

# 2017-18



ANNUAL REPORT



REVITALISING  
OPERATIONS



PASSIONATE  
PEOPLE



GEOGRAPHIC  
EXPANSION



STRATEGIC  
DIVERSIFICATION

EMBRACING  
OPPORTUNITIES.  
EXPLORING  
POSSIBILITIES.

# Contents



The cover shows an aerial view of SpiceJet first 737-8 MAX aircraft "King Chilli" soaring high, depicting the vast opportunities ahead of SpiceJet and how it is ready to embrace them.



Download the report or read it online at  
[www.spicejet.com/InvestorsFinancialInformation.aspx](http://www.spicejet.com/InvestorsFinancialInformation.aspx)

## Forward-looking Statement

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.

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THE ASCENT TO GREATER  
HEIGHTS DOES NOT HAPPEN  
BY CHANCE.

IT HAPPENS THROUGH STEADFAST  
PERSEVERANCE, FOCUSSED  
MINDSET, DETERMINATION TO  
TAKE ON CHALLENGES.

**AND THROUGH EMBRACING  
OPPORTUNITIES AND EXPLORING  
POSSIBILITIES.**



AT SPICEJET,  
THIS IS WHAT  
WE HAVE DONE.

- Revamped operations and built a team of high-performers to achieve industry defining parameters
- Utilised cash flows to clear past dues and to upgrade technology
- Placed large order of fuel-efficient aircraft to cater the growing passenger traffic at minimal cost
- Preparing to venture the freighter business to generate additional income
- Initiating a training centre to create and absorb a pool of quality manpower
- Scouting for innovative means to enhance brand stickiness, delight passengers and open-up new revenue streams

**SpiceJet poised to grow strongly and sustainably while building value for its stakeholders.**

# INDIA FLIES ON SPICEJET

Constantly introducing innovative ways and investing in better technologies to ensure best services and on-time performance.

Redefining industry standards with a team of passionate, high-performing and passenger-centric people.

Making air travel accessible to millions with a low-cost business model.

Driven by the vision to get better every day.

**We are SpiceJet, India's leading and most favourite airline.**

**Flying over 18.1 million passengers annually across 56 destinations, commanding a domestic market of 12.04%. Growing faster than the industry and consistently clocking over 90% load factor. Setting new records of on-time performance and one of the few airlines globally to register operating profit consistently for 14 quarters.**

## An airline built to deliver

### Two-pronged fleet strategy

We have 38 mainline Boeing fleet for key destinations and 24 Bombardier fleet for regional connectivity in tier II and III cities and also under UDAN scheme

### Presence in attractive routes

We have won attractive routes, having pent-up demand, in tier II and III cities under the UDAN scheme

### Multi-channel revenue streams

We earn revenues from:

Primary – Passenger air travel  
Ancillary – Preferred Seating, Spice Max, Insurance, Meals, Spice Vacations, Lounge, Visa, Cab, Cargo, Onboard Merchandise

### Strong management team

We have experienced senior management team, led by CMD Mr. Ajay Singh, the pioneer of low-cost aviation in India

### Widespread

We have a strong foothold in major domestic markets along with a growing presence in the regional and international operation

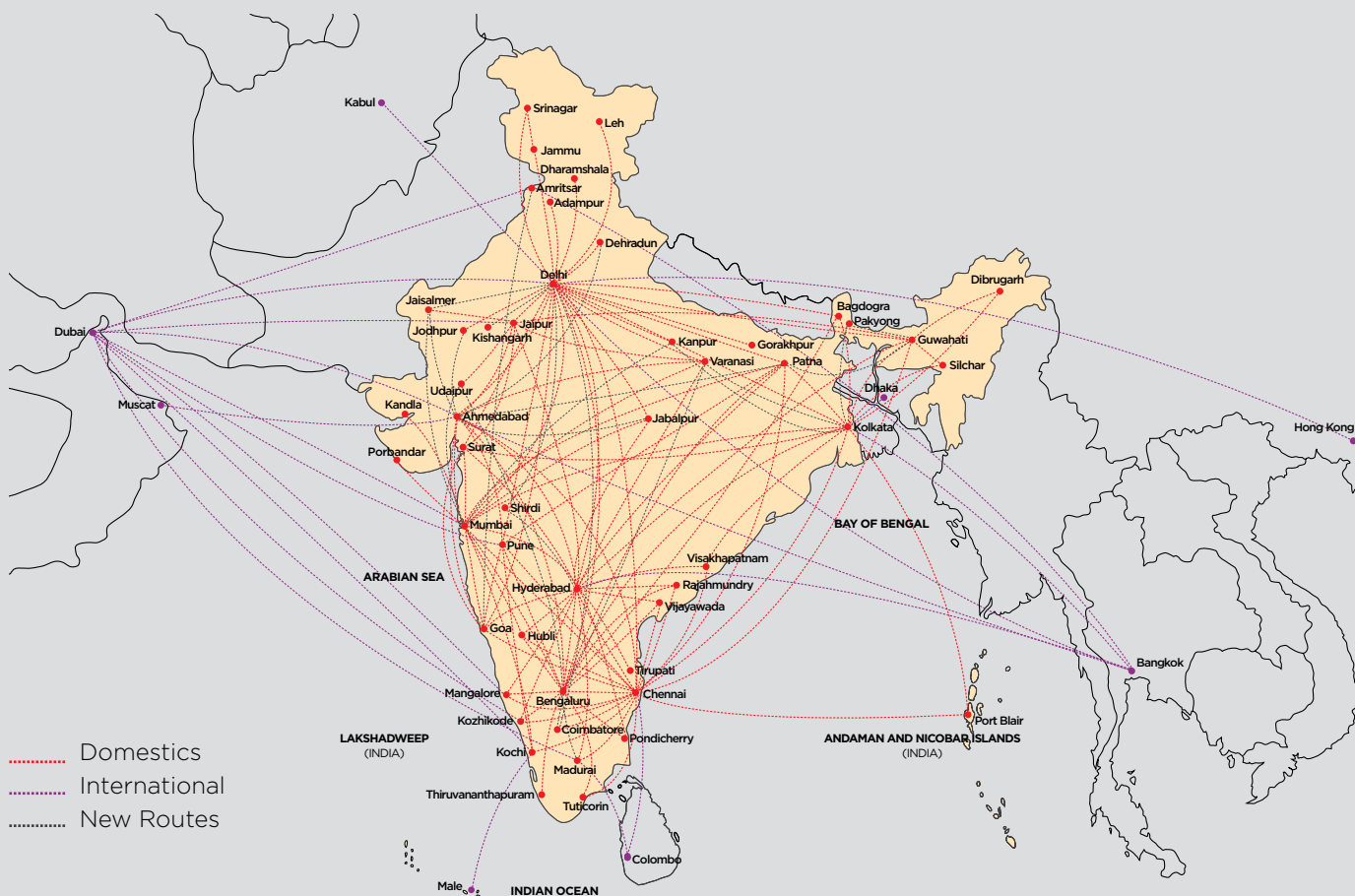
### Proven low-cost model

We are driven by strong focus on continuous cost reduction

Above data is as on October 2018

## Our widening network

With our network strategy, we provide passengers connection to strategic locations along with a schedule that suits both business and leisure travellers, making us a preferred airline.



Map not to scale, graphic representation only. Content as on October 25, 2018



**62**

FLEET SIZE



**410**

DAILY FLIGHTS



**159**

ROUTES (137  
INDIA AND 22  
INTERNATIONAL)



**36**

ROUTES  
ADDED IN  
FY 2017-18

## Flight destinations

### Domestic

Adampur • Ahmedabad • Amritsar • Bagdogra • Bengaluru • Calicut • Chennai • Coimbatore • Dehradun • Delhi • Dharamshala • Dibrugarh • Goa • Gorakhpur • Guwahati • Hubli • Hyderabad • Jabalpur • Jaipur • Jaisalmer • Jammu • Jodhpur • Kandla • Kanpur • Kishangarh • Kochi • Kolkata • Leh • Madurai • Mangalore • Mumbai • Pakyong • Patna • Pondicherry • Porbandar • Port Blair • Pune • Rajahmundry • Shirdi • Silchar • Srinagar • Surat • Thiruvananthapuram • Tirupati • Tuticorin • Udaipur • Varanasi • Vijayawada • Vishakhapatnam

### International

Bangkok • Colombo • Dhaka • Dubai • Hong Kong\* • Kabul • Male • Muscat

\*Effective from November 22, 2018

## SETTING NEW BENCHMARKS OF PERFORMANCE

### Best performing

Indian airline stock in terms of investor returns over the last three years

### 14

Consecutive quarters of operating profits

### 81%

Average on time performance since June 2016

### 90%+

Industry leading load factor for 39 consecutive months

### 20

New routes bagged under the UDAN scheme

### Financial performance: FY 2017-18 vs FY 2016-17

### 26%

Growth in total income from operations

### 7%

Growth in total RASK

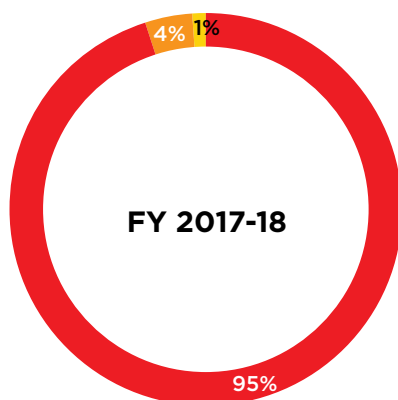
### 34%

Growth in EBITDA

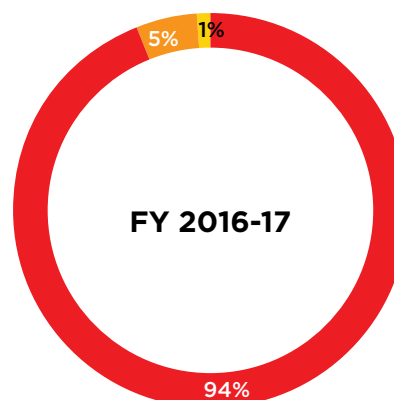
### 32%

Growth in EAT

### Operating Revenue break-up



- Passenger revenue ₹ 74,095 million\*
- Ancillary revenue ₹ 3,139 million
- Other operating revenue ₹ 717 million

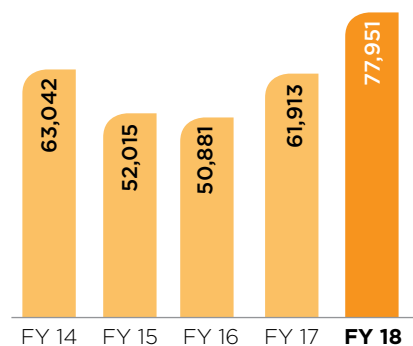


- Passenger revenue ₹ 58,206 million\*
- Ancillary revenue ₹ 2,807 million
- Other operating revenue ₹ 899 million

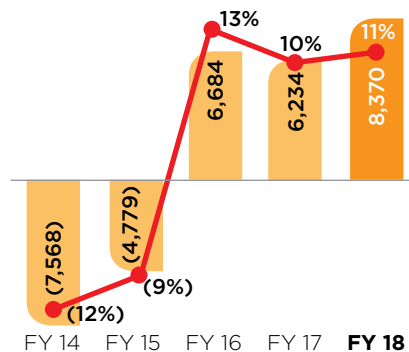
\*Passenger revenue includes certain passenger-related ancillary revenue

