.	Interest expense on DBO	27.74	22.12
		b.	Interest (income) on plan assets	-	-
		c.	Total net interest cost	27.74	22.12
	3.	Remeasurements (recognized in OCI)			
		a.	Effect of changes in Financial assumption	24.48	6.46
		b.	Effect of changes in experience adjustments	1.66	7.99
		c.	Effect of changes in demographic assumptions	6.35	-
		d.	(Return) on plan assets (excluding interest income)	-	-
	4.	Total defined benefit cost recognized in P&L and OCI		165.44	103.35
D.	**Re-measurement**				
	a.	Actuarial Loss/ (Gain) on DBO		32.49	14.45
	b.	Returns above interest income		-	-
	Total remeasurements (OCI)			32.49	14.45

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

Particulars			Year ended March 31, 2020	Year ended March 31, 2019
E.	**Employer expense (P&L)**			
	a.	Current service cost	105.21	66.78
	b.	Interest cost on net DBO	27.73	22.12
	c.	Total P&L expenses	132.95	88.90
F.	**Net defined benefit liability (asset) reconciliation**			
	1.	Net defined benefit liability (asset)	362.03	283.59
	2.	Defined benefit cost included in P&L	132.95	88.90
	3.	Total remeasurements included in OCI	32.49	14.45
	4.	a. Employer contribution	(24.91)	(24.91)
	5.	Net defined benefit liability (asset) as at end of period	502.55	362.03
G.	**Reconciliation on OCI (Re-measurement)**			
	1.	Recognized in OCI during the period	32.49	14.45
	2.	Recognized in OCI at the end of the period	32.49	14.45
H.	**Sensitivity analysis- DBO end of period**			
	1.	Discount rate + 50 Basis points	(28.63)	(9.16)
	2.	Discount rate - 50 Basis points	31.51	10.18
	3.	Salary increase rate + 0.5%	31.90	10.35
	4.	Salary increase rate - 0.5%	(29.22)	(9.38)
I.	**Significant actuarial assumption**			
	1.	Discount rate current year	6.76%	7.66%
	2.	Salary increase rate	5.00%	5.50%
	3.	Pre-retirement mortality	13.90% (Upto 30 years) 3.90% (Age 31-44) 0.40% (above age 44)	3% (Upto 30 years) 2% (Age 31-44) 1% (above age 44)
	4.	Retirement age	58	58
J.	**Data**			
	1.	No. of employee's	16,149	11,399
	2.	Average age (years)	30.04	29.96
	3.	Average past service	2.68	2.89
	4.	Average monthly salary	3,005.26	1,881.70
	5.	Future service (years)	27.96	28.30
	6.	Weighted average duration of DBO	20.54	20.57
K.	**Expected total benefit payments**			
	Within the next 12 months (next annual reporting period)		44.04	31.55
	Between 2 and 5 years		81.00	25.74
	Beyond 5 years		377.51	304.74
L.	**Defined benefit obligation at the end of the year**			
	1.	Current obligation	44.04	31.55
	2.	Non-current obligation	458.51	330.48

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for the year ended March 31, 2020

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Summary		
1. Defined benefit obligation at end of the period	502.55	362.03
2. Fair value plan assets at end of the period	-	-
3. Net defined benefit liability/ (asset)	502.55	362.03
4. Defined benefit cost included in P&L	132.95	88.90
5. Total remeasurement included in OCI	32.49	14.45
6. Total defined benefit cost recognized in P&L and OCI	165.44	103.35

b. Short term compensated absences

The assumptions used for computing the short term accumulated compensated absences on actuarial basis are as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1. Discount rate	6.76%	7.80%
2. Future salary increase	5.00%	5.50%

c. Contributions to defined contribution plan:

During the year, the company recognized ₹ 602.81 Million (Previous year- ₹ 278.26 Million) to Provident Fund under defined contribution plan and ₹ 53.48 Million (Previous year - ₹ 50.92 Million) for contributions to Employee State Insurance scheme in the Statement of profit & loss.

44. Leases

Transition to Ind AS 116 - Leases

Ind AS 116 - Leases has replaced the erstwhile leases standard, Ind AS 17 - Leases. It provides a single lessee accounting model, specifying how leases are recognised, measured, presented and disclosed. The lessee recognises right of use (ROU) assets representing its right to use the underlying asset on lease and a lease liabilities representing its obligation to make lease payments.

The standard is applicable from April 01, 2019. The Company has applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (i.e. April 01, 2019). Accordingly, the Company has not restated comparative information; instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 01, 2019. On that date, the Company recognised the lease liabilities measured at the present value of the remaining lease payments. The right of use assets are recognised at their carrying amount, net of incentives received from equipment manufacturer, 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. In accordance with the standard, the Company has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

The Company has used the following practical expedients:

- Single discount rate to a portfolio of leases with reasonably similar characteristics.
- Contracts where the remaining term was less than 12 months on transition date, the Company did not consider the same for computing its ROU assets and corresponding lease liabilities.
- On initial application, Ind AS 116 has only been applied to contracts that were previously classified as leases.
- The lease term has been determined with the use of hindsight where the contract contains options to extend the lease.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.

The major impact of adopting Ind AS 116 on the Standalone Balance Sheet as on the transition date is as follows:

Leases previously classified as operating leases under Ind AS 17

Particulars	As at March 31, 2020
Lease liabilities at inception on adoption of Ind AS 116	(64,010.13)
ROU assets recognised at inception on adoption of Ind AS 116	61,790.34
Other adjustments	(803.10)
Impact to equity on account of adoption of Ind AS 116	(3,022.89)
ROU assets recognised at inception on adoption of Ind AS 116	61,790.34
Reclassified on account of adoption of Ind AS 116	(4,661.08)
ROU assets as at April 01, 2019	57,129.26

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for the year ended March 31, 2020

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

Reconciliation to prior year operating lease commitment is as follows:

Particulars	As at March 31, 2020
Operating lease commitments as at March 31, 2019	93,107.16
Impact of discounting (at incremental borrowing rate as at April 01, 2019)	(29,942.84)
Others*	845.81
Lease liabilities as at April 01, 2019	**64,010.13**

*Others represents short term leases as on transition date not considered for Ind AS 116

Lease liabilities:

The Company's leased assets primarily consist of leases for aircraft and engines, equipment, leasehold land and buildings.

Interest expense on lease liabilities for the year amounts to ₹ 4,345.76 million. Refer to Note 38.

During the year ended March 31, 2020, the Company has recognized an expense of ₹ 3,629.71 million on account of short term leases which represents leased aircraft, engines and auxiliary power units having a remaining lease term of less than 12 months as on transition date and other short term leases. The portfolio of other short-term leases to which the Company is committed at the end of the reporting period is not materially different from the portfolio of other short term leases for which expense has been recognized during the year ended March 31, 2020.

The Company has several lease contracts that include extension and termination options. The management has included termination options in determination of lease term for contracts having such option. Extension options have not been included in determination of lease term since the management is reasonably certain not to exercise these options. Potential cash flows in relation to such extension options cannot be ascertained since the cash outflow for the extended period will depend on the negotiations with the lessors in the event of exercising the extension options.

Under certain lease arrangements of aircraft, the Company incurs variable payments towards maintenance of the aircraft which are disclosed under "Supplemental lease charges - aircraft, engines and auxiliary power units".

The maturity analysis of lease liabilities and the Company's exposure to market risks are disclosed in Note 55.

The major impact of adopting Ind AS 116 on the Standalone Statement of Profit and Loss for the year ended March 31, 2020 is as follows:

1. Depreciation and amortisation expenses has increased by ₹ 14,787.72.
2. Finance costs has increased due to interest accrued on outstanding lease liabilities amounting to ₹ 4,345.76.
3. Loss of ₹ 6,970.19 has been recognised in 'Foreign exchange (gain)/ loss (net)' on account of revaluation of lease liabilities denominated in foreign currency.
4. Aircraft and engine rentals (net) and other rentals has decreased by ₹ 19,469.71 respectively, due to recognition of operating lease as ROU assets and corresponding lease liabilities.

Net impact on profit / loss before tax amounts to a loss of ₹ 6,633.95 for the year ended March 31, 2020.

Consequent reclassification has been made in operating and financing activities in the statement of cash flows. Refer statement of cash flows for the reclassifications and cash outflows in relation to Ind AS 116 for the year ended March 31, 2020.

45. Capital and other commitments

a. As at March 31, 2020, the Company has commitments of ₹ 550,134.75 million (March 31, 2019 - ₹ 538,189.48 million) relating to the acquisition of aircraft.

b. The Company has commitments in the nature of non-cancellable operating leases. The future minimum lease payments expected to be incurred over the remaining lease term are detailed in Note 44.

c. Under certain long-term maintenance contracts for the management, maintenance, repair and overhaul of aircraft components and spares, the Company incurs an agreed powerby-the-hour cost based on aircraft / component utilization. In addition, some contracts provide for compensation upon pre-mature termination, as applicable.

46. Litigations and claims

a) **Note 1:**

i) Matters wherein management has concluded the Company's liability to be probable have accordingly been provided for in the books. Also refer note 29.

ii) Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed under Note 46 (b) Contingent liabilities below.

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for the year ended March 31, 2020

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

iii) Matters wherein management is confident of succeeding in these litigations and have concluded the Company's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

b) Note 2: Contingent liabilities

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Liability arising out of legal cases filed against the Company in various Courts/ Consumer Redressal Forums, Consumer Courts, disputed by the Company	150.56	133.47
Demand in respect of provident fund dues for international workers as explained in note (i) below	142.37	142.37
Demand in respect of service tax (including interest and penalty) as explained in note (ii) below	170.70	170.70
Liability arising out of other legal cases filed against the Company	103.32	11.83
Show cause notice received in respect of service tax as explained in note (iii) below	4,475.99	4,005.72
Demand in respect of order from the Competition Commission of India (refer note (vi) below)	51.00	51.00
Liability arising out of legal case filed against the Company by aircraft manufacturer (refer note (viii) below)	3,200.00	-
Liability arising out of Integrated Goods and Services Tax ('IGST'), on overseas repairs and replacement of various aircraft equipment as explained in note (iv) below	2,369.53	1,460.34

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. 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 ("RPFC") on March 22, 2017 pursuant to which there is an aggregate demand ₹ 144.43 million against the Company for the period from November 2008 to January 2012. The Company has filed its reply on the report on August 18, 2017. Thereafter, the RPFC has passed its final order on June 8, 2020 against the Company for an amount of ₹ 142.04 million towards outstanding PF dues for its expat employees for the period of November 2008 to January 2012. The RPFC order also states that there is an order in favour of the Company restraining the PF department from taking any coercive steps against the Company for recovery of the said amount till the disposal of the writ petition. Pending disposal of the writ petition, the Company has not accrued for any additional liability in respect of provident fund contributions to international workers.

ii. 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 29). 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.

iii. 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

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for the year ended March 31, 2020

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

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.

iv. 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 advise obtained, is not subject to such levy. Accordingly no further adjustments have been made in this regard as at March 31, 2020.

Further to the above,

v. In another case, M/s Hindustan Development Corporation Limited ("HDCL") (now renamed as Mallanpur Steels Limited) who had lent Rs. 50 million by way of intercorporate 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 and accordingly no adjustments have been made to the financial statements.

vi. 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.

vii. 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.

viii. The manufacturer of DHC-Dash-8-Q400 aircraft has initiated a claim against the Company amounting to approximately ₹3,200 million for declarations, liquidated damages, interest and costs relating to the Company's alleged breaches of, and the manufacturer's purported termination of the purchase agreement. The Company has filed its reply to the claim and has also lodged a counter claim against the manufacturer. Based on the early stage of the litigation, management's evaluation thereof and legal advice obtained in this regard no additional liability is expected to devolve on the Company and no adjustments are considered necessary in the financial statements in this regard.

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 the date of the Hon'ble Supreme Court order. The Company will update its provision, on receiving further clarity on the subject.

47. 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 ₹3,290.89 Million through a bank guarantee in favour of the Registrar General of the Court ("Registrar") and to deposit the balance amount of ₹2,500 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 ₹3,082.19 million to the counterparty, (b) explore the possibility of allotting preference shares in respect of approximately ₹2,708.70 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be ₹924.66 million (being interest on the amount stated under (a) above, in terms of the Award). The amounts referred to under (a) and (b) above, aggregating ₹5,790.89 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 ₹290.00 million of past interest/servicing charges. During the quarter ended March 31, 2019, 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. Further, pursuant to an order of the Court dated September 20, 2019, the Company has remitted a further ₹ 580 million out of the guarantee placed with the Court, to the counterparty, in October 2019.

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 any additional/consequential obligations and rights). Accordingly, no adjustments have been made in this regard, to these financial statements.

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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 above, no further effect on this matter to the dilutive earnings per share calculations has been considered.

The effects of the matter stated above 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.

Exceptional items (Net) in respect of the year ended March 31, 2019, of ₹634.66 million represent the net effect of (a) the interest payable of ₹924.66 million and (b) interest/servicing charges receivable, of ₹290.00 million, mentioned above, arising from the Award discussed therein. The Company's accounting for the above-mentioned amount of ₹634.66 million, net, is without prejudice to the rights and remedies the Company may have in the matter discussed above.

48. Claims on the aircraft manufacturer

Following the worldwide grounding during March 2019 of Boeing 737 Max aircraft due to technical reasons, the Company's fleet of thirteen Boeing 737 Max aircraft continues to be grounded. Despite its inability to undertake revenue operations, the Company continues to incur various costs with respect to these aircraft. As a result of the above, and the uncertainty in timing of return to operations of these aircraft, the Company has initiated the process of claims on the aircraft manufacturer towards costs and losses, which are currently under discussion. Consequently, and without in any manner limiting or prejudicing the legal and commercial rights of the Company towards its claims in this regard, certain costs (including, inter alia, aircraft and supplemental lease rentals and certain other identified expenses relating to the Boeing 737 Max aircraft) aggregating to ₹ 6,718.04 million, have been recognised as other income during the year ended March 31, 2020. Further, the related foreign exchange gain on restatement of these balances for the year ended March 31, 2020 amount to ₹ 427.30 million. Based on current stage of discussions with, and considering the interim offer of compensation received from, the aircraft manufacturer, its own assessment and legal advice obtained by the Company, management is confident of collection of the above income recognised by the Company.

49. Impact of Covid-19

The Covid-19 pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility, and a significant decrease in economic activity, in global and Indian markets. The Indian government announced a strict lockdown in India to contain the spread of the virus till May 31, 2020, which has been extended by certain states, with varying levels of relaxations. This has led to significant disruptions and dislocations for individuals and businesses and has had consequential impact of grounding the passenger airline operations. The Company is required to adhere to various regulatory restrictions, which impact its operations and may have their own additional financial implications. As per Government guidelines, the Company had stopped all passenger travel from March 25, 2020 to May 24, 2020. The Company has also renegotiated / is renegotiating various operating contracts (including, in particular, contracts with aircraft lessors), and has reassessed their maintenance provisions (having regard to contractual obligations and current maintenance conditions), based on the anticipated scale of operations in the immediate future, and the Company's expectations of the timing of re-introduction of Boeing 737 Max aircraft into its operations. Further, the Company has assessed its liquidity position for the next one year and of the recoverability and carrying values of its assets as at the balance sheet date. Management is confident that they have considered all anticipated impacts arising from the Covid-19 pandemic on the Company's business, and where relevant, have accounted for the same in these financial statements. However, the full extent of impact of the Covid-19 pandemic on the Company's operations, and financial metrics will depend on future developments across the geographies that the Company operates in, and the governmental, regulatory and the Company's responses thereto, which are highly uncertain and incapable of estimation at this time. The impact of the Covid-19 pandemic on the financial position and its financial performance might be different from that estimated as at the date of approval of these financial statements.

50. Segment reporting

Earlier, the Company had considered "Air Transport Services" as the only segment of the Company. During the year, based on the relative significance of, and focus on, freighter-related and associated operations, and the consequent changes to the nature of internal reporting provided to the chief operating decision maker, management has reassessed the Company's segments. Accordingly, operating segments of the Company are Air Transport Services and Freighter and Logistics Services. Air Transport Services includes, inter alia, passenger transport and ancillary cargo operations arising from passenger aircraft operations. Accordingly, segment information provided below, including in respect of comparative periods, is based on such operating segments described above.

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 Company 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 Company 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.

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Year ended March 31, 2020

Particulars	Air Transport	Freighter and Logistics Services	Total Segments	Adjustments and eliminations	Total
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	121,780.16	1,806.25	123,586.41	-	123,586.41
Inter-segment	-	-	-	-	-
Other income	7,773.46	-	7,773.46	-	7,773.46
Total Revenue	129,553.62	1,806.25	131,359.87	-	131,359.87
Income /(Expenses)					
Revenue from operations	121,780.16	1,806.25	123,586.41	-	123,586.41
Other income	7,773.46	-	7,773.46	-	7,773.46
Finance Income	703.12	-	703.12	-	703.12
Operating expenses	(85,925.49)	(1,874.05)	(87,799.54)	-	(87,799.54)
Employee benefits expense	(15,051.62)	(206.14)	(15,257.76)	-	(15,257.76)
Selling expenses	(2,265.80)	(3.79)	(2,269.59)	-	(2,269.59)
Other expenses	(12,808.86)	(485.43)	(13,294.29)	-	(13,294.29)
Depreciation and amortization expense	(16,959.41)	(379.93)	(17,339.34)	-	(17,339.34)
Finance costs	(5,251.20)	(198.88)	(5,450.08)	-	(5,450.08)
Segment profit/(loss)	(8,005.64)	(1,341.97)	(9,347.61)	-	(9,347.61)
Total assets	124,125.56	5,542.65	129,668.21	-	129,668.21
Total liabilities	139,912.11	5,548.75	145,460.86	-	145,460.86

Year ended March 31, 2019

Particulars	Air Transport	Freighter and Logistics Services	Total Segments	Adjustments and eliminations	Total
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	90,720.72	411.82	91,132.54	-	91,132.54
Inter-segment	-	-	-	-	-
Other income	582.90	-	582.90	-	582.90
Total Revenue	**91,303.62**	**411.82**	**91,715.44**	**-**	**91,715.44**
Income /(Expenses)					
Revenue from operations	90,720.72	411.82	91,132.54	-	91,132.54
Other income	582.90	-	582.90	-	582.90
Finance Income	864.90	-	864.90	-	864.90
Operating expenses	(72,642.11)	(358.43)	(73,000.54)	-	(73,000.54)
Employee benefits expense	(10,514.33)	(55.74)	(10,570.07)	-	(10,570.07)
Selling expenses	(2,063.12)	(11.29)	(2,074.41)	-	(2,074.41)
Other expenses	(5,559.81)	(26.59)	(5,586.40)	-	(5,586.40)
Depreciation and amortization expense	(2,545.57)	(16.68)	(2,562.25)	-	(2,562.25)
Finance costs	(1,312.84)	-	(1,312.84)	-	(1,312.84)
Exceptional items	(634.66)	-	(634.66)	-	(634.66)
Segment profit/(loss)	**(3,103.93)**	**(56.90)**	**(3,160.83)**	**-**	**(3,160.83)**
Total assets	47,614.22	455.30	48,069.52	-	48,069.52
Total liabilities	51,514.94	61.41	51,576.35	-	51,576.35

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

Revenue from external customers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
India	114,670.05	82,378.35
Outside India	8,916.36	8,754.19
Total revenue as per statement of profit or loss	**123,586.41**	**91,132.54**

The revenue information above is based on the locations of the customers.

Non-current operating assets

India	94,813.65	22,308.48
Outside India	-	-
Total	**94,813.65**	**22,308.48**

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, intangible assets and other non-current assets.

There are no sales to external customers more than 10% of total revenue.

51. Income Tax Expense

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

Profit or loss section

Current Tax:		
Current income tax charge	-	-
Deferred Tax:		
Relating to the origination and reversal of temporary differences	-	-
Income Tax expense reported in the statement of profit and loss	-	-

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	32.49	-
Income Tax charged to OCI	**32.49**	**14.45**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019 :		
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:		
Accounting Profit before income tax	**(9,347.61)**	**(3,160.83)**
Profit before income tax multiplied by standard rate of corporate tax in India of 34.944% (2019: 34.944%)	(3,266.43)	(1,104.52)
Effects of:		
Income exempted from tax	(57.70)	(33.60)
Non-deductible expenses for tax purposes	2,659.86	344.85
Set-off of brought forward losses	664.27	793.27
Net effective income tax	-	-

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 of ₹ 4,016.38 million as at March 31, 2020 (₹ 4,185.33 million as at March 31, 2019).

Deferred Tax liability	(4,016.38)	(4,185.33)
Deferred Tax asset	4,016.38	4,185.33
Net Deferred Tax asset/ (liability)	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

Year ended March 2020	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Property, plant & equipment	(4,185.33)	168.95	-	(4,016.38)
Tax losses	4,185.33	(168.95)	-	4,016.38
Total	-	-	-	-

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
Total	-	-	-	-

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, 2020	As at March 31, 2019
Unused Tax losses *	11,447.17	8,728.42
Unabsorbed Tax depreciation #	14,351.80	14,351.80
Net Deferred Tax asset/ (liability)	**25,798.97**	**23,080.22**

 # 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	2,718.75	-
< 8 years	8,728.42	8,728.42
Total	**11,447.17**	**8,728.42**

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 46.

52. Related party transactions

Relationship	Name of the party
Party exercising control	Mr. Ajay Singh
Relatives of Party exercising control	Ms. Shiwani 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
	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

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

Relationship	Name of the party
Investment in equity shares of subsidiaries	SpiceJet Merchandise Private Limited SpiceJet Technic Private Limited Canvin Real Estate Private Limited SpiceJet Interactive Private Limited Spice Club Private Limited Spice Shuttle Private Limited SpiceXpress and Logistics Private Limited
Key management personnel	Mr. Ajay Singh, Chairman and Managing Director Ms. Shiwani Singh, Non-Executive Promoter Director Mr. Kiran Koteshwar, Chief Financial Officer Mr. Chandan Sand, Company Secretary Mr. HarshaVardhana Singh, Independent Director (upto September 30, 2019) Mr. R. Sasiprabhu, Independent Director (upto May 09, 2018) Mr. Anurag Bhargava, Independent Director Mr Ajay Chhotelal Aggarwal, Independent Director (from February 11, 2019) Mr. Manoj Kumar, Independent Director (from May 28, 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, 2020	Year ended March 31, 2019
SpiceJet Merchandise Private Limited		
Transactions during the year		
Loans to subsidiary	7.36	-
Purchase of goods	34.76	15.35
Reimbursement of expenses	-	0.58
Provision for loan	20.00	210.00
Write off of interest on loan	-	30.46
Write off of receivables	-	25.17
Balances outstanding as at the period end		
Investment in subsidiary	0.10	0.10
Loans to subsidiary	256.80	249.44
Provision for loan	230.00	210.00
SpiceJet Technic Private Limited		
Transactions during the year		
Loans to subsidiary	10.50	42.20
Write off of interest on loan	-	0.39
Aircraft maintenance services	220.90	52.90
Balances outstanding as at the period end		

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

Subsidiaries	Year ended March 31, 2020	Year ended March 31, 2019
Investment in subsidiary	0.10	0.10
Loans to subsidiary	64.90	54.40
Trade payables	191.96	52.90
Canvin Real Estate Private Limited		
Transactions during the year		
Loans to subsidiary	-	2.70
Write off of Interest on loan	-	2.35
Balances outstanding as at the period end		
Investment in subsidiary	0.10	0.10
Loans to subsidiary	238.70	238.70
SpiceJet Interactive Private Limited		
Transactions during the year		
Investment in subsidiary	0.10	-
Balances outstanding as at the period end		
Investment in subsidiary	0.10	-
Spice Club Private Limited		
Transactions during the year		
Investment in subsidiary	0.10	-
Balances outstanding as at the period end		
Investment in subsidiary	0.10	-
Spice Shuttle Private Limited		
Transactions during the year		
Investment in subsidiary	0.10	-
Balances outstanding as at the period end		
Investment in subsidiary	0.10	-
SpiceXpress and Logistics Private Limited		
Transactions during the year		
Investment in subsidiary	0.10	-
Balances outstanding as at the period end		
Investment in subsidiary	0.10	-
i2n Technologies Private Limited		
Transactions during the year		
Legal and professional services	-	7.70
Balances outstanding as at the period end		
Advance to suppliers	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(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. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: ₹ 33.20 million). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of Key management personnel of the Company

	Year ended March 31, 2020	Year ended March 31, 2019
Short-term employee benefits	202.47	101.74
Share-based payment transactions (Refer note 35 and note 42)	33.94	62.13
Provident Fund Contribution	1.46	1.48
Total	**237.87**	**165.35**
Sitting fees		
Mr. Anurag Bhargava	0.40	0.50
Mr. Harsha Vardhana Singh	0.10	0.50
Ms. Shiwani Singh	0.20	0.40
Mr. Ajay Chhotelal Aggarwal	0.10	-
Mr. Manoj Kumar	0.30	-
Total	**1.10**	**1.40**
Total compensation paid to key management personnel	**238.97**	**166.75**

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.

53. 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Assets				
Investments - Non current	0.50	0.24	0.50	0.24
Investments - Current	3.89	3.63	3.89	3.63
Loans	330.40	332.54	330.40	332.54
Other financial assets - Non current	11,585.05	11,344.23	11,585.05	11,344.23
Other financial assets - Current	2,391.71	1,031.92	2,391.71	1,031.92
Trade receivables	2,916.64	1,471.96	2,916.64	1,471.96
Other receivables	12,541.60	5,791.00	12,541.60	5,791.00
Cash and cash equivalents	401.77	778.97	401.77	778.97
Total	**30,171.56**	**20,754.49**	**30,171.56**	**20,754.49**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

Particulars	Carrying value		Fair value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Liabilities				
Borrowings - Non current	4,593.03	5,566.28	4,593.03	5,566.28
Borrowings - Current	4,144.38	4,179.44	4,144.38	4,179.44
Trade payables - Non current	-	77.65	-	77.65
Trade payables - Current	17,371.14	11,130.22	17,371.14	11,130.22
Lease liabilities - Non current	67,931.93	-	67,931.93	-
Lease liabilities - Current	21,599.61	-	21,599.61	-
Other current financial liabilities	2,797.48	1,621.86	2,797.48	1,621.86
Total	**118,437.57**	**22,575.45**	**118,437.57**	**22,575.45**

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.

54. 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, 2020		
	Level 1	Level 2	Level 3
Investments in mutual funds	3.89	-	-
Equity Investments	-	-	0.50

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

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.

55. 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

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, 2020 and March 31, 2019.

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, 2020.

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 borrows 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, 2020 approximately 48.31% of the Company's borrowings are at a variable rate of interest (March 31, 2019 - 49.32%)

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, 2020 would decrease/increase by ₹ 37.10 million (March 31, 2019: decrease/increase by ₹ 26.75 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.

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, 2020 would decrease/increase by ₹ 874.29 million (March 31, 2019: decrease/increase by ₹ 262.99 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 are 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, 2020, the Company had 47 customers (March 31, 2019: 26 customers) that owed the Company more than ₹ 10 million each and accounted for approximately 84% (March 31, 2019: 65%) 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

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 31, 2020	On demand	Upto 1 year	1 to 5 years	> 5 years	Total
Financial Liabilities (Non-current and Current)					
Borrowings	1,000.00	3,144.38	4,593.03	-	8,737.41
Trade payables	11,388.01	5,983.13	-	-	17,371.14
Lease liabilities	-	21,599.61	39,556.97	28,374.96	89,531.54
Other current financial liabilities	502.53	2,170.16	124.79	-	2,797.48
Total	**12,890.54**	**32,897.28**	**44,274.79**	**28,374.96**	**118,437.57**

Year ended March 31, 2019	On demand	Upto 1 year	1 to 5 years	> 5 years	Total
Financial Liabilities (Non-current and Current)					
Borrowings	997.79	3,181.65	5,202.16	364.12	9,745.72
Trade payables	5,146.23	5,983.99	77.65	-	11,207.87
Other current financial liabilities	-	1,563.65	58.21	-	1,621.86
Total	**6,144.02**	**10,729.29**	**5,338.02**	**364.12**	**22,575.45**

56. 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, 2020	As At March 31, 2019
Long term borrowings	4,593.03	5,566.28
Short term borrowings	4,144.38	4,179.44
Other current liabilities (Current maturities of Long term borrowing)	2,229.67	1,351.88
Cash and cash equivalents	(281.55)	(649.47)
Bank balances other than above	(120.22)	(129.50)
Net debt	10,565.31	10,318.63
Total equity	(15,792.65)	(3,506.83)
Net debt to total equity ratio	**(0.67)**	**(2.94)**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

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

57 Details of CSR expenditure

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Gross amount required to be spent by the Company during the year	45.42	96.48
Amount spent during the year ending on March 31, 2020	Paid in cash	**Yet to be paid in cash**
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	6.88	38.54
Amount spent during the year ending on March 31, 2019	Paid in cash	**Yet to be paid in cash**
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	4.65	91.83

58. Standards issued but not effective

There were no Standards issued but not effective as at March 31, 2020.