**Net revenue from operations**

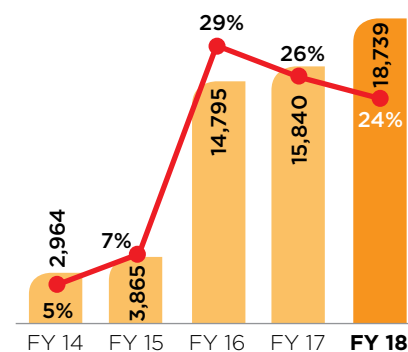
■ (₹ million)

**EBITDA & EBITDA margin**

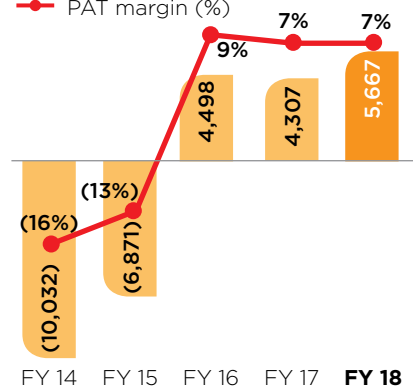
■ EBITDA (₹ million)  
● EBITDA margin (%)

**EBITDAR & EBITDAR margin**

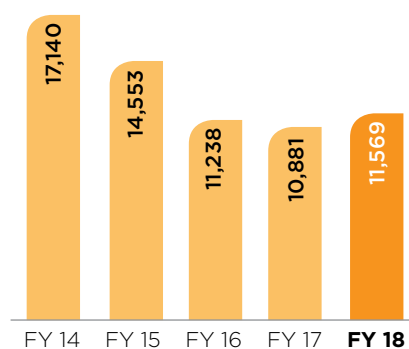
■ EBITDAR (₹ million)  
● EBITDAR margin (%)

**EAT & EAT margin**

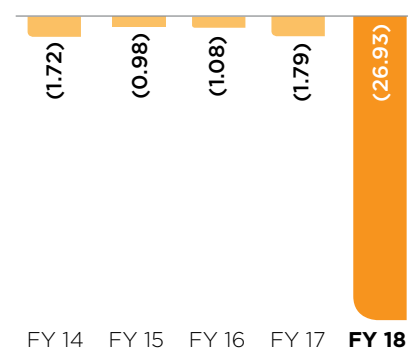
■ PAT (₹ million)  
● PAT margin (%)

**Net debt**

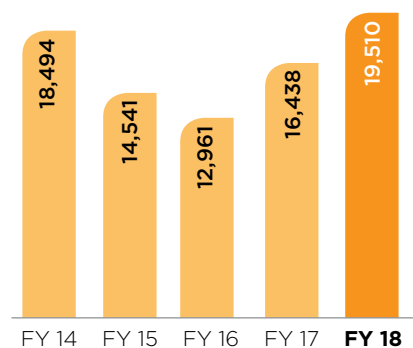
■ (₹ million)

**Debt:equity**

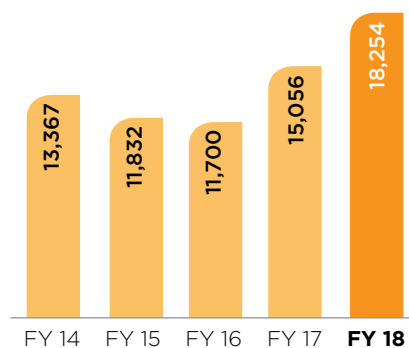
■ (₹ million)

**Available seat kilometre**

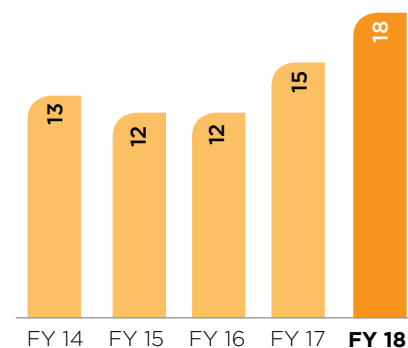
■ (million)

**Revenue passenger kilometre**

■ (million)

**No. of passengers**

■ (million)





## MESSAGE FROM THE CHAIRMAN



Dear friends,  
In FY 2017-18, SpiceJet yet again convincingly retained its reputation as one of India's leading air carriers and a strategically important player for the country's aviation future. We continue our run to greatness by introducing path-defining initiatives, undertaking critical steps to business sustainability and delivering better than industry performance.

After having successfully scripted one of the greatest aviation turnarounds, we are now into our third successive year of profitable growth coupled with industry leading operational parameters. In these three years, our passenger volumes grew by 1.5x, passenger load factor remained over 90% and net worth improved by 93%. This kind of holistic and consistent performance amidst a competitive

industry scenario with rising fuel prices manifests the strength of our business model and our untiring leadership team and staff. Even more satisfying is our contribution to the country's socio-economic development.

Operating in Indian markets can be challenging. Passengers want best on-time services, that too at lowest prices. To provide all these and yet

grow profit year after year needs some serious innovative capabilities and groundwork. And this is where, I believe, we have a competitive advantage. From creating multiple ancillary revenue streams to having a multi-fleet strategy, from investing in better technologies to building a powerful team, from widening presence in primary locations to adding upcoming strategic locations, we have been moving fast and smart.



## Performance review of FY 2017-18

The impact of our sustained efforts is evident in our performance. Operating revenues for the year increased 26% from ₹61,913 million in FY 2016-17 to ₹77,951 million. Earnings before interest, taxes, depreciation, amortisation, and restructuring or rent costs (EBITDAR) grew 18% to ₹18,739 million. Earnings after Tax (EAT) grew 32% to ₹5,667 million compared to marginal decline in the previous year. This was achieved despite a surge in fuel prices as we worked on improving efficiency and bringing down costs. Resultantly, our EAT margins were higher by 31 basis points to 7.27%.

Noteworthy here is that this performance was achieved organically. On one hand, we nurtured growing passenger traffic by adding capacities and on the other hand, we kept maximising non-aviation revenues. This reiterates that our growth is sustainable.

We addressed the growing traffic by adding 112 new flights and adding 36 new routes having pent-up demand, including four of the six UDAN destinations, won in the previous year. Resultantly, our capacities (Available Seat Kilometre) increased 19% contributing to a 27% growth in passenger revenues to ₹74,095 million. We have bagged another 20 routes under the UDAN Round II and expect to operationalise them in the next fiscal.

For non-aviation revenues, our venture into fashion business and focus on providing value-added services to passengers are seeing encouraging traction. During the year, we launched a series of niche products for various services as well as initiated one of the largest loyalty programmes to increase direct bookings and boost sales of ancillary products. This led to a 12% growth in ancillary revenues to ₹3,139 million.

We carried out an economic feasibility study of amphibious

planes based on the demoflights conducted in the last fiscal. Having the potential to take-off and land on water bodies, gravel and grass, we intend to leverage these planes to revolutionise the regional connectivity in the country.

## Exploring possibilities

An important development during the year has been the extension of our cargo business with dedicated freighter plane service, thereby becoming the first Indian airline to do so. We have received a converted freighter version of 737 NG aircraft and have already commenced service with more to be added in our fleet. With air cargo volumes expected to grow by 60% over the next five years driven by exponential growth in the e-commerce industry and rising demand for fast delivery, entry into this segment was a logical step ahead. Besides, this business requiring no major capital investment and operating under incremental direct cost model through a common pool of resources will open-up a new revenue stream with minimal risks and incremental costs.

Also, in our endeavor to go green and explore new possibilities, SpiceJet successfully operated India's first ever BioJet Fuel flight with its Bombardier Q400 aircraft. SpiceJet is the only airline in India to explore aerial operations powered by BioJet fuel and intends to undertake operations using a blend of 75% of aviation turbine fuel (ATF) and 25% of BioJet fuel. This fuel not only reduces carbon emissions upto 15%, it enhances fuel efficiency and has the potential to reduce our dependence on traditional Aviation Fuel by up to 50% on every flight and bring down fares. India is the fastest growing aviation market in the world today and it is our responsibility to grow using clean and sustainable technologies.

## Embracing opportunities

SpiceJet, today commands 12.04% of the domestic and 8.9% of the international aviation market share.

I have reasons to believe that we will continue to soar higher in the coming years as the economic environment gets more favourable, and the passenger traffic surges led by growing tourism, business travels and affluence.

The opportunity is huge, and we are prepared to capitalise on it. We have already placed a massive order of 205 Boeing 737 MAX and 50 Bombardier Q400 aircraft in the previous year scheduled for induction between 2018 and 2024. These aircraft will enable us to further expand operations and improve operational efficiency. While the 737 MAX will reduce overall costs by around 12-14%, the Q400s with enhanced seating capacity will improve operating economics and reduce unit costs by 8-10%. Additionally, we have signed a US\$ 12.5 billion deal with CFM International to purchase LEAP-1B engines to power 155 of our 737 MAX fleet along with spare engines. These engines have better efficiency and will bring down maintenance costs.

We have also initiated the Spice Star Training Academy to provide structured cabin crew training programme in association with Amity University. The move will enable us to nurture and acquire talent for our expansion programme.

I thank each of our stakeholders for their continued support. With our recent developments, I am confident that we will make significant progress towards the goal of making air travel accessible to our fellow citizens. While doing so, we will ensure value creation for all our stakeholders. Do stay with us and fly with us, as the coming years are going to be more and more exciting.

Warm regards,

**Ajay Singh**

Chairman and Managing Director

## STAYING ON THE GROWTH TRACK

At SpiceJet, we have identified important strategies to strengthen our fundamentals and enhance market presence. FY 2017-18 was dedicated towards their effective implementation.

### Maximising revenues

---

**112**

New flights launched

---

**6**

New additional destinations operationalised

---

**6%**

Increase in average passenger fare

---

**20%**

Increase in number of flights

---

**21%**

Increase in average number of passengers carried

---

**SpiceXpress**

a dedicated freighter services brand launched to generate additional revenues from cargo

## Rationalising costs

# 19

737 MAX aircraft to join fleet in FY 2018-19, having lower operational cost and provide enhanced customer experience

# 8

New generation Q400 to join fleet in FY 2018-19 with additional seating to generate higher revenue

# US\$ 12.5 billion

Agreement with CFM International for LEAP-1B engines to reduce engine maintenance costs

## Consolidating brand

### Loyalty programmes

Ensure repeat interactions with an expanding category of lucrative flyers

### Strategic associations

Associated with several properties in youth segments such as Sunburn and Ragasthan as well as international sporting events to strengthen positioning as a fun brand

### Premium offerings

Provide discerning flyers superlative flying experience to create brand loyalty



# REDEFINING PASSENGER-CENTRICITY

At SpiceJet, passenger-centricity forms the core of our operations. We continuously undertake effort to enhance customer experience through reliable operations, while ensuring that flying with us is enjoyable.

## Efforts undertaken in FY 2017-18 to maximise passenger-centricity

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### In-flight entertainment

We became the first low-cost airline to offer an in-flight entertainment system, Spice Engage

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### Niche products

We offer niche products for Visa, international connection baggage, gift cards, SMEs, no shows, hold bookings and lean flights services

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### Spice Vacations

We revamped Spice Vacations product and added activities portal Spice Experiences to it to enable passengers book wide range of destination specific activities



## AWARDS AND RECOGNITION

### Indian Entrepreneur of the Year 2017

to CMD Mr. Ajay Singh for Business Transformation by Ernst & Young

### Global 'Low-Cost Leadership Award'

to CMD Mr. Ajay Singh at the Airline Strategy Awards 2018

### CAPA Chairman's Order of Merit for Excellence

In Indian aviation

### US-India Strategic Partnership Forum Leadership Award

to CMD Mr. Ajay Singh in Annual Leadership Summit at Washington, D.C.

### Outstanding Entrepreneur of the Decade and Best Airlines operating under RCS Award

at the Air Passengers Association of India

### Best Domestic Airline Award

at the Wings India Awards for excellence in aviation sector

### Best Domestic Airline Award

at the 4th West India Awards

### 2017 Best Corporate Governance India Award

by Capital Finance International

### Best In-Flight Asia-Pacific Award

for Interior Retrofit Project in association with STG Aerospace at the Inflight Asia-Pacific Awards

### Awards won in the past

- 'Best Historic Turnaround' award 2016 at the 9th ASSOCHAM International Conference & Awards
- 'Best Domestic Airline for South India' award 2016 by DDP TravTalk
- Voted as 'Best Transportation' brand and 'Best Airline' brand 2016 in India by Brand Trust Report
- Best 'Individual: Consultancy Professional' award 2016 to SpiceJet Public Relations (PR) at Fulcrum
- 'Rising like a Phoenix' PR campaign rated amongst the 40 best PR campaigns in the world in 2016 at the Global SABRE Awards
- 'Best Employee Engagement' 2016 at the 4th DMA-Thomas Associates National Award
- 'Best Check-in Initiative' award 2016 by Future Travel Experience global awards for introduction of Bluetooth Low Energy (BLE) beacons and Near Field Communication (NFC) technology
- SpiceJet CMD Mr. Ajay Singh received the 'DDP Game Changer' award 2016 at the North India Travel Award
- SpiceJet CMD Mr. Ajay Singh received the 'World Travel Leaders' award 2016 at the World Travel Market Awards in London



## CORPORATE INFORMATION

### Board of Directors

**Mr. Ajay Singh**

Chairman & Managing Director

**Mrs. Shiwani Singh**

Non-Executive Promoter Director

**Mr. Anurag Bhargava**

Independent Director

**Dr. Harsha Vardhana Singh**

Independent Director

### Accountable Manager

**Mr. G P Gupta**

Chief Strategy Officer & Accountable Manager

### Key Managerial Personnel

**Mr. Kiran Koteswar**

Chief Financial Officer

**Mr. Chandan Sand**

Sr. VP (Legal) & Company Secretary

### Registered Office

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

### Corporate Office

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

### Bankers

Allahabad Bank  
Axis Bank Limited  
Barclays Bank Plc  
City Union Bank Limited  
HDFC Bank Limited  
ICICI Bank Limited  
IDFC Bank Limited  
JP Morgan Chase Bank, N.A.  
Standard Chartered Bank  
State Bank of India  
Yes Bank Limited

### Statutory Auditors

**M/s S. R. Batliboi & Associates LLP**

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

### Registrar & Share Transfer Agents

**Karvy Computershare Private Limited**

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



# SpiceJet Limited

CIN: L51909DL1984PLC288239

**Regd. Office:** Indira Gandhi International Airport, Terminal 1D, New Delhi – 110 037

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

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of the members of SpiceJet Limited (the “Company”) will be held on Thursday, the 29<sup>th</sup> day of November, 2018 at 10.00 a.m. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the year ended March 31, 2018, including the audited Balance Sheet as at March 31, 2018, the Statement of Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ajay Singh (DIN: 01360684), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 3. Modification in remuneration of Mr. Ajay Singh (DIN: 01360684), Managing Director of the Company, for financial year 2017-18

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

“Resolved that pursuant to recommendation of the Nomination and Remuneration Committee and approval of Board of Directors of the Company, and subject to provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to modify remuneration of Mr. Ajay Singh (DIN: 01360684), Managing Director of the Company for financial year 2017-2018 (i.e. April 1, 2017 to March 31, 2018) to ₹ 5,000,000 (Rupees Five Million only) per month as fixed pay (with such component as may be agreed and decided by the Board) and two percent of annual net profit of the Company payable upon completion of relevant financial year as variable pay, by removing any limit on variable pay component of his overall remuneration.

Resolved further that in addition to above remuneration, Mr. Ajay Singh shall also be eligible for other benefits of employment as per Company's rules viz. company maintained car with driver, mobile expense reimbursement, provident fund, gratuity, personal accident insurance, medical insurance for self and dependents.

Resolved further that the remuneration payable to Mr. Ajay Singh, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

Resolved further that the Company Secretary of the Company be and is hereby authorised to sign and file all necessary/statutory forms, returns and other documents with Registrar of Companies and other statutory authorities and to do all such acts, deeds and things as may be necessary in this regard.”

#### 4. Re-appointment of Mr. Ajay Singh (DIN: 01360684) as Managing Director of the Company

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

“Resolved that pursuant to recommendation of the Nomination and Remuneration Committee and approval of Board of Directors of the Company, and subject to provisions of Sections 196, 197, 198, 203

and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Ajay Singh (DIN: 01360684) as Managing Director of the Company for a period of five years with effect from May 21, 2018 at a remuneration of ₹6,000,000 (Rupees Six Million only) per month as fixed pay (with such component as may be agreed and decided by the Board) and two and a half percent of annual net profit of the Company payable upon completion of relevant financial year as variable pay effective April 1, 2018.

Resolved further that in addition to above remuneration, Mr. Ajay Singh shall also be eligible for other benefits of employment as per Company's rules viz. company maintained car with driver, mobile expense reimbursement, provident fund, gratuity, personal accident insurance, medical insurance for self and dependents.

Resolved further that the remuneration payable to Mr. Ajay Singh, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

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

Resolved further that subject to superintendence, control and direction of the Board, Mr. Ajay Singh shall perform such duties and functions as would be commensurate with his position as Managing Director of the Company as may be delegated to him from time to time by the Board.

Resolved further that the Company Secretary of the Company be and is hereby authorised to sign and file all necessary/statutory forms, returns and other documents with Registrar of Companies and other statutory authorities and to do all such acts, deeds and things as may be necessary in this regard."

## **5. Amendment of Articles of Association of the Company**

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

"Resolved that pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company be and are hereby altered, amended, changed and modified in following manner:

- 1) The words "*PART-I*" before Article 1 shall be omitted.
- 2) In Article 2:
  - i) in sub-article (l) for the words "*Article 37*", the words "*Article 36*" shall be substituted;
  - ii) in sub-article (o) for the words "*Article 74*", the words "*Article 67*" shall be substituted;
  - iii) in sub-article (q) for the word "*The*", the word "*the*" shall be substituted;
  - iv) in sub-article (dd) for the words "*clause 49 of the Listing Agreement*", the words "*Listing Regulations*" shall be substituted;

v) for sub-article (gg), the following sub-article shall be substituted, namely:-

*“gg. “Listing Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.”;*

vi) in sub-article (pp) for the words “Section 114”, the words “sub-section 69 of section 2” shall be substituted; and

vii) sub-article (aaa) shall be omitted.

3) In Article 13 for the words “the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001”, the words “the Companies (Share Capital and Debentures) Rules, 2014” shall be substituted.

4) In Article 40 (w) for the words “listing agreement”, the words “Listing Regulations” shall be substituted.

5) In Article 41 for the words “listing agreement”, the words “Listing Regulations” shall be substituted.

6) In Article 44 for the words “Article 42”, the words “Article 41” shall be substituted.

7) In Article 46 for the words “Clause 49 of the listing agreement”, the words “Listing Regulations” shall be substituted.

8) In Article 50 (a) for the words “listing agreement”, the words “Listing Regulations” shall be substituted.

9) In Article 53 for the words “Article 42”, the words “Article 41” shall be substituted.

10) For Article 54, the following Article shall be substituted, namely:—

**“54. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR**

*a) At every Annual General Meeting of the Company, one third of such of the Directors as are liable to retire by rotation in accordance with section 152 of the Act (excluding Independent Directors), or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re- election.*

*b) The Directors to retire by rotation shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.”*

11) In Article 56 for the words “Article 42”, the words “Article 41” shall be substituted.

12) In Article 61 for the words “listing agreement”, the words “Listing Regulations” shall be substituted.

13) In Article 67 for the words “listing agreement”, the words “Listing Regulations” shall be substituted.

14) For Article 75, the following Article shall be substituted, namely:—

**“75. SEAL**

*a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.*

*b) The Common Seal of the Company shall not be used or affixed to any instrument except by the authority of the resolution of the Board or a committee of the Board authorised by it in this behalf and except in the presence of at least one person duly authorised by the Board or committee thereof and such person shall sign every instrument to which the seal of the Company is so affixed in his presence."*

Resolved further that the Board of the Company and the Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard including but not limited to filing of requisite application/ forms/ reports, etc. with the Ministry of Corporate Affairs or with such other authorities as may be required for the purpose of giving effect to this resolution."

By order of the Board of Directors

Place: Gurugram  
Date : October 30, 2018

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

## NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. **A member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy in order to be effective shall be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of the AGM.**

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

3. Corporate members intending to send their authorised representatives to attend the AGM are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the AGM.
4. The Register of Members and Share Transfer Books will remain closed from November 23, 2018 to November 29, 2018 (both days inclusive).
5. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during business hours on all working days, except Saturday/ Sunday and other public holidays, between 10:00 a.m. to 12:00 noon upto the date of the AGM.
6. The Annual Report for the financial year 2017-18 has been sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/Depository Participants. The Annual Report is also available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) in 'Investors' section. The physical copy of the Annual Report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/Depository Participant. The members will be entitled to a physical copy of the Annual report for the financial year 2017-18, without any cost, upon sending a request to the Company Secretary at registered office of the Company or by writing an email at [investors@spicejet.com](mailto:investors@spicejet.com) and mentioning their Registered Folio Number or Demat account number and Depository Participant (DP) ID number.

7. The Company is concerned about the environment and utilizes natural resources in a sustainable manner. We request you to update your email address with your Depository Participant to enable us to send you the Annual Report and other official communications by means of e-mail.
8. Members are requested to kindly bring their copy of the Annual Report with them at the AGM, as no extra copy of Annual Report would be made available at the AGM. Members/proxies should also bring the attached Attendance Slip, duly filled and hand it over at the entrance to the venue.
9. Members are requested to quote their Registered Folio Number or Demat account number and Depository Participant (DP) ID number on all correspondence with the Company.
10. Members who are holding shares in more than one folio are requested to intimate to the Company the detail of all folio numbers for consolidation into a single folio.
11. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
12. Members are requested to send to the Company their queries, if any, on accounts and operations of the Company at least seven days before the AGM so that the same could be suitably answered at the AGM.
13. In terms of Secretarial Standard - 2 issued by the Institute of Company Secretaries, route map for the location of the venue of the AGM is given hereunder and forms a part of this Notice.
14. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) read with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide remote e-voting facility through M/s. Karvy Computershare Private Limited ("**Karvy**"), for all members of the Company to enable them to cast their votes electronically on the items mentioned in this Notice. Detailed instructions for remote e-voting process are provided alongwith the user ID and password sent with this Notice. The Company has appointed Mr. Mahesh Gupta (CP No. 1999), Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company. Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date November 22, 2018, may cast their vote electronically.
15. 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 November 30, 2018. 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. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website i.e. [www.spicejet.com](http://www.spicejet.com) and on the website of Karvy and communicated to the Stock Exchange.
16. Poll will also be conducted at the AGM and any member who has not cast his vote through e-voting facility, may attend the AGM and cast his vote.
17. The Securities and Exchange Board of India vide Gazette notification dated June 8, 2018 has mandated that transfer of securities shall be carried out in dematerialised form only. The members may please be informed that effective December 5, 2018, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in the dematerialised form with a depository. Hence, members are requested to demat their physical holding for any further transfer.