59. Previous year figures

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

60. Adoption of accounts

The financial statements were approved for issue by the board of directors on July 29, 2020.

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: Chennai
Date: July 29, 2020

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: July 29, 2020

Kiran Koteshwar
Chief Financial Officer
Place: Gurugram
Date: July 29, 2020

Chandan Sand
Company Secretary
Place: Gurugram
Date: July 29, 2020

Independent Auditor's Report

To the Members of SpiceJet Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

1. Qualified 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 2020, 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 and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, except for the effects and possible effects of the matters described in the '2. Basis for Qualified Opinion' section of our report, 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, 2020, 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.

2. Basis for Qualified Opinion

We draw attention to Note 48 to the accompanying consolidated Ind AS financial statements, regarding recognition of other income of ₹ 6,718.04 million for the year ended March 31, 2020 and the related foreign exchange gain on restatement of this balance amounting to ₹ 427.30 million. In our view, there is no virtual certainty to recognise such other income and related receivable, as required by paragraph 33 of Ind-AS 37, "Provisions, Contingent Liabilities and Contingent Assets". Had the Group not recognised such other income (including its related foreign exchange restatement), the reported loss for the year ended March 31, 2020 would have been ₹ 16,511.02 million, and accumulated losses as at March 31, 2020 would have been higher by ₹ 7,145.34 million.

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 qualified audit opinion on the consolidated Ind AS financial statements.

3. Material Uncertainty Related to Going Concern

We draw attention to Note 2A(a)(iii) in the consolidated Ind AS financial statements which, indicate that the Group has accumulated losses and its net worth has been fully eroded, the Group has incurred a net loss during the current and previous year and, the Group's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 2A(a)(iii), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Our opinion is not qualified in respect of this matter.

4. Emphasis of Matter

We draw attention to the following matters:

a. Note 49 of the consolidated Ind AS financial statements, which describes the economic and social disruption the Group is facing as a result of Covid-19 pandemic, and its possible consequential implications, on the Group's operations and financial metrics.

b. Note 47 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.

Our opinion is not qualified in respect of these matters.

5. 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, 2020. 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 and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, 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
Provision for aircraft maintenance *(Refer note 22, 28 and 41 of the consolidated Ind AS financial statements)*	
As at March 31, 2020, the Group operated 76 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. 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. Provisions for aircraft maintenance costs aggregate include ₹ 3,629.54 million as at March 31, 2020 in this regard. We have identified provision for aircraft maintenance as a key audit matter because of the inherent level of complexity and subjective management judgements required in assessing the variable factors and assumptions, in order to quantify the provision amounts.	Our audit procedures in this regard included the following: • We read the maintenance agreements to gain a detailed understanding of the significant terms relating to maintenance of aircrafts and its components. • 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; • We evaluated the provisioning model, methodology, inputs used for preparing the model and key assumptions adopted by management in estimating the provisions and any changes therein by reviewing the terms of the operating leases (including modifications to lease agreements subsequent to year end, where relevant) and terms of maintenance contracts with third party vendors, and comparing assumptions with contract terms, information from the lessors and the Group's past experience of incurring maintenance costs; • We discussed with the appropriate management personnel responsible for aircraft engineering, the actual and expected utilisation pattern of the aircraft, the basis for the other key inputs used in preparing the model and the consistency of the provisions with management's assessment of the condition of aircraft and its components; • We assessed the disclosures made in the Consolidated Ind AS financial statements.
Capitalisation of aircraft maintenance and overhaul costs *(Refer note 41 and 2(A)(d) of the consolidated Ind AS financial statements)*	
The Group has entered into engine maintenance agreements with engine manufacturers, where the maintenance costs are predicated primarily on the actual use of the related underlying assets. 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. 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. Determining the useful lives of maintenance inspections requires judgement and is a key focus for our audit.	Our audit procedures to assess aircraft maintenance and overhaul costs included the following: • We read the maintenance agreements to gain a detailed understanding of the significant terms which influence the economics of, and hence, accounting for the agreements. • 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. • We assessed the estimates, having regard to the interval between major overhauls for each component and the useful lives of major engine overhaul events and the compliance of the accounting treatment applied to maintenance costs, with industry practice and the requirements of accounting principles generally accepted in India. • We assessed the disclosures made in the Consolidated Ind AS financial statements.
Impact of adopting Ind AS 116 - Leases *(Refer note 2(A)(a)(iii) and 44 of the consolidated Ind AS financial statements)*	
The Group has adopted Ind AS 116 Leases from 1 April 2019, which introduces a new lease accounting model, where lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on its balance sheet. The Group has applied Ind AS 116 with an effective date of 1 April 2019, in the preparation of the accompanying financial statements, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 is recognised as an adjustment to the opening balance of equity at 1 April 2019, with no restatement of comparative information, as more fully described in Note 44 to the financial statements. Significant judgement is required in the assumptions and estimates made in order to determine the ROU asset and lease liability. The assumptions and estimates include assessment of lease term, determining the impact of past lease renewals as well as aircraft return obligations, and the application of appropriate discount rates.	Our audit procedures in this regard included the following: • We understood the Group's processes to identify lease contracts, including other contracts containing leases, from our discussions with management and reading of internally prepared memoranda. • We assessed the design, implementation and operating effectiveness of management's key internal controls over accounting of leases as per the requirements of Ind AS 116; • We read a sample of contracts of each major type of lease, to assess management's identification of leases. • We obtained the Group's calculation of right-of-use assets and lease liabilities. For a sample of leases, we tested the inputs used in the quantification to the lease agreements including aircraft return obligations, agreement renewals, cancellations and practical expedients applied, challenged the calculations of the discount rate applied, and performed re-computations as required. • We obtained the adjustments made by the Group pursuant to renegotiations of lease agreements for lease modifications and for a sample of leases, we assessed the appropriateness of lease modification accounting and tested the calculations for the remeasurement of the lease-liability and the consequent adjustment to ROU asset.

Key audit matters	How our audit addressed the key audit matter
The impact on the financial statements on adoption of Ind AS 116 is material to the Group and, accordingly, is an area of key focus for our audit.	• We tested the completeness of the aircraft lease database used by validating the scope of the aircraft leases and comparing it with the list of "operating leases" identified under the previously applicable standard and reviewing the residual lease expenses; • We assessed the compliance of the accounting treatment with industry practice and the requirements of accounting principles generally accepted in India. • We assessed the disclosures made in the Consolidated Ind AS financial statements.

6. 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 such 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.

7. Responsibilities of Management and Those Charged with Governance 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 Ind AS 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.

8. 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 with reference to financial statements 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, 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. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

  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, 2020 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.

9. Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 3 subsidiaries, whose Ind AS financial statements include total assets of ₹ 0.30 million as at March 31, 2020, and total revenues of ₹ Nil and net cash inflows of ₹ 0.3 million for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

10. Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and except for the matter described in the Basis for Qualified Opinion paragraph, 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) Except for the matter described in the Basis for Qualified Opinion paragraph, 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) Except for the matter described in the Basis for Qualified Opinion paragraph, 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) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above, the matter described in the Basis for Qualified Opinion paragraph and Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section

139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) 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 Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 2" to this report;

(h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiaries, to their directors, in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

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 46 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, 2020;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2020.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership Number: 211107
UDIN: 20211107AAAACZ1385

Place : Chennai
Date : July 29, 2020

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SPICEJET LIMTED

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, 2020, we have audited the internal financial controls over financial reporting of SpiceJet Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies (Holding Company together with the subsidiary companies hereinafter referred to as the "Group"), which are companies incorporated in India, as of that date.

1. 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.

2. 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Holding Company's internal financial controls over financial reporting with reference to these consolidated financial statements.

3. Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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.

4. 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.

5. Qualified Opinion

According to the information and explanations given to us and based on our audit and the reports issued by other auditors on internal financial controls over financial reporting with reference to these consolidated financial statements read with the matter stated in Note 48 to the financial statements, the following material weakness has been identified as at March 31, 2020:

- The Group's internal controls over financial reporting relating to recognition of income were not operating effectively, in respect of other income of ₹ 6,718.04 million.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Group has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these consolidated financial statements as of March 31, 2020, 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, and except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as of March 31, 2020.

6. Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements insofar as it relates to 3 subsidiaries, incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the consolidated financial statements of the holding company, which comprise the consolidated Balance Sheet as at March 31, 2020, and the related consolidated Statement of Profit and Loss, consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 consolidated financial statements of SpiceJet Limited and has affected our opinion on the consolidated financial statements of SpiceJet Limited and we have issued a qualified opinion on the financial statements.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership Number: 211107
UDIN: 20211107AAAACZ1385

Place : Chennai
Date : July 29, 2020

Consolidated Balance Sheet

as at March 31, 2020

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

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment ('PPE')	3	16,399.21	16,128.85
Right of use assets	4	70,559.26	-
Intangible assets	5	179.08	128.74
Financial assets			
(i) Investments	6	0.50	0.24
(ii) Other financial assets	7	11,591.03	11,349.21
Income tax assets (net)	8	678.64	348.12
Other non current assets	9	8,009.84	6,277.17
Total non-current assets		**107,417.56**	**34,232.33**
Current assets			
Inventories	10	1,815.87	1,413.24
Financial assets			
(i) Investments	11	3.89	3.63
(ii) Trade receivables	12	2,937.42	1,471.96
(iii) Other receivables	13	12,541.60	5,791.00
(iv) Cash and cash equivalents	14	298.08	667.61
(v) Bank balances other than (iv) above		120.22	129.50
(vi) Other financial assets	15	2,158.96	1,042.64
Other current assets	16	2,261.61	3,294.58
Total current assets		**22,137.65**	**13,814.16**
Total assets		**129,555.21**	**48,046.49**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	6,000.76	5,997.18
Other equity	18		
(i) Retained earnings		(31,952.26)	(19,530.75)
(ii) Securities premium account		9,949.45	9,901.12
(iii) Other reserves		198.07	132.81
Total equity		**(15,803.98)**	**(3,499.64)**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	4,593.03	5,566.28
(ii) Lease liability	20	67,977.03	-
(iii) Trade payables	21		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		-	77.65
Long-term provisions	22	6,284.80	4,289.76
Other non-current liabilities	23	152.72	5,298.35
Total non-current liabilities		**79,007.58**	**15,232.04**
Current liabilities			
Financial liabilities			
(i) Borrowings	24	4,144.38	4,179.44
(ii) Lease liability	25	21,612.58	-
(iii) Trade payables	26		
- total outstanding dues of micro enterprises and small enterprises		174.84	188.50
- total outstanding dues of creditors other than micro enterprises and small enterprises		17,022.29	10,910.26
(iv) Other current financial liabilities	27	2,801.83	1,621.84
Short-term provisions	28	4,763.14	2,170.14
Other current liabilities	29	15,832.55	17,243.91
Total current liabilities		**66,351.61**	**36,314.09**
Total liabilities		**145,359.19**	**51,546.13**
TOTAL EQUITY AND LIABLITIES		**129,555.21**	**48,046.49**

Summary of significant accounting policies 2

The accompanying notes form an integral part of the standalone 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: Chennai
Date: July 29, 2020

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: July 29, 2020

Kiran Koteshwar
Chief Financial Officer
Place: Gurugram
Date: July 29, 2020

Chandan Sand
Company Secretary
Place: Gurugram
Date: July 29, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

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

Particulars	Note No.	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Income			
Revenue from contracts with customers	30	123,745.69	91,214.75
Other income	31	7,601.84	582.90
Total income		131,347.53	91,797.65
Expenses			
Operating expenses	33	87,583.18	72,948.77
Purchases of traded goods	34 (a)	126.75	3.88
Increase in inventories of traded goods	34 (b)	-	135.03
Employee benefits expense	35	15,292.55	10,584.24
Sales and marketing expenses	36	2,260.99	2,081.66
Other expenses	37	13,344.09	5,421.59
Total expenses		118,607.56	91,175.17
Earnings before interest, tax, depreciation and amortization (EBITDA)		12,739.97	622.48
Depreciation and amortization expense	3 & 4	(17,353.77)	(2,563.54)
Finance income	32	703.42	864.90
Finance costs	38	(5,455.30)	(1,313.03)
Loss for the year before exceptional items		(9,365.68)	(2,389.19)
Exceptional items	39	-	(634.66)
Loss Before Tax		(9,365.68)	(3,023.85)
Income Tax Expense			
- Current Tax		-	0.26
- Deferred Tax		-	-
Total tax expense		-	0.26
Loss for the year		(9,365.68)	(3,024.11)
Other Comprehensive Income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement losses on defined benefit obligations (net)		(32.49)	(14.45)
Income tax impact		-	-
Other comprehensive loss for the year		(32.49)	(14.45)
Total comprehensive loss for the year		(9,398.17)	(3,038.56)
Earnings per equity share of face value of ₹ 10 each (previous year ₹ 10 each)	40		
- Basic earnings per share		(15.61)	(5.04)
- Diluted earnings per share	40c	(15.57)	(5.04)

Summary of significant accounting policies

The accompanying notes form an integral part of the standalone 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: Chennai
Date: July 29, 2020

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: July 29, 2020

Kiran Koteshwar
Chief Financial Officer
Place: Gurugram
Date: July 29, 2020

Chandan Sand
Company Secretary
Place: Gurugram
Date: July 29, 2020

Consolidated Cash Flow Statement

for the year ended March 31, 2020

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

Particulars		Year ended 31-Mar-2020	Year ended 31-Mar-2019
Cash flow from operating activities			
Loss before tax and exceptional items		(9,365.68)	(2,389.19)
Adjustments to reconcile profit before tax and exceptional items to net cash flows:			
Depreciation and amortisation expense		17,353.77	2,563.54
Provision for doubtful claims / advances		131.93	27.59
Loss on disposal of PPE (net) / assets written off		196.40	20.02
Provision for litigations		13.50	9.51
Advances / debts written off		75.29	222.88
Share-based payment expense		117.15	85.52
Provision for aircraft maintenance		5,097.80	5,400.86
Provision for aircraft redelivery		1,241.79	267.58
Liabilities / provision no longer required written back		(402.31)	(369.78)
Interest accretion on financial liabilities measured at amortised cost		4,398.37	88.35
Interest income from financial assets measured at amortised cost		(165.12)	(96.16)
Profit on sale of aircraft and engines under sale and lease-back arrangement		-	(243.99)
Net (gain) / loss on financial assets measured at fair value through profit or loss ('FVTPL')		(0.21)	12.39
Finance income		(703.42)	(864.90)
Finance costs		1,056.93	1,313.03
Translation loss on monetary assets and liabilities		7,128.32	129.68
Operating profit before working capital changes		**26,174.51**	**6,176.93**
Movements in working capital :			
Increase in trade and other receivables		(7,636.83)	(5,767.48)
(Increase) / Decrease in inventories		(402.63)	5.47
Increase in other financial assets		(1,461.56)	(1,090.88)
Decrease / (Increase) in other assets		64.78	(1,392.94)
Increase / (Decrease) in trade payables		909.81	(1,153.92)
Increase in other financial liabilities		257.09	53.45
(Decrease) / Increase in other liabilities		(794.09)	6,455.16
Increase in provisions		1,696.84	1,327.03
Cash generated from operations		18,807.93	4,612.82
Income taxes paid		(330.52)	(57.49)
Net cash flow from operating activities	**A**	**18,477.41**	**4,555.33**

Consolidated Cash Flow Statement (Contd.)

for the year ended March 31, 2020

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

Particulars		Year ended 31-Mar-2020	Year ended 31-Mar-2019
Cash flow from investing activities			
Purchase of PPE and capital work in progress (including capital advances)		(2,804.36)	(2,008.53)
Proceeds from sale of PPE		32.40	8.48
(Purchase) / Proceeds from sale of investments		(0.31)	996.60
Investments in bank deposits		9.28	141.50
Deposit with Delhi High Court		(577.98)	(109.04)
Margin money deposits placed		(441.43)	(5,746.18)
Margin money deposits withdrawn		1,354.38	4,414.46
Finance income		589.14	861.20
Net cash used in investing activities	**B**	**(1,838.88)**	**(1,441.51)**
Cash flow from financing activities			
Proceeds from issue of shares on exercise of stock options		3.58	2.68
Proceeds from short-term borrowings		170.47	642.90
Repayment of lease liability		(15,073.68)	-
Repayment of long-term borrowings		(1,140.26)	(2,947.16)
Finance costs		(1,011.82)	(1,335.96)
Net cash used in financing activities	**C**	**(17,051.70)**	**(3,637.54)**
Net decrease in cash and cash equivalents	**(A+B+C)**	**(413.18)**	**(523.72)**
Effects of exchange difference on cash and cash equivalents held in foreign currency		43.65	(8.18)
Cash and cash equivalents at the beginning of the year		667.61	1,199.51
Cash and cash equivalents at the end of the year		**298.08**	**667.61**
Notes :			
Components of cash and cash equivalents			
On current accounts		221.60	610.39
On deposit accounts		0.30	15.88
Cash on hand		76.18	41.34
		298.08	**667.61**

Summary of significant accounting policies

The accompanying notes form an integral part of the standalone 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: Chennai
Date: July 29, 2020

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: July 29, 2020

Kiran Koteshwar
Chief Financial Officer
Place: Gurugram
Date: July 29, 2020

Chandan Sand
Company Secretary
Place: Gurugram
Date: July 29, 2020

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

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

a. Equity Share Capital:

Equity shares of ₹ 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**
Issue during the year pursuant to exercise of employee stock options scheme	357,943	3.58
At March 31, 2020	**600,076,299**	**6,000.76**

b. Other equity

For the year ended March 31, 2020

Particulars	Retained earnings	Securities Premium Account	General Reserve	Share-based payment reserves	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Total Equity
Balance as at April 01, 2019	(19,530.75)	9,901.12	49.09	62.33	21.39	(9,496.82)
Impact of Ind AS 116 - Leases (Refer to Note 44)	(3,023.34)	-	-	-	-	(3,023.34)
Restated balance as at April 01, 2019	(22,554.09)	9,901.12	49.09	62.33	21.39	(12,520.16)
Profit / (Loss) for the year	(9,365.68)	-	-	-	-	(9,365.68)
Other comprehensive income	(32.49)	-	-	-	-	(32.49)
Total Comprehensive Income	(31,952.26)	9,901.12	49.09	62.33	21.39	(21,918.33)
Options granted during the year	-	-	-	117.2	-	117.15
Movement during the year in Foreign Currency Monetary Item	-	-	-	-	46.13	46.13
Translation Difference Account ('FCMITDA'), net						
Transfer to Securities Premium upon excise of options	-	48.32	-	(48.32)	-	-
Recognised in the Statement of P&L during the year	-	-	-	-	(49.69)	(49.69)
Balance as at March 31, 2020	(31,952.26)	9,949.45	49.09	131.15	17.83	(21,804.74)

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
Balance as at April 01, 2018	(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	-	-	-	-	28.47	28.47
Translation Difference Account ('FCMITDA'), net						
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)
Balance as at March 31, 2019	**(19,530.75)**	**9,901.12**	**49.09**	**62.33**	**21.39**	**(9,496.82)**

Summary of significant accounting policies

The accompanying notes form an integral part of the standalone 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: Chennai
Date: July 29, 2020

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: July 29, 2020

Kiran Koteshwar
Chief Financial Officer
Place: Gurugram
Date: July 29, 2020

Chandan Sand
Company Secretary
Place: Gurugram
Date: July 29, 2020

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(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, 2020. 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 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 113 aircraft including 5 freighter aircraft across various routes in India and abroad as at March 31, 2020. Information on the Group's structure is provided in Note 57. Information on other related party relationships of the Group is provided in Note 52.

The financial statements were approved for issue by the board of directors on July 29, 2020.

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, 2020 have been prepared in accordance the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

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 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 had a negative net worth of ₹ 14,852 million as at March 31, 2015, after which it had been consistently profitable for three financial years up to 2017-18. However, due to net losses of ₹ 3,023.85 million for the year ended March 31, 2019, and ₹ 9,365.68 million for the year ended March 31, 2020 (after considering the impact of the matter in note 48), the Group's negative net worth stands at ₹ 15,803.98 million as at March 31, 2020 (after considering adjustments on account of Ind AS 116 implementation – Refer note 44, and foreign exchange losses including those referred to in Note 37).

The losses for the year ended March 31, 2019 and March 31, 2020 have been primarily driven by adverse foreign exchange rates, fuel prices, pricing pressures and the early impact of Covid-19 in the period February-March 2020. On account of its operational and financial position, and the impact of the ongoing Covid-19 pandemic (refer note 49), the Group has deferred payments to various parties, including vendors and its dues to statutory authorities. Where determinable, the Group has accrued for additional liabilities, if any, on such delays in accordance with contractual terms / applicable laws and regulations and based on necessary estimates and assumptions. However, it is not practically possible to determine the amount of all such costs or any penalties or other similar consequences resulting from contractual or regulatory non-compliances. Management is confident that they will be able to negotiate settlements in order to minimise / avoid any or further penalties. In view of the foregoing, no amounts of such penalties have been recorded in these financial statements.

The Group continues to implement various measures such as enhancing customer experience, improving selling and distribution, revenue management, fleet rationalisation, optimising aircraft utilization, redeployment of capacity in key focus markets, management and employee compensation revisions, renegotiation of contracts and other cost control measures, to help the Group establish consistent profitable operations and cash flows in the future. Further, improvements in certain macroeconomic factors relevant to the Group's business and operations, the resumption of airline operations (which includes the Group's expectations of the timing of re-introduction of Boeing 737 Max aircraft into its operations), as well as the renegotiations with vendors discussed in Note 49, are expected to increase operational efficiency and support cash-profitable operations. The Group also continues to remain confident of compensation in respect of the matter discussed in Note 48. Based on the foregoing and their effect on business plans and cash flow projections, management is of the view that the Group will be able to achieve 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 be able to continue as a going concern for the foreseeable future.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

b) Basis of Consolidation

The Consolidated Financial Statements ('CFS') relates to SpiceJet Limited ('the Group'), its Subsidiary Companies (together, 'the Group').

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, 2020.

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').

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

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 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

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 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

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.

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.

Government Grant

Grants from the government are recognised where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. The grant which is revenue in nature is recognised as other operating income on a systematic basis over the period for which such grant is entitled.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

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 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 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

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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

With effect from April 01, 2019, the Group has adopted Ind AS 116, 'Leases' retrospectively with the cumulative effect of initially applying the standard, recognised as an adjustment to the opening balance of retained earnings as on the date of initial application (April 01, 2019). Accordingly, the Group is not required to restate the comparative information for the year ended March 31, 2019.

The Group's lease asset classes primarily consist of leases for aircraft and engines, equipment, and buildings. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

At the commencement date, the right of use assets is measured at cost. The cost includes an amount equal to the lease liabilities plus any lease payments made before the commencement date and any initial direct costs, less any incentives received from equipment manufacturer in terms of the same lease. An estimate of costs to be incurred in respect of redelivery obligation, in accordance with the terms of the lease, is also included in the right of use assets at commencement date.

After the commencement date, the right of use assets is measured in accordance with the accounting policy for property, plant and equipment i.e. right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Aircraft - 1 to 12 years

Aircraft components – 1 to 10 years

Buildings - 2 to 10 years

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If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (f) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Lease Term

At the commencement date, the Group determines the lease term which represents non-cancellable period of initial lease for which the asset is expected to be used, together with the periods covered by an option to extend or terminate the lease, if the Group is reasonably certain at the commencement date to exercise the extension or termination option.

iv) Sale and leaseback transactions

Where sale proceeds received are judged to reflect the aircraft's fair value, any gain or loss arising on disposal is recognised in the income statement, to the extent that it relates to the rights that have been transferred.

Gains and losses that relate to the rights that have been retained are included in the carrying amount of the right of use assets recognised at commencement of the lease. Where sale proceeds received are not at the aircraft's fair value, any below market terms are recognised as a prepayment of lease payments, and above market terms are recognised as additional financing provided by the lessor.

v) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis which is more representative of the pattern of use of underlying asset.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Accounting standard effective till March 31, 2019, Ind AS 17 - 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 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

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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.g). 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) Supplementary rentals and aircraft repair and maintenance

The Group accrues monthly expenses in the form of supplementary rentals which are based on aircraft utilisation that is calculated with reference to the number of hours or cycles operated during each month. Accrual of supplementary rentals are made for heavy maintenance visits, engine overhaul and landing gear overhaul for aircraft taken on lease.

Aircraft repairs and maintenance includes additional accrual, beyond supplementary rentals, for the estimated future costs of engine maintenance checks. These accruals are based on past trends for costs incurred on such events, future expected utilization of engine, condition of the engine and expected maintenance interval and are recorded over the period of the next expected maintenance visit.

The Group recognises aircraft repair and maintenance cost in the Consolidated Statement of Profit and Loss on incurred basis, except for aircraft maintenance covered by third party maintenance agreements, wherein a portion of the cost are charged to the Consolidated Statement of Profit and Loss at a contractual rate per hour in accordance with the terms of the agreements.

n) 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.

o) Foreign currencies

The Consolidated financial statements of the Group is presented in Indian Rupees (₹) 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.

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.

p) 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

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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 53).

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 54).

q) 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 and adjusted to reflect the current best estimated. The expense relating to a provision is presented in the statement of profit and loss.

r) 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

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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.

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.

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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.

s) 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.

t) 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 recorded as reduction to the carrying amount of right to use assets at the commencement of lease of the respective aircraft or aircraft components.

Accounting standard effective till March 31, 2019 (prior to implementation of IND AS 116)

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.

Non-cash Incentives

Non-cash incentives are recorded as and when due to the Group by setting up a deferred asset and a corresponding deferred incentive. These incentives are recorded as a reduction to the cost of related aircraft and aircraft components and as a reduction to the carrying amount of right to use assets at the commencement of lease of the respective aircraft or aircraft components taken on operating lease.

The deferred asset explained above is reduced on the basis of utilisation of incentives against liability towards purchase of goods and services.

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Accounting standard effective till March 31, 2019 (prior to implementation of IND AS 116)

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.

u) 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.

v) 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.

w) 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.

x) 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.

y) 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 applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

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Several other amendments apply for the first time for the year ending March 31, 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group has applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (i.e. April 01, 2019). Accordingly, the Group has not restated comparative information; instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 01, 2019. Refer to Note 44.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It 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 Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex environment, it assessed whether the Appendix had an impact on its Consolidated financial statements.

The Appendix did not have an impact on the Consolidated financial statements of the Group.

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 an 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. These amendments had no impact on the Consolidated financial statements of the Group.