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

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

### Item No. 3

Your Board of Directors in its meeting held on May 11, 2018 after considering the size of the Company, the present profile of Mr. Ajay Singh, the respective responsibilities shouldered to him, the industry benchmark and on the recommendation of the Nomination and Remuneration Committee, has modified the remuneration of Mr. Ajay Singh (DIN: 01360684), Managing Director of the Company for financial year 2017-2018 (i.e. April 1, 2017 to March 31, 2018) to ₹5,000,000 (Rupees Five Million only) per month as fixed pay (with such component as may be agreed and decided by the Board) and two percent of annual net profit of the Company payable upon completion of relevant financial year as variable pay, by removing any limit on variable pay component of his overall remuneration. In addition, Mr. Ajay Singh shall also be eligible for other benefits of employment as per Company's rules viz. company maintained car with driver, mobile expense reimbursement, provident fund, gratuity, personal accident insurance, medical insurance for self and dependents. The said modification in remuneration of Mr. Ajay Singh for financial year 2017-18 is subject to your approval by way of special resolution.

The directors recommend the resolution for your approval.

Except, Mr. Ajay Singh and Mrs. Shiwani Singh, none of the directors and key managerial personnel of the Company including their relatives are, in any way, concerned or interested in the said resolution.

This disclosure may also be read and treated as compliance with the requirements of Section 190 of the Companies Act, 2013.

### Item No. 4

Your Board of Directors in its meeting held on May 11, 2018 on the recommendation of the Nomination and Remuneration Committee re-appointed Mr. Ajay Singh as Managing Director of the Company for a period of five years with effect from May 21, 2018 at a remuneration of ₹6,000,000 (Rupees Six Million only) per month as fixed pay (with such component as may be agreed and decided by the Board) and two and a half percent of annual net profit of the Company payable upon completion of relevant financial year as variable pay effective April 1, 2018, subject to your approval by way of special resolution. In addition, Mr. Ajay Singh shall also be eligible for other benefits of employment as per Company's rules viz. company maintained car with driver, mobile expense reimbursement, provident fund, gratuity, personal accident insurance, medical insurance for self and dependents.

The directors recommend the resolution for your approval.

Except, Mr. Ajay Singh and Mrs. Shiwani Singh, none of the directors and key managerial personnel of the Company including their relatives are, in any way, concerned or interested in the said resolution.

This disclosure may also be read and treated as compliance with the requirements of Section 190 of the Companies Act, 2013.

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 Mr. Ajay Singh is provided hereinafter and forms a part of the Notice. Mr. Ajay Singh has also furnished the requisite consents /declarations for his re-appointment as Managing Director of the Company.

### Item No. 5

The Company has observed certain clerical error in the existing Articles of Association of the Company and also facing some practical difficulties while observing some of the articles viz. 'use of common seal'. In order to



overcome these practical difficulties, the Company has proposed to amend and alter some of the articles of the existing Articles of Association of the Company. In terms of Section 14 of Companies Act, 2013, alteration in the existing Articles of Association of the Company requires approval of members by way of special resolution.

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.

#### **ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF THE LISTING REGULATIONS AND SS-2**

<b>Name</b>	<b>Mr. Ajay Singh</b>
DIN	01360684
Date of Birth	December 29, 1965
Date of first Appointment on the Board of SpiceJet Limited	May 21, 2015 <sup>#</sup>
Qualification	B. Tech from IIT, Delhi M.B.A. from Cornell University LL.B. from University of Delhi
Brief resume and experience	Mr. Ajay Singh is a first generation entrepreneur. He has extensive experience in the information technology and airline operations having successfully contributed to the launch of the Company during the year 2005.  Previously, Mr. Singh has served in government as Advisor to the Ministry of Communication and Information Technology and the Ministry of Information and Broadcasting. He has also served on the Board of the Delhi Transport Corporation. He was appointed as Managing Director of the Company on May 21, 2015. Through his extensive and rich experience, he successfully turnaround the Company by undertaking and implementing various measures in revenue and cost management, customer retention and employee welfare.
Directorship in other companies	Intel Constructions Pvt. Ltd., Crosslink Finlease Pvt. Ltd., One City Promoters Pvt. Ltd., Greenline Transit System Pvt. Ltd., Star Bus Services Pvt. Ltd., I2N Technologies Pvt. Ltd., Greenline Communication Pvt. Ltd., Indiverse Broadband Pvt. Ltd., Smartnagar Digital Ventures Pvt. Ltd., Smartnagar Broadband Networks Pvt. Ltd., Pan India Motors Pvt. Ltd., SpiceJet Merchandise Pvt. Ltd., SpiceJet Technic Pvt. Ltd., Carvin Real Estate Pvt. Ltd. and Spice Fresh Pvt. Ltd.
Chairperson/Member of the Committee of the Board of Directors of SpiceJet Limited	<ul style="list-style-type: none"> <li>Nomination and Remuneration Committee - Member</li> <li>Corporate Social Responsibility Committee - Member</li> <li>Stakeholders Relationship Committee - Member</li> </ul>
Chairperson/Member of the Committee of other companies in which he is a Director	Nil
Shareholding in the company (equity shares of Rs.10 each)	304,443,450
No. of Board meetings attended during the year 2017-18	6 (Six)
Relationship with directors and Key Managerial Personnel	Mr. Ajay Singh is relative (Husband) of Mrs. Shiwani Singh, Director of the Company
Remuneration to be paid	₹ 6,000,000 per month as fixed pay and 2.5% of annual net profit of the Company payable upon completion of relevant financial year. Please see resolution no. 5 for further details.
Remuneration last drawn	₹ 147.36 million during financial year 2017-18

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

# BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 34<sup>th</sup> Annual Report together with the Audited Financial Statements of your Company for the year ended March 31, 2018.

## 1. FINANCIAL STATEMENTS AND RESULTS

The Company's performance during the year ended March 31, 2018 compared to the previous financial year, is summarised below:

(Amount in ₹ million)

Particulars	Standalone		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>TOTAL REVENUE</b>	<b>78,793.66</b>	<b>62,714.00</b>	<b>78,838.09</b>	<b>62,714.96</b>
<b>Expenses</b>				
Operating Expenses	55,565.55	44,325.13	55,565.55	44,325.17
Cost of inventory consumed	-	-	32.11	0.26
Employee Benefit Expenses	8,625.67	6,735.40	8,616.92	6,738.23
Selling Expenses	2,216.60	2,092.90	2,226.36	2,097.79
Other Expenses	4,015.84	3,326.42	4,085.83	3,347.27
<b>Earnings before interest, tax, depreciation and amortization</b>	<b>8,370.00</b>	<b>6,234.15</b>	<b>8,311.32</b>	<b>6,206.24</b>
Depreciation and amortisation expense	(2,312.01)	(1,986.05)	(2,313.18)	(1,986.14)
Interest income on bank deposits	530.42	324.04	497.22	316.96
Finance Cost	(921.90)	(650.40)	(923.30)	(650.40)
<b>Profit/ (Loss) before taxation and extraordinary items</b>	<b>5,666.51</b>	<b>3,921.74</b>	<b>5,572.06</b>	<b>3,886.66</b>
Tax Expenses	-	-	-	-
Extraordinary items	-	385.54	-	385.54
Profit/ (Loss) after taxation	<b>5,666.51</b>	<b>4,307.28</b>	<b>5,572.06</b>	<b>4,272.20</b>
<b>Profit/ (Loss) brought Forward</b>	<b>(22,031.51)</b>	<b>(26,317.57)</b>	<b>(22,066.59)</b>	<b>(26,317.57)</b>
Depreciation expense adjusted against reserves	-	-	-	-
Profit/ (Loss) for the year	5,666.51	4,307.28	5,572.06	4,272.20
Other comprehensive income	2.34	(21.22)	2.34	(21.22)
<b>Amount transferred to Balance Sheet</b>	<b>(16,362.66)</b>	<b>(22,031.51)</b>	<b>(16,492.19)</b>	<b>(22,066.59)</b>

## 2. STATE OF AFFAIRS OF THE COMPANY AND MATERIAL DEVELOPMENT

The Company has recorded another steady year of growth and profitability, despite performing in a highly competitive environment in the aviation sector. Your Company has added 36 new routes during the year under review.

The Company's total income on standalone basis is ₹ 78,793.66 compared to previous year's ₹ 62,714.00 registering a steady growth of 25.64 % on a year over year basis. The Company has earned standalone net profit of ₹ 5,666.51.

The Company completed its thirteenth year of operation on May 23, 2018 wherein it continued to focus on consolidating its operations on key routes. As at the end of the financial year the Company maintained a fleet size to 60 aircraft with which it operated approximately 410 flights per day covering 45 domestic and 7 international destinations. The Company has been awarded as India's 'Best Domestic Airline' at the prestigious Wings India Awards for Excellence in the Aviation Sector organised by the Ministry of Civil Aviation, Government of India and FICCI in March, 2018.

There was no change in nature of the business of the Company, during the year under review.

The Company has signed an agreement with CFM International for purchase of LEAP-1B engines to power a total of 155 Boeing 737 MAX airplanes, along with spare engines to support the fleet. The Company has also signed a ten year Rate per Flight Hour (RPFH) agreement with CFM Services that covers all LEAP-1B engines powering 737 MAX airplanes.

Your Company has been awarded 17 proposals and 20 new sectors under the second round of bidding for the Government of India's Regional Connectivity Scheme. Out of these 20, 15 will cater to unserved markets of Kannur (Kerala), Darbhanga (Bihar), Ozar (Nashik), Pakyong (Sikkim), Kishangarh (Rajasthan), Lilabari (Assam), Thanjavur (Tamil Nadu), Bokaro (Jharkhand) and Solapur (Maharashtra) whereas 5 will be for underserved markets of Hubli (Karnataka) and Jaisalmer (Rajasthan). The Company is the largest and most organised regional player in the country with a fleet of 24 Bombardier Q400 aircraft.

During October 2018, the Company inducted first Boeing 737 MAX aircraft which is a major milestone in Company's turnaround. These new aircraft will enable the Company to open new routes, while reducing fuel and engineering costs, as well as emissions. The 737 MAX aircraft will dramatically reduce noise pollution and greenhouse gas emissions. Passengers will benefit from a large number of premium seats and, for the first time in India, broadband internet on board.

Members are also requested to refer to Section 3 (Developments at SpiceJet) of Management Discussion and Analysis.

#### *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 obtained), to be adjusted at the time those securities were to be issued. Pursuant to the legal proceedings in this regard before the Hon'ble High Court of Delhi ("**Court**") between the erstwhile promoters, the present promoter and the Company, the Company was required to secure an amount of ₹ 3,290.9 million through a bank guarantee in favour of the Registrar General of the Court ("**Registrar**") and to deposit the balance amount of ₹ 2,500.0 million with the Registrar. The Company has complied with these requirements as at March 31, 2018.