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 determine the 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. An entity is also required to determine the 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 had no impact on the Consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

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.*

These amendments had no impact on the Consolidated financial statements as the Group does not have long-term interests in its associate and joint venture.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(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	Motor Vehicles**	Leasehold Improvements	Aircraft ^	Land	Total
Cost or valuation										
As at April 01, 2018	729.43	2,809.56	101.32	202.45	26.36	489.61	45.21	17,375.02	171.37	21,950.33
Additions #	211.88	383.99	43.62	74.40	5.61	124.49	12.60	1,142.76	220.00	2,219.35
Disposals	4.34	25.68	3.68	1.07	0.39	11.13	0.56	-	-	46.85
Exchange Differences *	-	-	-	-	-	-	-	500.81	-	500.81
As at March 31, 2019	**936.97**	**3,167.87**	**141.26**	**275.78**	**31.58**	**602.97**	**57.25**	**19,018.59**	**391.37**	**24,623.64**
Additions #	445.81	755.92	65.41	137.82	9.09	242.81	33.83	736.51	-	2,427.20
Disposals	8.59	300.19	0.73	0.10	0.32	1.78	-	-	-	311.71
Exchange Differences *	-	-	-	-	-	-	-	544.08	-	544.08
As at March 31, 2020	**1,374.19**	**3,623.60**	**205.94**	**413.50**	**40.35**	**844.00**	**91.08**	**20,299.18**	**391.37**	**27,283.21**
Depreciation and impairment										
At April 1, 2018	122.73	358.85	51.65	82.53	13.22	192.46	26.26	5,159.39	-	6,007.09
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
As at March 31, 2019	**188.52**	**563.52**	**71.79**	**144.13**	**19.65**	**265.77**	**38.20**	**7,203.21**	**-**	**8,494.79**
Charge for the Year	86.13	238.72	27.65	81.06	8.14	83.97	13.14	1,707.21	-	2,246.02
Disposals	5.30	75.70	0.43	0.08	0.06	1.34	-	-	-	82.91
Exchange Differences *	-	-	-	-	-	-	-	226.10	-	226.10
As at March 31, 2020	**269.35**	**726.54**	**99.01**	**225.11**	**27.73**	**348.40**	**51.34**	**9,136.52**	**-**	**10,884.00**
Net Block										
As at March 31, 2019	**748.45**	**2,604.35**	**69.47**	**131.65**	**11.93**	**337.20**	**19.05**	**11,815.38**	**391.37**	**16,128.85**
As at March 31, 2020	**1,104.84**	**2,897.06**	**106.93**	**188.39**	**12.62**	**495.60**	**39.74**	**11,162.66**	**391.37**	**16,399.21**

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

^ Under the agreement with the lender, the title to the aircrafts vest with the lessor, and the Group shall take title to aircrafts at the end of the lease period upon payment of all dues under the lease agreements. Also refer note 19 (b).

Additions to Aircraft comprise ₹ 736.51 million for the year March 31, 2020 and ₹1,142.76 million for the March 31, 2019 pertaining to overhaul costs capitalised on aircraft.

**Rotables and tools, Ground support equipment and Motor Vehicles with a carrying amount of ₹ 237.93 million (March 31, 2019 ₹289.67 million), are subject to a first charge to secure the facilities provided by Allahabad Bank.

Refer Note. 45 for contractual commitments for the acquisition of PPE.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

4. Right of use assets

	Aircraft	Aircraft components	Buildings	Total
Cost or valuation				
As at 1 April 2019 on account of adoption of Ind AS 116 (Refer to Note 44)	58,023.45	2,506.28	1,269.06	61,798.80
Reclassified on account of adoption of Ind AS 116 (Refer to Note 44)	(4,226.50)	(434.59)	-	(4,661.08)
Additions	26,415.75	2,610.37	324.58	29,350.70
Disposals	1,710.61	-	-	1,710.61
Balance as at March 31, 2020	**78,502.10**	**4,682.07**	**1,593.64**	**84,777.81**
Accumulated depreciation				
As at 1 April 2019 on account of adoption of Ind AS 116 (Refer to Note 44)	-	-	-	-
Depreciation for the year	13,897.85	698.84	201.93	14,798.61
Depreciation on disposals	580.06	-	-	580.06
Balance as at March 31, 2020	**13,317.79**	**698.84**	**201.93**	**14,218.55**
Net carrying value as at March 31, 2020	**65,184.31**	**3,983.23**	**1,391.71**	**70,559.26**

5. Intangible Assets

	Software	Total
Cost or valuation		
As at April 01, 2018	78.21	78.21
Additions	145.83	145.83
Disposals	-	-
As at March 31, 2019	**224.04**	**224.04**
Additions	132.38	132.38
Disposals	-	-
As at March 31, 2020	**356.42**	**356.42**
Accumulated Amortization		
As at April 01, 2018	37.84	37.84
Charge for the year	57.46	57.46
Disposals	-	-
As at March 31, 2019	95.30	95.30
Charge for the year	82.04	82.04
Disposals	-	-
As at March 31, 2020	**177.34**	**177.34**
Net Block		
As at March 31, 2019	**128.74**	**128.74**
As at March 31, 2020	**179.08**	**179.08**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

6. Non-current investments (fully paid-up)

	As at 31-Mar-2020	As at 31-Mar-2019
Unquoted equity investments, at fair value		
2,874 (March 31, 2019: 1,270) equity shares of Aeronautical Radio of Thailand Limited	0.50	0.24
Aggregate amount of unquoted investments	**0.50**	**0.24**

7. Other non-current financial assets

(Unsecured, considered good unless stated otherwise)

Security deposits (at amortised cost)	4,644.45	3,489.68
Non-current bank balances (also refer note 14)	6,946.58	7,859.53
	11,591.03	**11,349.21**

8. Income tax assets (net)

Advance income-tax and tax deducted at source (net of provision for taxation)	678.64	348.12
	678.64	**348.12**

9. Other non-current assets

(Unsecured, considered good unless stated otherwise)

Accrued overhaul obligation on finance lease aircraft	950.33	766.47
Deposit with Delhi High Court (also refer note 47)	3,187.02	2,609.04
Tax paid under protest (also refer note 46 (b))	2,369.53	1,460.34
Capital advances		
Unsecured, credit impaired	109.32	109.32
Unsecured, considered good	1,502.96	1,441.32
	8,119.16	**6,386.49**
Impairment Allowance		
Unsecured, credit impaired	(109.32)	(109.32)
Unsecured, considered good	-	-
	(109.32)	**(109.32)**
	8,009.84	**6,277.17**

10. Inventories

Engineering stores and spares	1,641.83	1,303.24
Inventories held in trade	40.00	40.00
Other stores	134.04	70.00
	1,815.87	**1,413.24**

11. Investments at fair value through profit or loss ('FVTPL')

Quoted investment in mutual funds	3.89	3.63
Aggregate amount of quoted investments and market value thereof	**3.89**	**3.63**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

12. Trade receivables

(Unsecured, considered good unless stated otherwise)

	As at 31-Mar-2020	As at 31-Mar-2019
Trade receivables	2,937.42	1,471.96
	2,937.42	**1,471.96**
Break-up for security details:		
Unsecured, credit impaired	101.35	28.99
Unsecured, considered good	2,997.25	1,493.66
	3,098.60	**1,522.65**
Impairment Allowance		
Unsecured, credit impaired	(101.35)	(28.99)
Unsecured, considered good	(59.83)	(21.70)
	(161.18)	**(50.69)**
	2,937.42	**1,471.96**

Trade receivables also includes receivables from credit card companies which are realisable within a period 2 to 28 working days. In respect of revenue from cargo operations, 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 52**.

13. Other receivables

(Unsecured, considered good unless stated otherwise)

Maintenance recoverables	2,738.83	1,581.50
Insurance recoverables	204.67	205.23
Other recoverables	9,598.10	4,004.27
	12,541.60	**5,791.00**

14. Cash and cash equivalents

Balances with banks:		
– On current accounts	221.60	610.39
– On deposit accounts	0.30	15.88
Cash on hand	76.18	41.34
	298.08	**667.61**
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	0.23	50.88
Deposits with original maturity more than 12 months	119.99	78.62
Margin money / Security against fund and non-fund based facilities*	6,946.58	7,859.53
	7,066.80	**7,989.03**
Less: Amount disclosed under other non-current asset (Refer note 7)	(6,946.58)	(7,859.53)
	120.22	**129.50**
	418.30	**797.11**

At March 31, 2020, the Group had available ₹ 1,500 million (March 31, 2019: ₹ 2,820.83 million) of undrawn committed borrowing facilities.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

Changes in liabilities arising from financing activities

Particulars	April 01, 2019	Cash Flow	Foreign Exchange Impact	Others	March 31, 2020
Current borrowings	4,179.44	170.47	294.47	(500.00)	4,144.38
Finance Cost	32.06	(1,011.82)	-	1,056.93	77.17
Non-current borrowings	6,918.16	(1,140.26)	544.80	500.00	6,822.70
Lease liability	64,019.04	(15,073.68)	6,970.19	33,674.06	89,589.61
Total liabilities from financing activities	**75,148.70**	**(17,055.28)**	**7,809.45**	**34,730.99**	**100,633.86**

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	54.99	(1,335.96)	-	1,313.03	32.06
Non-current borrowings	9,452.54	(2,947.16)	412.78	-	6,918.16
Lease liability	-	-	-	-	-
Total liabilities from financing activities	**13,081.91**	**(3,640.22)**	**374.94**	**1,313.03**	**11,129.66**

15. Other current financial assets

(Unsecured, considered good unless stated otherwise)

	As at 31-Mar-2020	As at 31-Mar-2019
Security deposits	1,341.33	314.07
Employee advances	162.60	133.69
Interest accrued		
- on fixed deposits	399.32	285.04
Contract asset	255.71	309.84
	2,158.96	**1,042.64**

16. Other Current Assets

(Unsecured, considered good unless stated otherwise)

Prepaid expenses	1,212.68	2,608.15
Advances to suppliers		
Unsecured, credit impaired	-	-
Unsecured, considered good	1,028.22	682.02
	2,261.61	**3,294.58**
Impairment Allowance		
Unsecured, credit impaired	-	-
Unsecured, considered good	-	-
	-	-
	2,261.61	**3,294.58**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

17. Share Capital

	As at 31-Mar-2020	As at 31-Mar-2019
Authorised Capital		
(1,500,000,000 equity shares of ₹10/- each)		
As at April 01, 2018	15,000.00	15,000.00
Increase during the year	-	-
As at March 31, 2019	15,000.00	15,000.00
Increase during the year	-	-
As at March 31, 2020	15,000.00	15,000.00
Issued, Subscribed and Paid-up Capital		
Equity shares of ₹ 10/- each issued, subscribed and fully paid		
As at April 01, 2018	5,997.18	5,994.50
Increase during the year	-	2.68
As at March 31, 2019	5,997.18	5,997.18
Increase during the year	3.58	-
As at March 31, 2020	6,000.76	5,997.18

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

Particulars	As at Mar 31, 2020		As at March 31, 2019	
	Number	Value (₹)	Number	Value (₹)
Shares outstanding at the beginning of the period	599,718,356	5,997,183,560	599,450,183	5,994,501,830
Issued during the year	357,943	3,579,430	268,173	2,681,730
Shares outstanding at the end of the period	600,076,299	6,000,762,990	599,718,356	5,997,183,560

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-2020		As at 31-Mar-2019	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Mr. Ajay Singh	304,333,450	50.72%	304,333,450	50.75%
Mr. Ajay Singh (HUF)	52,846,838	8.81%	52,961,838	8.83%
Total	357,180,288	59.52%	357,295,288	59.58%

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 626,116 shares (March 31, 2019 - 268,173) 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 42**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

18. Other equity

		As at 31-Mar-2020	As at 31-Mar-2019
Reserves and Surplus			
Securities Premium Account		9,949.45	9,901.12
Retained Earnings		(31,952.26)	(19,530.75)
		(22,002.81)	**(9,629.63)**
Other reserves			
General Reserve		49.09	49.09
Share-based payment reserves		131.15	62.33
Foreign Currency Monetary Item Translation Difference Account		17.83	21.39
		198.07	**132.81**
a.	**Securities Premium**		
	Balance at the beginning of the year	9,901.12	**9,864.92**
	Additions during the year	48.32	36.20
	Deductions during the year	-	-
	Balance at the end of the year	9,949.45	**9,901.12**
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	62.33	**13.01**
	Options granted during the year	117.15	85.52
	Transferred to Securities Premium upon exercise of such options	(48.32)	(36.20)
	Balance at the end of the year	131.15	**62.33**
d.	**Retained Earnings**		
	Balance at the beginning of the year	(19,530.75)	**(16,492.19)**
	Profit / (Loss) for the year	(9,365.68)	(3,024.11)
	Re-measurement Gain/(Loss) on Defined Benefit Obligations	(32.49)	(14.45)
	Balance at the end of the year	(28,928.92)	**(19,530.75)**
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	21.39	**11.47**
	Movement during the year in FCMITDA, net	46.13	28.47
	Recognised in the Statement of P&L during the year	(49.69)	(18.55)
	Balance at the end of the year	17.83	**21.39**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

19. Long Term Borrowings (Secured)

	As at 31-Mar-2020	As at 31-Mar-2019
Term Loans		
From bank	500.00	-
Less: Current maturities of long term borrowings (refer **note 27**)	(500.00)	-
	-	-
Other loans		
External commercial borrowing (Unsecured)	6,322.70	6,918.16
Less: Current maturities of long term borrowings (refer **note 27**)	(1,729.67)	(1,351.88)
	4,593.03	5,566.28
	4,593.03	5,566.28

a. The Group had taken a loan of ₹ 500 million from IDFC First Bank Limited during the current year. The loan is repayable after 3 years from the date of the borrowing and carries an interest rate of 12.35%. The loan agreement requires the Group to maintain debt service coverage ratio of 1.25. The Group have not complied with this financial covenant and the borrowing have been reclassified to current maturities of long term borrowings.

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 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 3.70% to 4.7%. 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. The Group has defaulted in the repayment of the principal on the ECB loans amounting to ₹ 256.31 million. The Group has accrued penal interest of ₹ 0.39 million pursuant to this default.

20. Non Current Lease Liabilities

Lease liability	67,977.03	-
	67,977.03	-

21. Non Current Trade Payables

Trade payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	77.65
	-	77.65

Trade payables are non interest bearing and carry a credit period exceeding 365 days

22. Long Term Provisions

Provision for gratuity (also refer note 43)	458.51	330.48
Provision for aircraft redelivery (also refer note 41)	1,335.86	583.78
Provision for aircraft maintenance (also refer note 41)	4,490.43	3,375.50
	6,284.80	4,289.76

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

23. Other Non-Current Liabilities

	As at 31-Mar-2020	As at 31-Mar-2019
Deferred incentive	169.96	559.91
Less: Current portion of above	(17.24)	(55.49)
	152.72	**504.42**
Deferred gain on Sale and lease-back (also refer note 44)	-	5,390.07
Less: Current portion of above	-	(596.14)
	-	**4,793.93**
	152.72	**5,298.35**

24. Short Term Borrowings (Secured)

Working capital demand loan from bank	1,000.00	997.79
Pre-shipment credit foreign currency loan	3,144.38	3,181.65
	4,144.38	**4,179.44**

a. 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%.

b. 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 3.3% to 5.7%.

25. Current Lease Liabilities

Lease liability	21,612.58	-
	21,612.58	**-**

26. Trade Payables

Trade payables		
- total outstanding dues of micro enterprises and small enterprises	174.84	188.50
- total outstanding dues of creditors other than micro enterprises and small enterprises	17,022.29	10,910.26
	17,197.13	**11,098.76**
Dues to Micro, Small & Medium Enterprises ('MSMED')		
Principal amount due to suppliers under MSMED Act	167.74	182.28
Interest accrued and due to suppliers under MSMED Act, on the above amount	7.10	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	7.10	6.22
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	7.10	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 Consolidated Financial Statements

for the year ended March 31, 2020

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

27. Other Current Financial Liabilities

	As at 31-Mar-2020	As at 31-Mar-2019
Unsecured		
Employee compensation payable	370.20	179.69
Security deposits received	124.79	58.21
Secured		
Current maturities of long-term borrowings (also refer note 19) (includes current maturities of ECB ₹ 1,729.67 million (March 31, 2019 - ₹ 1,351.88 million)	2,229.67	1,351.88
Interest accrued and due on borrowings	2.53	-
Interest accrued but not due on borrowings	74.64	32.06
	2,801.83	**1,621.84**
Break up of financial liabilities carried at amortised cost :		
Borrowings (non-current) (note 19)	4,593.03	5,566.28
Borrowings (current) (note 24)	4,144.38	4,179.44
Current maturity of long term loans (note 27)	2,229.67	1,351.88
Trade payables (non current) (note 21)	-	77.65
Lease liability (non current) (note 20)	67,977.03	-
Trade payables (current) (note 26)	17,197.13	11,098.76
Lease liability (current) (note 25)	21,612.58	-
Other current financial liabilities (note 27)	572.16	269.96
Total financial liabilities carried at amortised cost	**118,325.98**	**22,543.97**

28. Short Term Provisions

Provision for employee benefits		
Provision for gratuity (also refer note 43)	44.89	31.94
Provision for compensated absences	183.34	134.62
Provision for litigation (also refer note 46)	107.20	107.20
Provision for aircraft maintenance (also refer note 41)	3,968.14	1,807.06
Provision for aircraft redelivery (also refer note 41)	459.57	89.32
	4,763.14	**2,170.14**
Provision for litigation:		
At the beginning of the year	107.20	97.69
Additions during the year	13.50	9.51
Utilisation / reversal during the year	(13.50)	-
At the end of the year	**107.20**	**107.20**
Provision for aircraft maintenance		
At the beginning of the year	5,182.56	3,814.75
Additions during the year	5,097.80	5,400.86
Utilisation during the year	(1,821.79)	(4,033.05)
At the end of the year	**8,458.57**	**5,182.56**
Provision for aircraft redelivery		
At the beginning of the year	673.10	440.42
Provision made over the lease period	1,241.79	267.58
Utilisation during the year	(119.46)	(34.90)
At the end of the year	**1,795.43**	**673.10**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

29. Other Current Liabilities (Unsecured)

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Current portion of deferred incentives	17.24	55.49
Current portion of deferred gain on sale and lease-back (also refer note 44)	-	596.14
Amount due under order of Delhi High Court (also refer note 47)	6,425.55	6,425.55
Contract liabilities	3,626.17	6,935.64
Advance received from agents	3,765.23	1,927.12
Statutory dues (including interest thereon)	998.43	596.03
Airport Taxes Payable	991.21	701.95
Others	8.72	5.99
	15,832.55	**17,243.91**

30. Revenue From Contracts With Customers

Sale of services		
Passenger revenue	114,447.88	85,783.70
Cargo revenue	5,448.26	3,079.12
Sale of products	158.89	82.21
Other operating revenues		
Incentives received	196.98	1,136.34
Income from training services	368.10	289.75
Others	3,125.58	843.63
	123,745.69	**91,214.75**
India	114,829.33	82,460.56
Outside India	8,916.36	8,754.19
	123,745.69	**91,214.75**

31. Other Income

Net Gain on financial assets measured at FVTPL	0.21	-
Net Gain on sale of investments	24.21	52.47
Liabilities / provision no longer required written back	402.31	369.78
Insurance / warranty claims received	6,937.30	118.43
Miscellaneous income	237.81	42.22
	7,601.84	**582.90**

32. Finance Income

Interest income on discounting of financial instruments	165.12	96.16
Interest income		
- on bank deposits	538.30	768.74
	703.42	**864.90**

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

33. Operating Expenses

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Aviation turbine fuel	46,162.03	34,452.52
Lease charges - aircraft, engines and auxiliary power units (also refer note 44)	3,629.71	12,967.16
Aircraft repairs and maintenance	8,290.74	6,077.28
Supplemental lease charges - aircraft, engines and auxiliary power units	11,674.84	7,834.94
Consumption of stores and spare parts	1,534.87	1,078.34
Aviation insurance	1,048.19	361.71
Landing, navigation and other airport charges	11,446.48	7,520.83
Cost of inflight food and beverages	1,581.26	1,066.54
Aircraft navigation software expenses	785.99	596.72
Aircraft redelivery costs	219.33	178.76
Cargo handling costs	724.84	406.93
Other operating expenses	484.90	407.04
	87,583.18	**72,948.77**

34. (a) Cost of Traded Goods Sold

Inventory at the beginning of the year	40.00	175.03
Add : Purchases	126.75	3.88
Less : Inventory at the end of the year	40.00	40.00
Cost of traded goods	126.75	138.91

34. (b) Changes in Inventory of Stock-in-Trade	-	135.03

35. Employee Benefits Expenses

Salaries, wages and bonus	13,438.53	9,427.69
Contribution to provident and other funds (also refer note 43 (c))	660.43	331.13
Employee stock option scheme (also refer note 42)	117.15	85.52
Gratuity expense (also refer note 43 (a))	133.40	89.18
Recruitment and training cost	622.69	393.82
Staff welfare	320.35	256.90
	15,292.55	**10,584.24**

36. Sales and Marketing Expenses

Commission to agents *	1,328.13	1,060.56
Business promotion and advertisement	932.86	1,021.10
	2,260.99	**2,081.66**

* Includes deposit incentive to agents

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for the year ended March 31, 2020

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

37. Other Expenses

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Rent	646.11	582.63
Rates and taxes	674.31	564.59
Repairs and maintenance		
- buildings	132.15	82.07
- plant and machinery	23.03	34.26
- others	424.75	273.69
Crew accomodation cost	705.51	440.97
Communication	134.86	97.29
Printing and stationery	182.97	146.91
Travelling and conveyance	1,538.25	1,186.37
Legal, and professional fees (Refer note below for details of payment to auditor)	421.36	363.18
Power and fuel	140.36	110.50
Advances / debts written off	96.73	222.88
Provision for doubtful debts	110.49	27.59
Provision for litigation	13.50	9.51
Insurance	197.28	153.31
Credit card charges	342.83	299.82
Bank charges	9.70	23.32
Exchange fluctuation loss (net)*	7,296.04	746.25
Net Loss on financial assets measured at FVTPL	-	12.39
Loss on sale of assets (net)	196.40	20.02
Miscellaneous expenses	57.46	24.04
	13,344.09	**5,421.59**

*Foreign exchange loss for the year ended March 31, 2020 includes ₹6,970.19 million (March 31, 2019 : Nil), pertaining to foreign exchange loss on restatement of lease liability arising from the implementation of Ind-AS 116 (refer note 44).

Payment to auditor		
As auditor		
Audit fees	10.56	8.85
Tax audit fees	0.85	0.75
Limited review	3.00	2.25
In other capacity		
Other services (certification fees)	0.23	0.18
Reimbursement of expenses	0.72	0.55

38. Finance Costs

Interest		
- on fixed loan from banks	337.95	652.07
- on fixed loan from others	562.85	487.67
Interest cost on discounting of financial intruments	4,398.37	88.35
Other borrowing cost	156.13	84.94
	5,455.30	**1,313.03**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

39. Exceptional Items

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Interest Cost for Arbitration Order (Refer Note 47)	-	634.66
	-	**634.66**

40. Earnings per share ('EPS')

a. 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.

b. 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	599,718,356	599,450,183
Number of equity shares issued	357,943	268,173
Number of equity shares outstanding at the end of the year	600,076,299	599,718,356
Weighted average number of shares		
a. Basic	599,765,428	599,450,183
Effect of dilution:		
Stock option granted under ESOP	1,886,990	863,872
b. Diluted	601,652,417	600,314,055
Profit / (Loss) for the year	(9,365.68)	(3,024.11)
Earnings per share :		
-- Basic earnings / (loss) per share (₹)	(15.61)	(5.04)
-- Diluted earnings / (loss) per share (₹)	(15.57)	(5.04)
Nominal value per share (₹)	10.00	10.00

c. Having regard to the status of the matters relating to the allotment and conversion of share warrants, as stated in Note 47, it is not possible to determine the dilutive effect, if any, of those on diluted earnings per share calculations. Accordingly, diluted earnings per share do not include the dilutive impact on the allotment and conversion of share warrants stated in Note 47.

41. 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

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

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 rates, 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 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.

42. 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.

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for the year ended March 31, 2020

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

The compensation cost for ESOS been recognized based on the fair value at the date of grant in accordance with the Black-Scholes method.

Grant Date	No. of Options	Vesting Period	Market Value per Share (In INR)	Fair Value per option (In INR)	Exercise Price (In INR)	Expected Volatility	Expected Life (in years)	Expected Dividend	Risk Free Return
February 7, 2018	1,201,155	2 years 10 months and 24 days	129.35	122.29	10.00	58.50% to 57.61%	3.50 to 5.40	Nil	7.53% to 7.51%
May 28, 2019	500,000	1 year 7 months and 3 days	145.75	138.26	10.00	48.66% to 51.32%	3.50 to 4.10	Nil	6.92%
May 28, 2019	85,000	2 years 6 months and 2 days	145.75	138.26	10.00	48.66% to 57.76%	3.50 to 5.00	Nil	6.92% to 7.03%
August 9, 2019	140,000	4 years	135.95	128.81	10.00	46.37% to 56.21%	3.50 to 6.50	Nil	6.33% to 6.54%
November 13, 2019	250,000	4 years	115.05	107.96	10.00	46.56% to 55.64%	3.50 to 6.50	Nil	6.32% to 6.92%
February 14, 2020	500,000	2 years	84.70	76.90	10.00	46.50% to 50.93%	3.50 to 4.50	Nil	6.00% to 6.02%

Expected volatility calculation is based on daily volatility of the share prices over a period prior to the date of grant, corresponding to the expected life of the options.

The risk free interest rate is the implied yield currently available on zero coupon government issues, with a remaining term equal to the expected term of the option being valued.

The above calculation is based on government yield on zero coupon bonds with 4 to 5 as term to maturity.

Expected life of the option have been calculated by adding the vesting period and half of the exercise period.

The Group has not declared any dividend from last several years. Therefore, expected dividend yield is taken as Nil.

Effect of employee stock option scheme on the Consolidated Statement of Profit and Loss:

Particulars	March 31, 2020	March 31, 2019
Employee stock option scheme expense	117.15	85.52

Reconciliation of outstanding share options:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Options outstanding as at the beginning of the year	932,982	10.00	-	10.00
Add: Options granted during the year*	1,475,000	10.00	1,201,155	10.00
Less: Options forfeited and expired during the year	-	10.00	-	10.00
Less: Options exercised during the year	-	10.00	268,173	10.00
Options outstanding as at the year end	2,407,982	10.00	**932,982**	**10.00**

*Includes only options granted to employees who have fulfilled the related conditions in respect of such grant.

43. 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.