The parties to the aforementioned litigation concurrently initiated arbitration proceedings before a three member arbitral tribunal (the "**Tribunal**"), and the Tribunal pronounced its final award on July 20, 2018 (the "**Award**"). The management is examining the various aspects of the Award, including the manner, timing and other related matters, and other options available to the Company. In terms of the Award, the Company is required to (a) refund an amount of approximately ₹ 3,082.2 million to the counterparty, (b) explore the possibility of allotting non-convertible cumulative redeemable preference shares in respect of approximately ₹ 2,708.7 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be ₹ 924.7 million (being interest on the amount stated under (a) above, in terms of the Award). Further, the Tribunal has also allowed the counter claim of ₹ 290 million in favour of the Company in addition to adjusting the amount of ₹ 1,000 million not brought in by the erstwhile promoters.

### **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 laid down in Section 149(6) of the Companies Act, 2013.
- c) Mr. R. Sasiprabhu (Independent Director) has resigned from the directorship of the Company with effect from May 9, 2018.

### **4. DIVIDEND**

The Board of Directors have not recommended any dividend for the financial year 2017-18. The Dividend Distribution Policy of the Company, as approved by the Board of Directors of the Company, is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) in 'Investors' section.

### **5. TRANSFER TO RESERVES**

The Company has made no transfers to reserves during the financial year 2017-18.

### **6. PUBLIC DEPOSITS**

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

### **7. 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.

### **8. PARTICULARS OF CONTRACTS OR ARRANGEMENT MADE WITH RELATED PARTIES**

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.

No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover of the Company as per the last audited financial statements, 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.

### **9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

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, 2018, the Company has made an investment of ₹ 0.10 million each in equity shares of its wholly owned subsidiaries namely SpiceJet Merchandise Private Limited, SpiceJet Technic Private Limited and Canvin Real Estate Private Limited; and
- b) As on March 31, 2018, the Company has an investment of ₹ 0.24 million in class B-shares of Aeronautical Radio of Thailand Limited to become member airline for availing advantageous rate on air navigation charges in Thailand.

As on March 31, 2018, the Company has also provided loan of (a) ₹ 249.44 million to SpiceJet Merchandise Private Limited, (b) ₹ 12.20 million to SpiceJet Technic Private Limited, and (c) ₹ 236.00 million to Canvin Real Estate Private Limited. Members may refer note 47 of the standalone financial statement of the Company for financial year ended March 31, 2018 for more details.

## 10. SUBSIDIARIES

As on date of this report following are the subsidiaries of the Company:

- a) SpiceJet Merchandise Private Limited which is engaged in the business of consumer merchandise and goods that includes electronic items, readymade apparels, accessories etc. through various channels;
- b) SpiceJet Technic Private Limited which is engaged in engineering related service; and
- c) Canvin Real Estate Private Limited which is engaged in real estate business.

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

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

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.

## 11. NUMBER OF MEETINGS OF THE BOARD

During the financial year ended March 31, 2018, six (6) board meeting (including adjourned 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.

## 12. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the Audited Financial Statements of the Company for year ended March 31, 2018, 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.

## 13. CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Report alongwith Practicing Company Secretary's Certificate regarding compliance of conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 forms an integral part of this Report.

#### 14. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion and Analysis in terms of the provisions of Regulation 34 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 is provided as a separate chapter in the Annual Report.

#### 15. PARTICULARS OF EMPLOYEES

We believe in building and sustaining a strong culture of positive working relationships between employees and recognize that the success of the Company is deeply embedded in the success of its human capital. The Company had 8,447 employees as on March 31, 2018 (previous year 6,902).

Information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the aforesaid information, is being sent to the members of the Company and others entitled thereto. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid information is also available for inspection at the Registered Office of the Company during working hours, up to the date of the Annual General Meeting.

#### 16. EMPLOYEES STOCK OPTION SCHEME

Scheme of 2017:

The Company has formulated SpiceJet Employee Stock Option Scheme - 2017 for the purpose of administering the issue of stock options to its eligible employees including that of its subsidiary companies. During the financial year ended March 31, 2018, the members of the Company approved the issuance of ten million stock options representing ten million equity shares of ₹ 10 each under this scheme at 33<sup>rd</sup> Annual General Meeting held on November 27, 2017.

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

Scheme of 2007:

The Company also had an Employee Stock Option Scheme - 2007 that provided for grant of stock options to qualifying employees under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. This scheme expired on September 11, 2016 which was the last date for exercise of options vested to the employees. All the unexercised options have been forfeited in this financial year.

#### 17. STATUTORY AUDITORS

- a) The Statutory Auditors of the Company, M/s S.R. Batliboi & Associates LLP, Chartered Accountants, was appointed by members of the Company at its Annual General Meeting held on December 26, 2016 to hold office till the conclusion of 36<sup>th</sup> Annual General Meeting of the Company subject to ratification of the appointment by the members of the Company at every Annual General Meeting. However, the Companies (Amendment) Act, 2017 read with notification dated May 7, 2018, issued by the Ministry of Corporate Affairs, has removed the requirement of ratification of the appointment Statutory Auditors at every Annual General Meeting by the members of the Company.
- b) In accordance with Section 134(3)(f) of the Companies Act, 2013, information and explanations to various comments made by the Auditors in their Report to the members are mentioned in the Notes to the Accounts, which form part of the Balance Sheet for the year ended March 31, 2018.

#### 18. SECRETARIAL AUDIT

- 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, 2018. The Report of the Secretarial Auditor is annexed as "Annexure – C" to this Report.

- b) 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: 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.

## 19. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, the Board of Directors of the Company has adopted a Corporate Social Responsibility ("**CSR**") Policy which is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) in 'Investors' section. The objective of this 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.

The Company also have a CSR Committee of its Board of Directors comprising of Dr. Harsha Vardhana Singh as Chairman 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.

The Company has just embarked on the journey of having average net profit for last three financial year and therefore this is the first financial year wherein the Company is required to contribute towards CSR activities. Working in close harmony and partnering with various organisations who have done phenomenal work in this field, we undertook several initiatives during the year underlying our commitment of helping out in every way we could. As per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, annual report on CSR activities is attached as "Annexure – D" and forms an integral part of this Report.

Detailed particulars of our CSR activities are given under Principle 8 of Business Responsibility Report for financial year ended March 31, 2018 attached herewith as "Annexure – E".

## 20. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

Further, the Company successfully operated its Bombardier Q400 aircraft powered by BioJet Fuel and intends to explore operations using a blend of 75% of aviation turbine fuel (ATF) and 25% of BioJet fuel, which has the potential of reducing carbon footprint by 15%. The airline has also initiated new food packaging which will go a long way in reducing the dependence on plastic and therefore will promote a culture of recycling. Strategic use of trays will be used in place of the current packaging. These trays are reusable and also recyclable, which makes them extremely environment friendly.

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.

## 21. GREEN INITIATIVES

The electronic copies of the Annual Report 2017-18 are sent to all members of the Company whose email address are registered with the Company/Depository Participant(s). For members who have not registered their email address, physical copies are sent in the permitted mode. To support this 'Green Initiative' and

to receive all communications of the Company on email, members are requested to register their email addresses with M/s. Karvy Computershare 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.

## **22. BUSINESS RESPONSIBILITY REPORT**

Business Responsibility Report for financial year ended March 31, 2018 as per Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dealing with the various initiatives taken by your Company on the environmental, social and governance front forms an integral part of this Report and annexed as "Annexure – E".

## **23. POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has a Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Policy in line with the requirements of the Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the financial year 2017-18, eight complaints were received and disposed of under the Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013.

## **24. FOREIGN EXCHANGE EARNINGS & OUTGO**

The details of Foreign Exchange earnings and outgo for the financial year ended March 31, 2018 are set out below:

Particulars	Amount (₹ in millions)
Foreign Exchange Earnings	5,942
Foreign Exchange Outgo	24,958

## **25. RISK MANAGEMENT POLICY AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has laid down procedures to inform Board members about risk assessment and minimization procedures with regard to safety of its operations. These procedures are periodically reviewed to ensure that executive management is controlling risks through properly defined framework.

The system of risk assessment and follow-up procedure is in place and considering its increased operations the Company continues to reassess its risk management plan.

## **26. ACKNOWLEDGEMENT**

Your Directors take this opportunity to express their deep and sincere gratitude to the customers of the Company for their confidence and patronage, as well as to the Directorate General of Civil Aviation, the Government of India, particularly the Ministry of Civil Aviation and other Regulatory Authorities for their cooperation, support and guidance. Your Directors would like to express a deep sense of appreciation for the commitment shown by the employees in supporting the Company in its continued robust performance on all fronts. The Directors would also like to thank all our valued partners, vendors and stakeholders who have played a significant role in the continued business excellence achieved by the Company.

For and on behalf of the Board

Sd/-

Ajay Singh

Chairman & Managing Director

Place: Gurugram  
Date : October 30, 2018

## ANNEXURE- A

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

for financial year ended on March 31, 2018

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

## I. REGISTRATION AND OTHER DETAILS:

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

## II. 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	94.04%

## III. 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 <sup>1</sup>	U70109DL2017PTC326068	Subsidiary	100%	Section 2(87)

<sup>1</sup>Effective November 16, 2017

#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### i) Category-wise Share Holding

Category Code	Category of Shareholders	No. of shares held at the beginning of the year (As on March 31, 2017)				No. of shares held at the end of the year (As on March 31, 2018)				% 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	361,173,124	-	361,173,124	60.25	359,834,068	-	359,834,068	60.03	(0.22)
	(b) Central Government	-	-	-	-	-	-	-	-	-
	(c) State Government(s)	-	-	-	-	-	-	-	-	-
	(d) Bodies Corporate	-	-	-	-	-	-	-	-	-
	(e) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
	(f) Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (1)</b>	<b>361,173,124</b>	<b>-</b>	<b>361,173,124</b>	<b>60.25</b>	<b>359,834,068</b>	<b>-</b>	<b>359,834,068</b>	<b>60.03</b>	<b>(0.22)</b>
(2)	Foreign									
	(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
	(b) Other - Individuals	-	-	-	-	-	-	-	-	-
	(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
	(d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
	(e) Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of Promoter (A) = (A)</b>	<b>361,173,124</b>	<b>-</b>	<b>361,173,124</b>	<b>60.25</b>	<b>359,834,068</b>	<b>-</b>	<b>359,834,068</b>	<b>60.03</b>	<b>(0.22)</b>
(1)+(A)(2)										
(B)	Public Shareholding									
(1)	Institutions									
	(a) Mutual Funds	21,768,152	37,000	21,805,152	3.64	31,227,588	37,000	31,264,588	5.22	1.58
	(b) Banks / Financial Institutions	-	-	-	-	9,673	-	9,673	0.00	0.00
	(c) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
	(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(e) Insurance Companies	-	-	-	-	-	-	-	-	-
	(f) Foreign Institutional Investors	26,412,328	109,000	26,521,328	4.42	38,923,190	109,000	39,032,190	6.51	2.09
	(g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(h) Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1)</b>	<b>48,180,480</b>	<b>146,000</b>	<b>48,326,480</b>	<b>8.06</b>	<b>70,160,451</b>	<b>146,000</b>	<b>703,06,451</b>	<b>11.73</b>	<b>3.67</b>

Category Code	Category of Shareholders	No. of shares held at the beginning of the year (As on March 31, 2017)				No. of shares held at the end of the year (As on March 31, 2018)				% 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)
(2)	Non-Institutions	24,298,097	6,283,772	30,581,869	5.10	22,814,011	4,124,172	26,938,183	4.49	(0.61)
	(a) Bodies Corporate									
	(b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	65,820,363	2,333,364	68,153,727	11.37	57,697,869	2,277,645	59,975,514	10.01	(1.36)
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	77,171,962	76,900	77,248,862	12.89	71,083,064	55,100	71,138,164	11.87	(1.02)
	(c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	(d) Others (specify)									
	i) Trusts	6,301	0	6,301	0.00	729,938	-	729,938	0.12	0.12
	ii) Non-Resident Indians	9,122,580	507,500	9,630,080	1.61	6,592,038	503,300	7,095,338	1.18	(0.42)
	iii) Non-Resident Indians-Repatriation	1,696,412	0	1,696,412	0.28	1,692,247	-	1,692,247	0.28	0.00
	iv) Clearing Members	2,625,328	-	2,625,328	0.44	1,735,280	-	1,735,280	0.29	(0.15)
	v) Directors	8,000	-	8,000	0.00	5,000	-	5,000	0.00	0.00
	Sub-total (B) (2)	180,749,043	9,201,536	189,950,579	31.69	162,349,447	6,960,217	169,309,664	28.24	(3.44)
	Total Public Shareholding (B) = (B)(1)+(B)(2)	228,929,523	9,347,536	238,277,059	39.75	232,509,898	7,106,217	239,616,115	39.97	0.22
	Total (A+B)	590,102,647	9,347,536	599,450,183	100.00	592,343,966	7,106,217	599,450,183	100.00	0.00
	(C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	590,102,647	9,347,536	599,450,183	100.00	592,343,966	7,106,217	599,450,183	100.00	0.00

## ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on March 31, 2017)			Shareholding at the end of the year (As on March 31, 2018)			% 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	354,443,450	59.13	20.13	304,443,450	50.79	20.26	(8.34)
2.	Ajay Singh (HUF)	2,961,838	0.49	0.00	52,961,838	8.84	0.00	8.34
3.	Kalpna Singh	3,767,836	0.63	0.00	2,428,780	0.41	0.07	(0.22)

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

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Ajay Singh</b>				
At the beginning of the year	354,443,450	59.13		
Transactions (transfer) from April 1, 2017 to March 31, 2018	(50,000,000)	(8.34)	304,443,450	50.79
At the end of the year			304,443,450	50.79
<b>Ajay Singh (HUF)</b>				
At the beginning of the year	2,961,838	0.49		
Transactions (transfer) from April 1, 2017 to March 31, 2018	50,000,000	8.34	52,961,838	8.84
At the end of the year			52,961,838	8.84
<b>Kalpna Singh</b>				
At the beginning of the year	3,767,836	0.63		
Transactions (purchase/sale) from April 1, 2017 to March 31, 2018	(1,339,056)	(0.22)	2,428,780	0.41
At the end of the year			2,428,780	0.41

**iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)<sup>2</sup>**

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Reliance Capital Trustee Company Limited A/c Reliance Growth Fund				
	At the beginning of the year	6,155,382	1.03		
	Transactions (purchase/sale) from April 1, 2017 to March 31, 2018	7,217,470	1.20	13,372,852	2.23
	At the end of the year			13,372,852	2.23
2.	Meenakshi Bhargava				
	At the beginning of the year	2,884,000	0.48		
	Transactions (purchase/sale) from April 1, 2017 to March 31, 2018	9,699,991	1.62	12,583,991	2.10
	At the end of the year			12,583,991	2.10
3.	National Westminster Bank PLC as Trustee of the Jupiter India Fund				
	At the beginning of the year	8,751,419	1.46		
	Transactions (purchase/sale) from April 1, 2017 to March 31, 2018	613,679	0.10	9,365,098	1.56
	At the end of the year			9,365,098	1.56



S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>4.</b>	<b>ICICI Prudential Exports and other Services Fund</b>				
	At the beginning of the year	7,179,645	1.20		
	Transactions (purchase/sale) from April 1, 2017 to March 31, 2018	(609,149)	(0.10)	6,570,496	1.10
	At the end of the year			6,570,496	1.10
<b>5.</b>	<b>Vijay Bhargava</b>				
	At the beginning of the year	766,000	0.13		
	Transactions (purchase/sale) from April 1, 2017 to March 31, 2018	3,040,909	0.51	3,806,909	0.64
	At the end of the year			3,806,909	0.64
<b>6.</b>	<b>DSP Blackrock Equity Opportunities Fund</b>				
	At the beginning of the year	0	0.00		
	Transactions (purchase/sale) from April 1, 2017 to March 31, 2018	3,580,324	0.60	3,580,324	0.60
	At the end of the year			3,580,324	0.60
<b>7.</b>	<b>Rams Equities Portfolio Fund-India Equities Portfolio Fund</b>				
	At the beginning of the year	0	0.00		
	Transactions (purchase/sale) from April 1, 2017 to March 31, 2018	3,527,155	0.59	3,527,155	0.59
	At the end of the year			3,527,155	0.59
<b>8.</b>	<b>Dolly Khanna</b>				
	At the beginning of the year	3,798,535	0.63		
	Transactions (purchase/sale) from April 1, 2017 to March 31, 2018	(551,867)	(0.09)	3,246,668	0.54
	At the end of the year			3,246,668	0.54
<b>9.</b>	<b>Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Pure Value Fund</b>				
	At the beginning of the year	3,695,000	0.62		
	Transactions (purchase/sale) from April 1, 2017 to March 31, 2018	(525,700)	(0.09)	3,169,300	0.53
	At the end of the year			3,169,300	0.53
<b>10.</b>	<b>Paradise Credits P. Ltd.</b>				
	At the beginning of the year	3,164,900	0.53		
	Transactions (purchase/sale) from April 1, 2017 to March 31, 2018	0	0.00	3,164,900	0.53
	At the end of the year			3,164,900	0.53

<sup>2</sup>Top ten Shareholders as on March 31, 2018.

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

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Mr. R. Sasiprabhu – Director<sup>3</sup></b>				
At the beginning of the year	8,000	0.00		
Transactions (purchase/sale) from April 1, 2017 to March 31, 2018	(3,000)	(0.00)	5,000	0.00
At the end of the year			5,000	0.00
<b>Kiran Koteswar – CFO</b>				
At the beginning of the year	2,300	0.00		
Transactions (purchase/sale) from April 1, 2017 to March 31, 2018	(1,000)	(0.00)	1,300	0.00
At the end of the year			1,300	0.00
<b>Chandan Sand – Company Secretary</b>				
At the beginning of the year	200	0.00		
Transactions (purchase/sale) from April 1, 2017 to March 31, 2018	0	0.00	200	0.00
At the end of the year			200	0.00

<sup>3</sup>Resigned effective May 9, 2018.

No Director or Key Managerial Personnel other than mentioned hereinabove hold any shares in the Company during the financial year 2017-18.

#### V. INDEBTEDNESS<sup>4</sup>:

(Amount in ₹ millions)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	2,482.62	9,021.93	50.00	11,554.55
ii) Interest due but not paid	11.83	-	-	11.83
iii) Interest accrued but not due	-	19.79	-	19.79
<b>Total (i+ii+iii)</b>	<b>2,494.45</b>	<b>9,041.72</b>	<b>50.00</b>	<b>11,586.17</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	12,873.11	300.68	-	12,585.67
Reduction	(10,082.36)	(1,545.68)	(50.00)	(11,089.92)
<b>Net Change</b>	<b>2,790.75</b>	<b>(1,245.00)</b>	<b>(50.00)</b>	<b>1,495.75</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,246.17	7,780.75	-	13,026.92
ii) Interest due but not paid	39.03	-	-	39.03
iii) Interest accrued but not due	-	15.97	-	15.97
<b>Total (i+ii+iii)</b>	<b>5,285.20</b>	<b>7,796.72</b>	<b>0.00</b>	<b>13,081.92</b>

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹ millions)

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	147.36	147.36
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
	Others, please specify	-	-
<b>Total</b>		<b>147.36</b>	<b>147.36</b>

**Ceiling as per the Act**

As per Schedule V of the Companies Act, 2013

### B. Remuneration to other directors:

(Amount in ₹ millions)

Particulars of Remuneration	Fee for attending Board/ Committee Meetings <sup>5</sup>	Commission	Others, please specify	Total Amount
<b>Independent Directors</b>				
R. Sasiprabhu	0.34	-	-	0.34
Anurag Bhargava	0.26	-	-	0.26
Harsha Vardhana Singh	0.35	-	-	0.35
Total (1)	0.95	-	-	0.95
<b>Other Non-Executive Directors</b>				
Shiwani Singh	0.10	-	-	0.10
Total (2)	0.10	-	-	0.10
<b>Total</b>	<b>1.05</b>	<b>-</b>	<b>-</b>	<b>1.05</b>

<sup>5</sup>The outstanding fees for attending board meeting (if any) for previous financial years were paid in current financial year 2017-18. Further, effective board meeting held on November 13, 2017, the sitting fees of non-executive director has been increased to rupees one lakh per board meeting.

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹ millions)

Particulars of Remuneration	Key Managerial Personnel			
	CEO	Company Secretary	CFO	Total
Gross salary				
a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	10.51	15.01	25.52
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-			
(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-			
Stock Option	-			
Sweat Equity	-			
Commission				
- as % of profit	-			
- others, specify	-			
Others, please specify	-			
<b>Total</b>	<b>-</b>	<b>10.51</b>	<b>15.01</b>	<b>25.52</b>

**VII. 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
<b>Date of Incorporation</b>	July 18, 2016	October 5, 2016	November 16, 2017
<b>Reporting period</b>	March 31, 2018	March 31, 2018	March 31, 2018
<b>Reporting Currency</b>	INR	INR	INR
<b>Share Capital</b>	0.10	0.10	0.10
<b>Reserve and surplus</b>	(100.84)	(9.77)	(20.01)
<b>Total assets</b>	213.29	2.82	222.86
<b>Total liabilities</b>	314.03	12.49	242.76
<b>Investments</b>	0.00	0.00	0.00
<b>Turnover</b>	74.28	0.00	0.00
<b>Profit before taxation</b>	(65.61)	(9.74)	(20.01)
<b>Provision for taxation</b>	0.00	0.00	0.00
<b>Profit after taxation</b>	(65.61)	(9.74)	(20.01)
<b>Proposed Dividend</b>	-	-	-
<b>Percentage of shareholding</b>	100	100	100

**Secretarial Audit Report**  
**for financial year ended on March 31, 2018**

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 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, 2009 - **Nil**<sup>#</sup>
  - d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Nil**<sup>#</sup>
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Nil**<sup>#</sup>
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Nil**<sup>#</sup>
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Nil**<sup>#</sup>

*<sup>#</sup>No event took place under these regulations during the financial year under review.*

- (vi) The Company is engaged in the business of scheduled air transport services. The management has identified and confirmed the following laws as being specifically applicable to the Company:
  - The Aircraft Act, 1934 and Rules made thereunder;

- The Aircraft (Carriage of Dangerous Goods) Rules, 2003;
- The Carriage by Air Act, 1972;
- The Regulations, Circulars, Requirements, Orders, Notifications, issued by Ministry of Civil Aviation, Bureau of Civil Aviation Security and the Directorate General of Civil Aviation.