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for the year ended March 31, 2020

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

Particulars			Year ended March 31, 2020	Year ended March 31, 2019
A.	**Change in defined benefit obligation ('DBO')**			
	1.	Defined benefit obligation at the beginning of the period	362.42	283.71
	2.	Service cost		
		a. Current service cost	105.64	67.14
	3.	Interest expenses	27.76	22.11
	4.	Cash flows		
		a. Benefits paid	(24.91)	(24.92)
	5.	Remeasurements		
		a. Effect of changes in financial assumption	24.41	6.45
		b. Effect of experience adjustments	1.73	7.93
		c. Effect of changes in demographic assumptions	6.35	-
	6.	Defined benefit obligation at the end of the period	503.40	362.42
B.	**Amounts recognized in Balance Sheet**			
	1.	Defined benefit obligation	503.40	362.42
	2.	Fair value of plan assets	-	-
	3.	Funded status	-	-
	4.	Net defined benefit liability / (asset)	503.40	362.42
C.	**Components of defined benefit cost**			
	1.	Service cost		
		a. Current service cost	105.64	67.14
	2.	Net interest cost	-	-
		a. Interest expense on DBO	27.76	22.11
		b. Interest (income) on plan assets	-	-
		c. Total net interest cost	27.76	22.11
	3.	Remeasurements (recognized in OCI)		
		a. Effect of changes in Financial assumption	24.41	6.45
		b. Effect of changes in experience adjustments	1.73	7.93
		c. Effect of changes in demographic adjustments	6.35	-
		d. (Return) on plan assets (excluding interest income)	-	-
	4.	Total defined benefit cost recognized in P&L and OCI	165.89	103.63
D.	**Re-measurement**			
	a.	Actuarial Loss/ (Gain) on DBO	32.49	14.45
	b.	Returns above interest income	-	-
	Total remeasurements (OCI)		32.49	14.45
E.	**Employer expense (P&L)**			
	a.	Current service cost	105.64	67.05
	b.	Interest cost on net DBO	27.76	22.13
	c.	Total P&L expenses	133.40	89.18

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for the year ended March 31, 2020

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Particulars	Year ended March 31, 2020	Year ended March 31, 2019
F. Net defined benefit liability (asset) reconciliation		
1. Net defined benefit liability (asset)	362.42	283.71
2. Defined benefit cost included in P&L	133.40	89.18
3. Total remeasurements included in OCI	32.49	14.45
4. a. Employer contribution	(24.91)	(24.92)
5. Net defined benefit liability (asset) as at end of period	503.40	362.42
G. Reconciliation on OCI (Re-measurement)		
1. Recognized in OCI during the period	32.49	14.45
2. Recognized in OCI at the end of the period	32.49	14.45
H. Sensitivity analysis- DBO end of period		
1. Discount rate + 50 Basis points	(28.74)	(8.80)
2. Discount rate - 50 Basis points	31.64	10.68
3. Salary increase rate + 0.5%	32.04	10.85
4. Salary increase rate - 0.5%	(29.33)	(9.02)
I. Significant actuarial assumption		
1. Discount rate current year	6.76%	7.80%
2. Salary increase rate	5.00%	5.50%
3. Pre-retirement mortality	13.90% (Upto 30 years) 3.90% (Age 31-44) 0.40% (above age 44)	3% (Upto 30 years) 2% (Age 31-44) 1% (above age 44)
4. Retirement age	58	58
J. Data		
1. No. of employee's	16,288	11,488
2. Average age (years)	29.91	30.40
3. Average past service	2.67	2.89
4. Average monthly salary	3,027.64	1,881.70
5. Future service (years)	28.09	28.10
6. Weighted average duration of DBO	18.98	19.68
K. Expected total benefit payments		
Within the next 12 months (next annual reporting period)	44.05	31.54
Between 2 and 5 years	81.00	25.74
Beyond 5 years	378.35	305.14
L. Defined benefit obligation at the end of the year		
1. Current obligation	44.89	31.94
2. Non-current obligation	458.51	330.48
Summary		
1. Defined benefit obligation at end of the period	503.40	362.42
2. Fair value plan assets at end of the period	-	-
3. Net defined benefit liability/ (asset)	503.40	362.42
4. Defined benefit cost included in P&L	133.40	89.18
5. Total remeasurement included in OCI	32.49	14.45
6. Total defined benefit cost recognized in P&L and OCI	165.89	103.63

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	6.76%	7.80%
2. Future salary increase	5.00%	5.50%

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for the year ended March 31, 2020

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c. **Contributions to defined contribution plan:**

During the year, the Group recognized ₹ 606.54 Million (Previous year- ₹ 279.52 Million) to Provident Fund under defined contribution plan and ₹ 53.89 Million (Previous year - ₹ 51.60 Million) for contributions to Employee State Insurance scheme in the Statement of profit & loss.

44. Leases

Transition to Ind AS 116 - Leases

Ind AS 116 - Leases has replaced the erstwhile leases standard, Ind AS 17 - Leases. It provides a single lessee accounting model, specifying how leases are recognised, measured, presented and disclosed. The lessee recognises right of use (ROU) assets representing its right to use the underlying asset on lease and a lease liabilities representing its obligation to make lease payments.

The standard is applicable from April 01, 2019. The Group has applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (i.e. April 01, 2019). Accordingly, the Group has not restated comparative information; instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 01, 2019. On that date, the Group recognised the lease liabilities measured at the present value of the remaining lease payments. The right of use assets are recognised at their carrying amount, net of incentives received from equipment manufacturer, 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. In accordance with the standard, the Group has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

The Group has used the following practical expedients:

- Single discount rate to a portfolio of leases with reasonably similar characteristics.
- Contracts where the remaining term was less than 12 months on transition date, the Group did not consider the same for computing its ROU assets and corresponding lease liabilities.
- On initial application, Ind AS 116 has only been applied to contracts that were previously classified as leases.
- The lease term has been determined with the use of hindsight where the contract contains options to extend the lease.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.

The major impact of adopting Ind AS 116 on the Consolidated Balance Sheet as on the transition date is as follows:

Leases previously classified as operating leases under Ind AS 17

Particulars	As at March 31, 2020
Lease liabilities at inception on adoption of Ind AS 116	(64,019.04)
ROU assets recognised at inception on adoption of Ind AS 116	61,798.80
Other adjustments	(803.10)
Impact to equity on account of adoption of Ind AS 116	**(3,023.34)**
ROU assets recognised at inception on adoption of Ind AS 116	61,798.80
Reclassified on account of adoption of Ind AS 116	(4,661.08)
ROU assets as at April 01, 2019	**57,137.72**

Reconciliation to prior year operating lease commitment is as follows:

Particulars	As at March 31, 2020
Operating lease commitments as at March 31, 2019	93,093.94
Impact of discounting (at incremental borrowing rate as at April 01, 2019)	(29,920.71)
Others*	845.81
Lease liabilities as at April 01, 2019	**64,019.04**

*Others represents short term leases as on transition date not considered for Ind AS 116

Lease liabilities:

The Group's leased assets primarily consist of leases for aircraft and engines, equipment, leasehold land and buildings.

Interest expense on lease liabilities for the year amounts to ₹ 4,351.74 million. Refer to Note 38.

During the year ended March 31, 2020, the Group has recognized an expense of ₹ 3,629.71 million on account of short term leases which represents leased aircraft, engines and auxiliary power units having a remaining lease term of less than 12 months as on transition date and other short term leases. The portfolio of other short-term leases to which the Group is committed at the end of the reporting period is not materially different from the portfolio of other short term leases for which expense has been recognized during the year ended March 31, 2020.

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for the year ended March 31, 2020

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The Group has several lease contracts that include extension and termination options. The management has included termination options in determination of lease term for contracts having such option. Extension options have not been included in determination of lease term since the management is reasonably certain not to exercise these options. Potential cash flows in relation to such extension options cannot be ascertained since the cash outflow for the extended period will depend on the negotiations with the lessors in the event of exercising the extension options.

Under certain lease arrangements of aircraft, the Group incurs variable payments towards maintenance of the aircraft which are disclosed under "Supplemental lease charges - aircraft, engines and auxiliary power units".

The maturity analysis of lease liabilities and the Group's exposure to market risks are disclosed in Note 55.

The major impact of adopting Ind AS 116 on the Consolidated Statement of Profit and Loss for the year ended March 31, 2020 is as follows:

1. Depreciation and amortisation expenses has increased by ₹ 14,798.06.
2. Finance costs has increased due to interest accrued on outstanding lease liabilities amounting to ₹ 4,351.74.
3. Loss of ₹ 6,970.19 has been recognised in 'Foreign exchange (gain)/ loss (net)' on account of revaluation of lease liabilities denominated in foreign currency.
4. Aircraft and engine rentals (net) and other rentals has decreased by ₹ 19,484.37 respectively, due to recognition of operating lease as ROU assets and corresponding lease liabilities.

Net impact on profit / loss before tax amounts to a loss of ₹ 6,635.62 for the year ended March 31, 2020.

Consequent reclassification has been made in operating and financing activities in the statement of cash flows. Refer statement of cash flows for the reclassifications and cash outflows in relation to Ind AS 116 for the year ended March 31, 2020.

The weighted average incremental borrowing rate applied to lease liabilities as at April 01, 2019 is 5.5%.

45. Capital and other commitments

a. As at March 31, 2020, the Group has commitments of ₹ 550,134.75 million (March 31, 2019 - ₹ 538,189.48 million) relating to the acquisition of aircraft.

b. 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 44.

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-bythe-hour cost based on aircraft / component utilization. In addition, some contracts provide for compensation upon pre-mature termination, as applicable.

46. Litigations and claims

a) Note 1:

i) Matters wherein management has concluded the Group's liability to be probable have accordingly been provided for in the books. Also refer note 28.

ii) Matters wherein management has concluded the Group's liability to be possible have accordingly been disclosed under Note 46 (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) Note 2: Contingent liabilities

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Liability arising out of legal cases filed against the Group in various Courts/ Consumer Redressal Forums, Consumer Courts, disputed by the Group	150.56	133.47
Demand in respect of provident fund dues for international workers as explained in note (i) below	142.37	142.37
Demand in respect of service tax (including interest and penalty) as explained in note (ii) below	170.70	170.70
Liability arising out of other legal cases filed against the Group	103.32	11.83
Show cause notice received in respect of service tax as explained in note (iii) below	4,475.99	4,005.72
Demand in respect of order from the Competition Commission of India (refer note (vi) below)	51.00	51.00
Liability arising out of legal case filed against the Group by aircraft manufacturer (refer note (viii) below)	3,200.00	-
Liability arising out of Integrated Goods and Services Tax ('IGST'), on overseas repairs and replacement of various aircraft equipment as explained in note (iv) below	2,369.53	1,460.34
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.		

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i. 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) 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, a report has been filed by the Department's Representatives before the Regional Provident Fund Commissioner ("RPFC") on March 22, 2017 pursuant to which there is an aggregate demand ₹ 144.43 million against the Group for the period from November 2008 to January 2012. The Group has filed its reply on the report on August 18, 2017. Thereafter, the RPFC has passed its final order on June 8, 2020 against the Group for an amount of ₹ 142.04 million towards outstanding PF dues for its expat employees for the period of November 2008 to January 2012. The RPFC order also states that there is an order in favour of the Group restraining the PF department from taking any coercive steps against the Group for recovery of the said amount till the disposal of the writ petition. Pending disposal of the writ petition, the Group has not accrued for any additional liability in respect of provident fund contributions to international workers.

ii. 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 nonremittance 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 28). 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.

iii. 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.

iv. 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 advise obtained, is not subject to such levy. Accordingly no further adjustments have been made in this regard as at March 31, 2020.

Further to the above,

v. 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 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 and accordingly no adjustments have been made to the financial statements.

vi. 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 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.

vii. 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.

viii. The manufacturer of DHC-Dash-8-Q400 aircraft has initiated a claim against the Group amounting to approximately ₹ 3,200 million for declarations, liquidated damages, interest and costs relating to the Group's alleged breaches of, and the manufacturer's

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purported termination of the purchase agreement. The Group has filed its reply to the claim and has also lodged a counter claim against the manufacturer. Based on the early stage of the litigation, management's evaluation thereof and legal advice obtained in this regard no additional liability is expected to devolve on the Group and no adjustments are considered necessary in the financial statements in this regard.

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.

47. 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 ₹3,290.89 Million through a bank guarantee in favour of the Registrar General of the Court ("Registrar") and to deposit the balance amount of ₹2,500 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 ₹3,082.19 million to the counterparty, (b) explore the possibility of allotting preference shares in respect of approximately ₹2,708.70 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be ₹924.66 million (being interest on the amount stated under (a) above, in terms of the Award). The amounts referred to under (a) and (b) above, aggregating ₹5,790.89 million, continue to be 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 ₹290.00 million of past interest/servicing charges. During the quarter ended March 31, 2019, 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. Further, pursuant to an order of the Court dated September 20, 2019, the Group has remitted a further ₹ 580 million out of the guarantee placed with the Court, to the counterparty, in October 2019.

The Group, 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 any additional/consequential obligations and rights). Accordingly, no adjustments have been made in this regard, to these financial statements.

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 above, no further effect on this matter to the dilutive earnings per share calculations has been considered.

The effects of the matter stated above 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 Group. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

Exceptional items (Net) in respect of the year ended March 31, 2019, of ₹634.66 million represent the net effect of (a) the interest payable of ₹924.66 million and (b) interest/servicing charges receivable, of ₹290.00 million, mentioned above, arising from the Award discussed therein. The Group's accounting for the above-mentioned amount of ₹634.66 million, net, is without prejudice to the rights and remedies the Group may have in the matter discussed above.

48. Claims on the aircraft manufacturer

Following the worldwide grounding during March 2019 of Boeing 737 Max aircraft due to technical reasons, the Group's fleet of thirteen Boeing 737 Max aircraft continues to be grounded. Despite its inability to undertake revenue operations, the Group continues to incur various costs with respect to these aircraft. As a result of the above, and the uncertainty in timing of return to operations of these aircraft, the Group has initiated the process of claims on the aircraft manufacturer towards costs and losses, which are currently under discussion. Consequently, and without in any manner limiting or prejudicing the legal and commercial rights of the Group towards its claims in this regard, certain costs (including, inter alia, aircraft and supplemental lease rentals and certain other identified expenses relating to the Boeing 737 Max aircraft) aggregating to ₹ 6,718.04 million, have been recognised as other income during the year ended March 31, 2020. Further, the related foreign exchange gain on restatement of these balances for the year ended March 31, 2020 amount to ₹ 427.30 million. Based on current stage of discussions with, and considering the interim offer of compensation received from, the aircraft manufacturer, its own assessment and legal advice obtained by the Group, management is confident of collection of the above income recognised by the Group.

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49. Impact of Covid-19

The Covid-19 pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility, and a significant decrease in economic activity, in global and Indian markets. The Indian government announced a strict lockdown in India to contain the spread of the virus till May 31, 2020, which has been extended by certain states, with varying levels of relaxations. This has led to significant disruptions and dislocations for individuals and businesses and has had consequential impact of grounding the passenger airline operations. The Group is required to adhere to various regulatory restrictions, which impact its operations and may have their own additional financial implications. As per Government guidelines, the Group had stopped all passenger travel from March 25, 2020 to May 24, 2020. The Group has also renegotiated / is renegotiating various operating contracts (including, in particular, contracts with aircraft lessors), and has reassessed their maintenance provisions (having regard to contractual obligations and current maintenance conditions), based on the anticipated scale of operations in the immediate future, and the Group's expectations of the timing of reintroduction of Boeing 737 Max aircraft into its operations. Further, the Group has assessed its liquidity position for the next one year and of the recoverability and carrying values of its assets as at the balance sheet date. Management is confident that they have considered all anticipated impacts arising from the Covid-19 pandemic on the Group's business, and where relevant, have accounted for the same in these financial statements. However, the full extent of impact of the Covid-19 pandemic on the Group's operations, and financial metrics will depend on future developments across the geographies that the Group operates in, and the governmental, regulatory and the Group's responses thereto, which are highly uncertain and incapable of estimation at this time. The impact of the Covid-19 pandemic on the financial position and its financial performance might be different from that estimated as at the date of approval of these financial statements.