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

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

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

1. There were few instances of delay in filing with the Registrar of Companies and stock exchange under the Act and the Listing Regulations respectively which were regularised by payment of additional fee and/or penalty.
2. As reported in the Secretarial Audit Report for financial year ended on March 31, 2017, the Company had in earlier financial years, received amounts aggregating ₹ 5,790.9 million from Mr. Kalanithi Maran and Kal Airways Private Limited as advance money towards proposed allotment of certain securities (189,091,378 share warrants and 3,750,000 non-convertible cumulative redeemable preference shares, issuable based on approvals obtained), to be adjusted at the time those securities were to be issued. In this regard, we also draw your attention to note 44 to the financial statements of the Company for financial year ended March 31, 2018.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However, consequent upon resignation of Mr. R. Sasiprabhu (Independent Director) with effect from May 9, 2018, the Nomination and Remuneration Committee has been stands dissolved. The Company is in process of filing-up the casual vacancy due to resignation of Mr. R. Sasiprabhu, subject to security clearance from Ministry of Civil Aviation, Government of India.

Adequate notice is given to all Directors to schedule the Board Meetings and Committee Meetings except notice of Audit Committee held on November 13, 2017 to one of the Independent Director due to accidental omission (nevertheless, the meeting was attended by that Independent Director). Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that the Company in its 33<sup>rd</sup> Annual General Meeting held on November 27, 2017 has approved ‘SpiceJet Employee Stock Option Scheme - 2017’ and grant of ten million stock options to the employees of the Company and employees of subsidiary or holding company(ies).

For Mahesh Gupta & Company  
Company Secretaries

Sd/-

Mahesh Kumar Gupta  
Proprietor  
FCS 2870::CP 1999

Date : October 30, 2018  
Place : New Delhi

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



## APPENDIX - I

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

Our Secretarial Audit Report for the financial year ended March 31, 2018 is to be read along with this Appendix - I.

- 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: October 30, 2018  
Place: New Delhi

**Annual Report on Corporate Social Responsibility Activities**

S. No.	Particulars	Details												
1.	Brief outline of the Corporate Social Responsibility (CSR) Policy	<p>The Board of Directors of the Company has adopted the CSR Policy of the Company which is available on the website of the Company at <a href="http://www.spicejet.com">www.spicejet.com</a> in 'Investors' section.</p> <p>The objective of CSR Policy is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India's economic progress. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society. The aim is to identify critical areas of development that require investments and intervention, and which can help to realise India's potential for growth and prosperity.</p>												
2.	The Composition of the CSR Committee	<table> <tr> <th>S. No.</th><th>Name &amp; Designation</th><th>Status</th></tr> <tr> <td>(a)</td><td>Dr. Harsha Vardhana Singh (Independent Director)</td><td>Chairman</td></tr> <tr> <td>(b)</td><td>Mr. Ajay Singh (Managing Director)</td><td>Member</td></tr> <tr> <td>(c)</td><td>Mrs. Shiwani Singh (Non- Independent Director)</td><td>Member</td></tr> </table>	S. No.	Name & Designation	Status	(a)	Dr. Harsha Vardhana Singh (Independent Director)	Chairman	(b)	Mr. Ajay Singh (Managing Director)	Member	(c)	Mrs. Shiwani Singh (Non- Independent Director)	Member
S. No.	Name & Designation	Status												
(a)	Dr. Harsha Vardhana Singh (Independent Director)	Chairman												
(b)	Mr. Ajay Singh (Managing Director)	Member												
(c)	Mrs. Shiwani Singh (Non- Independent Director)	Member												
3.	Financial Details	<p>Average net profit of the Company for last three financial year : ₹ 1,077.55 million</p> <p>Prescribed CSR Expenditure (2% of the average net profit) : ₹ 21.55 million</p>												
4.	Details of CSR spent during the financial year ended March 31, 2018	<p>(a) Total amount to be spent for the financial year: ₹ 21.55 million.</p> <p>(b) Amount unspent, if any: ₹ 18.44</p> <p>(c) Manner in which amount spent during the financial year is annex as appendix to this report.</p>												
5.	In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its board report	<p>We considers social responsibility as an integral part of our business activities and endeavors to utilise allocable CSR budget for the benefit of society. However, the Company has just embarked on the journey of profitable financial year with substantial accumulated losses still continuing from previous years and for this reason, during the financial year ended March 31, 2018, the Company's spent on the CSR activities has been less than the limits prescribed under Companies Act, 2013.</p> <p>The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory requirements.</p>												
6.	A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company	<p>We hereby affirm that the CSR Policy, as approved by the Board of Directors, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.</p>												

Sd/-  
Ajay Singh  
Chairman & Managing Director

Sd/-  
Harsha Vardhana Singh  
Chairman of CSR Committee

### Appendix to the CSR Annual Report

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

(Amount in ₹ millions)

S. No.	CSR project or activity identified	Sector in which the project is covered	Location of project (District & State)	Amount Outlay	Amount Spent on the projects or programs	Cumulative expenditure till the reporting period	Amount spent through direct or through implementing agency
1.	Sapna Shikshalaya - a primary school for underprivileged girls	Education	Alwar, Rajasthan	1.16	1.16	1.16	Sapna NGO
2.	Anandam - a home for sick and destitute	Activity for Orphan/Poor	Noida, U.P.	1.25	1.25	1.25	Sapna NGO
3.	Solar electrification	Rural development	Majuli, Assam	0.50	0.50	0.50	Direct
4.	Activity for slum dwellers	Slum Area Development		0.20	0.20	0.20	Keto Foundation
<b>Total</b>				<b>3.11</b>	<b>3.11</b>	<b>3.11</b>	

## BUSINESS RESPONSIBILITY REPORT

The Board of Directors of your Company present the Business Responsibility Report of the Company for the financial year ended on March 31, 2018, pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Business Responsibility Report follows the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, as notified by the Ministry of Corporate Affairs (MCA), Government of India.

### Section A: General Information

1. Corporate Identity Number (CIN) of the Company	L51909DL1984PLC288239
2. Name of the Company	SpiceJet Limited
3. Registered address	Indira Gandhi International Airport, Terminal 1D, New Delhi - 110037
4. Website	www.spicejet.com
5. E-mail ID	investors@spicejet.com
6. Financial year reported	April 1, 2017 to March 31, 2018
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	
(a) No. of International Locations (Provide details of major 5)	<a href="http://www.spicejet.com/Airports.aspx">http://www.spicejet.com/Airports.aspx</a>
(b) No. of National Locations	<a href="http://www.spicejet.com/Airports.aspx">http://www.spicejet.com/Airports.aspx</a>
10. Markets served by the Company	The Company have national and international presence

### Section B: Financial Details

1. Paid up Capital	₹ 5,994.50 millions
2. Total Turnover	₹ 78,793.66 millions
3. Total profit after taxes	₹ 5,666.51 millions
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.06% (₹3.11 million)
5. List of activities in which expenditure in 4 above has been incurred	Education, activity for orphan, rural development, slum area development etc.

### Section C: Other Details

1. Does the Company have any subsidiary company(s)?	As on March 31, 2018, the Company have three subsidiary companies namely SpiceJet Merchandise Private Limited, SpiceJet Technic Private Limited and Canvin Real Estate Private Limited.
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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 (CSR) Committee comprises of Dr. Harsha Vardhana Singh, as Chairman and Mr. Ajay Singh and Mrs. Shiwani Singh as members.

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

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

### 2. 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:**

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

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

The Business Responsibility Report is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) in 'Investors' section and this Business Responsibility Report is based on the format prescribed by the Securities and Exchange Board of India.

### 3. Principle-wise (as per NVGs – National Voluntary Guidelines) BR Policy/policies

Principle wise index as per the National Voluntary Guidelines:

- P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3: Businesses should promote the wellbeing of all employees
- P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5: Businesses should respect and promote human rights
- P6: Business should respect, protect, and make efforts to restore the environment
- P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8: Businesses should support inclusive growth and equitable development
- P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

**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 This forms part of the Code of Conduct of the Company.	Y The Company have a Safety Policy in accordance with applicable regulations prescribed by Directorate General of Civil Aviation.	Y The Company have various internal policies for well-being of employees.	Y The Company has adopted the principles Stakeholder Engagement. There is no specific Policy on this.	Y This forms part of the Code of Conduct of the Company.	Y This is covered under CSR Policy. There is no specific Policy on this.	Y The Company has adopted the principles of responsible advocacy.	Y This is covered under CSR Policy. There is no specific Policy on this.	Y The Company have internal policy to resolve customer's complaint as per Civil Aviation Requirements.
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y



S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

## Section E: Principle-wise Performance

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

The Company is conducting its business affairs in a fair and transparent manner, by adopting highest standards of professionalism, honesty, integrity, ethical behavior and accountability. All employees and directors of the Company including our subsidiaries and other business partners are expected to observe these practices. Our Code of Conduct comprises 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 signed-off by identified vendors/ service providers across businesses. Additionally, we also have a Whistle Blower Policy which allows employees and directors to report any concern about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct or ethical business practice, in respect of the operation of the Company's affairs.

The Code of Conduct and Whistle Blower Policy and their implementation are explained in detail under the section 'Company Policies' of the Corporate Governance Report.

The Company has devised various mechanisms for receiving and dealing with complaints from different stakeholders, viz. shareholders, customers, employees, vendors etc. There are dedicated person to respond to the complaints in a timely manner and to resolve the complaints. The Company did not received any significant external stakeholder complaint in the last financial year.

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

We are the largest and most organised regional player in India and has contributed a lot in economic growth through our airline operations which transport passengers and cargo. After announcement of Regional Connectivity Scheme of the Government of India, we had played a significant role in economic and social development of India and in connecting many Tier - II and Tier - III cities. This has created employment and business opportunities for local communities.

Besides economic performance, safe operations and social well-being have always been at the core of our philosophy of sustainable business. Safety is of utmost importance to us and we take all measures to reduce the risks associated with aviation sector. To achieve the highest attainable standard of flight safety, we have employed a Safety Policy to upgrade and update our safety management systems. The Policy is integrated into our processes and culture and is validated at the highest level of management and among staff members. In addition, ensuring the health and safety of our customers is paramount.

We are highly sensible of the criticality of the conservation of energy at all operational levels particularly of aviation turbine fuel which is leading source of energy for aviation activity. Adequate measures are taken to reduce energy consumption whenever possible by using energy efficient equipment and technology infusion.

## **Principle 3: Employees Well-being**

We believes that employees are the driving force for growth and efficiency and are the greatest asset of the Company. Therefore, we encourage employees to live healthy and work safely, both within and outside work place. Healthier employees are more motivated and more productive.

We are an equal opportunity organisation and strongly believes in empowering woman employees at all levels. As on March 31, 2018, the Company had 8,447 employees out of which 2,206 permanent women employees. We have also formulated and implemented a policy for redressal of sexual harassment complaints which in line with the requirements of the Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year 2017-18, eight complaints were received and disposed of under this policy.