50. Segment reporting

Earlier, the Group had considered "Air Transport Services" and "other services" as the only segments of the Group. During the year, based on the relative significance of, and focus on, freighter-related and associated operations, and the consequent changes to the nature of internal reporting provided to the chief operating decision maker, management has reassessed the Group's segments. Accordingly, operating segments of the Group are Air Transport Services and Freighter and Logistics Services and Other Services. Air Transport Services includes, inter alia, passenger transport and ancillary cargo operations arising from passenger aircraft operations. Accordingly, segment information provided below, including in respect of comparative periods, is based on such operating segments described above.

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, 2020

Particulars	Air Transport	Freighter and Logistics Services	Other Services	Total Segments	Adjustments and eliminations	Total
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	121,780.15	1,806.25	159.29	123,745.69	-	123,745.69
Inter-segment	-	-	249.60	-	-	-
Other income	7,773.46	-	-	7,773.46	(171.62)	7,601.84
Total Revenue	129,553.61	1,806.25	408.89	131,519.15	(171.62)	131,347.53
Income /(Expenses)						
Revenue from operations	121,780.16	1,806.25	408.88	123,995.29	(249.60)	123,745.69
Other income	7,773.46	-	-	7,773.46	(171.62)	7,601.84
Finance Income	703.12	-	0.30	703.42	-	703.42
Operating expenses	(85,925.49)	(1,874.05)	-	(87,799.54)	216.36	(87,583.18)
Purchases of traded goods	-	-	(126.75)	(126.75)	-	(126.75)
Increase in inventories of traded goods	-	-	-	-	-	-
Employee benefits expense	(15,051.62)	(206.14)	(110.30)	(15,368.06)	75.51	(15,292.55)
Selling expenses	(2,265.80)	(3.79)	(10.74)	(2,280.33)	19.34	(2,260.99)
Other expenses	(12,808.86)	(485.43)	(163.11)	(13,457.41)	113.32	(13,344.09)
Depreciation and amortization expense	(16,959.41)	(379.93)	(14.43)	(17,353.77)	-	(17,353.77)
Finance costs	(5,251.20)	(198.88)	(50.74)	(5,500.82)	45.52	(5,455.30)
Segment profit/(loss)	(8,005.65)	(1,341.97)	(66.88)	(9,414.51)	48.83	(9,365.68)
Total assets	124,125.56	5,542.65	476.70	130,144.91	(589.70)	129,555.21
Total liabilities	139,912.11	5,548.75	840.83	146,301.69	(942.50)	145,359.19

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Year ended March 31, 2019

Particulars	Air Transport	Freighter and Logistics Services	Other Services	Total Segments	Adjustments and eliminations	Total
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	90,720.22	411.82	82.71	91,214.75	-	91,214.75
Inter-segment	-	-	67.41	67.41	-	67.41
Other income	582.90	-	-	582.90	-	582.90
Total Revenue	**91,303.12**	**411.82**	**150.12**	**91,865.06**	**-**	**91,865.06**
Income /(Expenses)						
Revenue from operations	90,720.72	411.82	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	(72,642.11)	(358.43)	-	(73,000.54)	51.77	(72,948.77)
Purchases of traded goods	-	-	(3.88)	(3.88)	-	(3.88)
Increase in inventories of traded goods	-	-	(39.55)	(39.55)	(95.48)	(135.03)
Employee benefits expense	(10,514.33)	(55.74)	(28.98)	(10,599.05)	14.81	(10,584.24)
Selling expenses	(2,063.12)	(11.29)	(7.25)	(2,081.66)	-	(2,081.66)
Other expenses	(5,559.81)	(26.59)	(50.00)	(5,636.40)	214.81	(5,421.59)
Depreciation and amortization expense	(2,545.57)	(16.68)	(1.29)	(2,563.54)	-	(2,563.54)
Finance costs	(1,312.84)	-	(65.89)	(1,378.73)	65.70	(1,313.03)
Exceptional items	(634.66)	-	-	(634.66)	-	(634.66)
Segment profit/(loss)	**(3,103.93)**	**(56.90)**	**(46.72)**	**(3,207.55)**	**183.70**	**(3,023.85)**
Total assets	47,614.22	455.30	498.90	48,568.42	(521.93)	48,046.49
Total liabilities	51,514.94	61.41	672.18	52,248.53	(702.40)	51,546.13

Revenue from external customers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
India	114,829.33	82,460.56
Outside India	8,916.36	8,754.19
Total revenue as per statement of profit or loss	**123,745.69**	**91,214.75**

The revenue information above is based on the locations of the customers.

Non-current operating assets

India	95,147.39	22,534.76
Outside India	-	-
Total	**95,147.39**	**22,534.76**

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, intangible assets and other non-current assets.

There are no sales to external customers more than 10% of total revenue.

51. Income Tax Expense

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

Profit or loss section

Current Tax:		
Current income tax charge	-	-
Deferred Tax:		
Relating to the origination and reversal of temporary differences	-	-
Income Tax expense reported in the statement of profit and loss	**-**	**-**

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Other Comprehensive Income(OCI) section

Deferred tax related to items recognised in OCI during in the year:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net loss/(gain) on remeasurement of defined benefit plan	32.49	14.45
Income Tax charged to OCI	**32.49**	**-**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019 :

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:

Accounting Profit before income tax	**(9,365.68)**	**(3,023.85)**
Profit before income tax multiplied by standard rate of corporate tax in India of 34.944% (2019: 34.944%)	(3,272.74)	(1,056.65)
Effects of:		
Income exempted from tax	(57.70)	(33.60)
Non-deductible expenses for tax purposes	2,661.14	344.85
Set-off of brought forward losses	669.31	745.40
Net effective income tax	**-**	**-**

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 ₹ 4,016.38 million as at March 31, 2020 (₹ 4,185.33 million as at March 31, 2019).

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax liability	(4,016.14)	(4,185.33)
Deferred Tax asset	4,016.14	4,185.33
Net Deferred Tax asset/ (liability)	**-**	**-**

Year ended March 2020	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Property, plant & equipment	(4,185.33)	169.19	-	(4,016.14)
Tax losses	4,185.33	(169.19)	-	4,016.14
Total	-	-	-	-
Year ended March 2019				
Property, plant & equipment	(4,276.32)	90.99	-	(4,185.33)
Tax losses	4,276.32	(90.99)	-	4,185.33
Total	-	-	-	-

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, 2020	As at March 31, 2019
Unused Tax losses *	11,579.89	8,829.36
Unabsorbed Tax depreciation #	14,351.80	14,351.80
Net Deferred Tax asset/ (liability)	**25,931.69**	**23,181.17**

 # 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

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Particulars	As at March 31, 2020	As at March 31, 2019
< 4 years	2,851.47	100.95
< 8 years	8,728.42	8,728.42
Total	**11,579.89**	**8,829.36**

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 46.

52. Related party transactions

Relationship	Name of the party
Party exercising control	Mr. Ajay Singh
Relatives of Party exercising control	Ms. Shiwani 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 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
Key management personnel	Mr. Ajay Singh, Chairman and Managing Director Ms. Shiwani Singh, Non-Executive Promoter Director Mr. HarshaVardhana Singh, Independent Director (upto September 30, 2019) Mr. R. Sasiprabhu, Independent Director (upto May 09, 2018) Mr. Anurag Bhargava, Independent Director Mr Ajay Chhotelal Aggarwal, Independent Director (from February 11, 2019) Mr. Manoj Kumar, Independent Director (from May 28, 2019) Mr. Kiran Koteshwar, Chief Financial Officer Mr. Chandan Sand, Company Secretary

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i2n Technologies Private Limited		
Transactions during the year		
Legal and professional services	-	7.70

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. There have been no guarantees provided or received

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for any related party receivables or payables. For the year ended March 31, 2020, the Group has not recorded impairment of loans and receivables relating to amounts owed by related parties (March 31, 2019: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of Key management personnel of the Company

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Short-term employee benefits*	202.47	101.74
Share-based payment transactions (Refer note 35 and note 42)	33.94	62.13
Provident Fund Contribution	1.46	1.48
Total	237.87	**165.35**
Sitting fees		
Mr. Anurag Bhargava	0.40	0.50
Mr. Harsha Vardhana Singh	0.10	0.50
Ms. Shiwani Singh	0.20	0.40
Mr. Ajay Chhotelal Aggarwal	0.10	-
Mr. Manoj Kumar	0.30	-
Total	1.10	**1.40**
Total compensation paid to key management personnel	238.97	**166.75**

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.

53. 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Assets				
Investments - Non current	0.50	0.24	0.50	0.24
Investments - Current	3.89	3.63	3.89	3.63
Loans	-	-	-	-
Other financial assets - Non current	11,591.03	11,349.21	11,591.03	11,349.21
Other financial assets - Current	2,158.96	1,042.64	2,158.96	1,042.64
Trade receivables	2,937.42	1,471.96	2,937.42	1,471.96
Other receivables	12,541.60	5,791.00	12,541.60	5,791.00
Cash and cash equivalents	418.30	797.11	418.30	797.11
Total	29,651.70	**20,455.79**	29,651.70	**20,455.79**
Financial Liabilities				
Borrowings - Non current	4,593.03	5,566.28	4,593.03	5,566.28
Borrowings - Current	4,144.38	4,179.44	4,144.38	4,179.44
Trade payables - Non current	-	77.65	-	77.65
Trade payables - Current	17,197.13	11,098.76	17,197.13	11,098.76
Lease liabilities - Non current	67,977.03	-	67,977.03	-
Lease liabilities - Current	21,612.58	-	21,612.58	-
Other current financial liabilities	2,801.83	1,621.84	2,801.83	1,621.84
Total	118,325.98	**22,543.97**	118,325.98	**22,543.97**

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for the year ended March 31, 2020

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

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.

54. 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, 2020		
	Level 1	Level 2	Level 3
Investments in mutual funds	3.89	-	-
Equity Investments	-	-	0.50

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

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.

55. 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 Groups operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

TheGroup 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 theGroup'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, 2020 and March 31, 2019.

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, 2020.

Equity Price Risk is related to the change in market reference price of the investments in equity securities. 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 borrows 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, 2020 approximately 48.31% of the Group's borrowings are at a variable rate of interest (March 31, 2019 - 49.32%)

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for the year ended March 31, 2020

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

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, 2020 would decrease/increase by ₹ 37.10 million (March 31, 2019: decrease/increase by ₹ 26.75 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.

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, 2020 would decrease/increase by ₹ 874.29 million (March 31, 2019: decrease/increase by ₹ 262.99 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 are made against deposits made by agents. Trade receivables primarily comprise of domestic customers, which are fragmented and are not concentrated to individual customers. The Groups exposure and the credit ratings of its counterparties are continuously monitored. At March 31, 2020, the Group had 47 customers (March 31, 2019: 26 customers) that owed the Group more than ₹ 10 million each and accounted for approximately 84% (March 31, 2019: 65%) 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 31, 2020	On demand	Upto 1 year	1 to 5 years	> 5 years	Total
Financial Liabilities (Non-current and Current)					
Borrowings	1,000.00	3,144.38	4,593.03	-	8,737.41
Trade payables	11,214.00	5,983.13	-	-	17,197.13
Lease liabilities	-	21,612.58	39,556.97	28,420.06	89,589.61
Other current financial liabilities	506.88	2,170.16	124.79	-	2,801.83
Total	12,720.88	32,910.25	44,274.79	28,420.06	118,325.98

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for the year ended March 31, 2020

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

Year ended March 31, 2019	On demand	Upto 1 year	1 to 5 years	> 5 years	Total
Financial Liabilities (Non-current and Current)					
Borrowings	997.79	3,181.65	5,202.16	364.12	9,745.72
Trade payables	5,114.77	5,983.99	77.65	-	11,176.41
Other current financial liabilities	-	1,563.63	58.21	-	1,621.84
Total	**6,112.56**	**10,729.27**	**5,338.02**	**364.12**	**22,543.97**

56. 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, 2020	As At March 31, 2019
Long term borrowings	4,593.03	5,566.28
Short term borrowings	4,144.38	4,179.44
Other current liabilities (Current maturities of Long term borrowing)	2,229.67	1,351.88
Cash and cash equivalents	(298.08)	(667.61)
Bank balances other than above	(120.22)	(129.50)
Net debt	10,548.78	10,300.49
Total equity	(15,803.98)	(3,499.64)
Net debt to total equity ratio	**(0.67)**	**(2.94)**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

57. 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	
			March 31, 2020	March 31, 2019
SpiceJet Merchandise Private Limited	Business of consumer merchandise and goods through various channels	India	100	100
SpiceJet Technic Private Limited	Engineering related service including but not limited to maintenance, repair and overhaul services of aircraft and its parts	India	100	100
Canvin Real Estate Private Limited	Real estate	India	100	100
SpiceJet Interactive Private Limited	Information and communication technology	India	100	100
Spice Club Private Limited	Loyalty and rewards programme management	India	100	100
Spice Shuttle Private Limited	Charter operation by aeroplanes and/or helicopters	India	100	100
SpiceXpress and Logistics Private Limited	Cargo transportation and logistics	India	100	100

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

58. Details of CSR expenditure

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Gross amount required to be spent by the Group during the year	45.47	95.85
Amount spent during the year ending on March 31, 2020	**Paid in cash**	**Yet to be paid in cash**
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	6.88	38.59
Amount spent during the year ending on March 31, 2019	**Paid in cash**	**Yet to be paid in cash**
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	4.65	91.20

59. Standards issued but not effective

There were no Standards issued but not effective as at March 31, 2020.

60. Previous year figures

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

61. Adoption of accounts

The financial statements were approved for issue by the board of directors on July 29, 2020.

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: Chennai
Date: July 29, 2020

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Pl0ace: Gurugram
Date: July 29, 2020

Kiran Koteshwar
Chief Financial Officer
Place: Gurugram
Date: July 29, 2020

Chandan Sand
Company Secretary
Place: Gurugram
Date: July 29, 2020

NOTES

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