Our recruitment policy 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. The Company has also provided employment opportunities to differently abled person and as on March 31, 2018 had employed 2 such employees. Further, the Company has 1,412 contractual employees at on March 31, 2018.

During the financial year 2017-18, the Company has imparted basic airport handling training to 828 employees (including 313 women employees) and safety training to 3,081 employees (including training imparted to employee more than once).

The Company encourages all its employees to advance their career through several learning programs. To promote the same, the Company has launched “Learn while you earn” program, an online distance education program in association with Amity University. For financial support, all employees and their spouses may avail an exclusive 50% discounts on course fees for pursuing higher education with Amity University.

## **Principle 4: Stakeholder Engagement**

We are committed to engage with all our stakeholders including shareholders, investors, vendors, consumers, employees, governments and other local authorities to create an environment which supports sustainable business solutions. Through continuous, constructive and responsible engagement we are able to expand our efforts to realise a sustainable future for ourselves, and for our stakeholders. We have mapped our internal and external stakeholders and has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders across businesses in a continuous, consistent and systematic manner.

Few of our stakeholders’ engagement initiatives are as follows:

a) We regularly interact with our shareholders and investors through our website by result announcements,

annual report, media releases and event specific communications. We regularly engage with the shareholders to resolve queries, grievance, if any, and provide guidance for shares / shareholder related matters and in this regard we have a dedicated e-mail address i.e. investors@spicejet.com.

- b) In order to engage with customers, we have launched a digital consumer experience management platform to generate feedback from them. We also have a dedicated e-mail address i.e. custrelations@spicejet.com for our customers to receive any feedback / suggestions / complaints.
- c) All interactions with the government, legislators and regulators are done by duly authorised and appropriately trained individuals with honesty, integrity, openness and in compliance with local laws.
- d) We engage with media to keep our stakeholders updated about the developments in the Company. Regular interactions with the electronic, print, television and online media take place through press releases, media events and during the financial results announcements.

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

The Company has a direct obligation to protect the human rights of its employees, including the right to equal opportunities, fair working conditions and protection from discrimination and in this regard, we have various internal policies on human rights applicable to our employees. These policies and their implementation are directed towards adherence to applicable laws and to uphold the spirit of human rights. The Company has in place a Code of Conduct which has been signed-off by identified vendors/ service providers across businesses, and a grievance redressal procedure to address concerns, if any, pertaining to Human Rights and decent labour practices for its employees.

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

As a conscientious corporate, we do realise and understand our responsibility to operate in sustainable environment by way of developing, promoting and utilizing resources in eco-friendly manner. We are committed to ensure our aviation activity reduces its impact on environment.

We are highly sensible about environment protection at all operational levels particularly of CO<sub>2</sub> emission and aircraft noise. We have taken adequate measures to reduce CO<sub>2</sub> emission 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. We have also encouraged use of digital flight manual instead of paper, which removed considerable paper loads across our fleet.

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

Our business practice provides that any contact by the Company or its business associates with government, legislators, regulators or NGOs must be done with honesty, integrity, openness and in compliance with applicable laws. Only authorised and appropriately trained individuals can interact with these organisations. Prior internal approval is required for initiating any contact between the Company, its representatives and officials, aimed at influencing regulation or legislation.

The Company is a member of Federation of Indian Airlines (FIA), which is an industry body formed by scheduled carriers in India and generally represents key industry and business associations which include Federation of Indian Airlines.

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

Our corporate social responsibility supports inclusive growth of communities where we have our operations as well as covers the equitable development of societies. We believe in creating economic well-being through employment, skill improvement and access to markets for the community we operate in. Our inclusive growth

approach focuses on improving the society as a whole. Few of the activities undertaken by us towards economic support are enumerated below:

- a) Financial assistance: The Company has provided financial assistance to Sapna NGO for its social welfare activities namely (i) Sapna Shikshalaya - a primary school for underprivileged girls at Alwar, Rajasthan and (ii) Anandam - a home for sick and destitute at Noida.  
The Company has also extended financial assistance to (i) Clothes Box Foundation which transported clothes to Gurez Valley, a remote location in Bandipura district, Jammu & Kashmir and (ii) KETO Foundation for certain activities with slum dwellers.
- b) Roshan Hoga Desh Hamara: The Company has adopted the remote village of Baruahchuck, in the Majuli district in Assam. The Company aims to provide sustainable energy access through solar microgrid to the people living there by improving their quality of life. This project to light up 70 households, 1 anganwadi, 1 school, 2 temple areas besides the street lighting.
- c) Little Hearts, Big Love: The Company, on December 21, 2017, took 25 children of Mala Smriti Home, Noida (NGO) and seven of their attendants to the Aapno Ghar Amusement Park in Gurugram on a three day exciting adventure trip filled with innumerable joyrides, a variety of foods, and other attractions. The fun and entertainment for the children of the orphanage continues throughout December 22-23, 2017.
- d) Sapno ki Udaan - Rakhi activity: The initiative took place in August 2017, the initiative planned to fly sisters of the army jawans recovering at the Base Hospital in Srinagar. As part of the initiative, the airline flew sisters and several family members of army Jawans to meet their brothers posted on the western border and the national capital in an exciting two-day event.

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

Our focus is to ensure satisfactory and meaningful engagements with the customer which is supported by our concern of safety and comfort of our customers. Our dedicated team continuously endeavour to provide the best and delightful experiences to our customers at every interaction and resolve their complaints with superlative commitment.

All details of our services including terms of carriage, price of air tickets, special services etc. are displayed on our website and on air tickets as per applicable laws. We have various mechanisms to receive and address complaints and feedback from our customers including (a) handling of complaints at the airport effectively and proactively; (b) dedicated reservation centre which possess adequate product knowledge to cater to customers' needs; (c) Customer Relationship Management platform which helps us to enable interactions with existing / potential customers; and (d) social media which turn queries into effective upsells, by responding effectively and quickly.

Our services demands constant sensitivity to emerging customer requirement and close attention to their feedback. Therefore, we are using a digital consumer experience management platform through which customers get a unique URL on their registered mobile after the completion of their journey to rate their experience on each and every service area starting from booking to arrival. This helps to generate feedback from the customers to improve our services.

During the month of March 2018 the Company received 20 complaints pending for resolution relating to various subject matters including, disputes in relation to loss of baggage/ cargo, no-show, cancellation of tickets, incorrect bookings, refund of fares, flight delays, baggage mishandling and flight cancellation, which were resolved subsequently.

# CORPORATE GOVERNANCE REPORT

*“Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.”*

*The Institute of Company Secretaries of India*

## 1. Company's Philosophy on Corporate Governance

Corporate governance is concerned with ways of bringing the interests of investors and management into line and ensuring that the Company runs for the benefit of investors. Corporate governance includes the structures, processes, cultures and systems that engender the successful operation of organizations.

Fundamentals of Corporate Governance includes transparency, accountability and independence. The Company has always endeavoured and has a legacy of practicing fair, transparent and ethical governance and is committed to meet the aspirations of all its stakeholders. The Company believes in adopting best corporate practices for ethical business conduct. The principles of corporate governance are embedded in the systems, procedures and practices which ensure management of a corporate in the best interest of all its stakeholders i.e. shareholders, employees, vendors, customers and society in general. For accomplishment of the objectives of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, 2013 (the “**Act**”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”), Accounting Standards, Secretarial Standards etc.

The Board of Directors of the Company are responsible for and committed to sound principles of Corporate Governance in the Company. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance. The Company's management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board of Directors and keep our governance practices under continuous review. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Regulation 46 of Listing Regulations, as applicable, with regard to Corporate Governance.

## 2. BOARD OF DIRECTORS

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.

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

The Listing Regulations mandate that for a company with an executive chairman, who is a promoter, at least half of the board of directors shall be independent directors. As on March 31, 2018, our board comprises five members, consisting of one executive director, one non-executive director and three independent directors.

None of the Directors on the Board hold directorships in more than ten public companies and member of more than ten committees or chairman 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, 2018 have been made by the all the Directors.

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

#### a) Composition, Meetings and Attendance

The composition of the Board of Directors as on March 31, 2018 was in conformity with Regulation 17 of the Listing Regulations. Category-wise composition is given below:

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

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

During the financial year 2017-18, six (6) Board Meeting were held on June 3, 2017; August 10, 2017; October 30, 2017; November 13, 2017; February 6, 2018 and February 7, 2018 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, 2018 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. 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 as per Regulation 26(1)(b) of Listing Regulations.

Name of the Director	Category of Director	No. of Board Meeting attended	Attendance at previous Annual General Meeting held on November 27, 2017	Directorship in other public companies	Committees membership/ chairpersonship in other Public Companies
Mr. Ajay Singh	Executive Director	6	Yes	-	-
Mrs. Shiwani Singh	Non-Executive and Non-Independent Director	3	No	1	1
Mr. R. Sasiprabhu	Independent Director	5	Yes	-	-
Mr. Anurag Bhargava	Independent Director	5	No	-	-
Dr. Harsha Vardhana Singh	Independent Director	4	Yes	-	-

#### 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

Mr. R. Sasiprabhu (Independent and Non-Executive Director) holds 5,000 equity shares of the Company as on March 31, 2018. Mr. Sasiprabhu has resigned from the directorship of the Company with effect from May 9, 2018.

### d) 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 and various operations and the industry. The Company's Policy of conducting the familiarisation program has been disclosed on the website of the Company at [www.spicejet.com](http://www.spicejet.com) in 'Investors' section.

## 3. COMMITTEES OF THE BOARD OF DIRECTORS

The Company is having the following committee as on March 31, 2018:

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Stakeholders Relationship Committee
- iv) Corporate Social Responsibility Committee

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

The details of the role and composition of committees of the Board, including number of meetings held during the financial year and attendance thereat, are provided below:

### a) Audit Committee

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

#### i) Terms of Reference:

- To monitor and provide an effective supervision of the financial reporting process and to ensure that the financial statements are correct, sufficient and credible.
- To ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.
- The Committee oversees the work carried out in the financial reporting process by the Management, the Internal Auditors and the Statutory Auditor, and to take note of the processes and safeguards employed by each of them.
- The Committee has all powers, roles, duties etc. as enumerated under Section 177 of the Act and Regulation 18 of the Listing Regulations.
- The Audit Committee is responsible to select, evaluate and, where appropriate, replace the independent auditors in accordance with the law.
- 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.

#### ii) Composition, Meetings and Attendance:

As on March 31, 2018, the Audit Committee comprises of members as stated below. The composition of the Committee is in conformity with the Listing Regulations. During the financial year 2017-18, the Audit Committee was re-constituted on October 30, 2017 comprising the members mentioned herein below.

During the financial year 2017-18, the Audit Committee met four (4) times on June 3, 2017; August 10, 2017; November 13, 2017 and February 6, 2018 with necessary quorum being present at all the meetings and the time gap between two committee meetings was less than one hundred and twenty days.

The Company Secretary acts as the Secretary to the Committee.

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. R. Sasiprabhu <sup>2</sup>	Independent Director	Chairman	4	4
Mr. Anurag Bhargava <sup>3</sup>	Independent Director	Member	4	3
Mrs. Shiwani Singh	Non- Independent Director	Member	4	2
Dr. Harsha Vardhana Singh <sup>4</sup>	Independent Director	Member	2	2

<sup>2</sup>Resigned effective May 9, 2018.

<sup>3</sup>Consequent upon resignation of Mr. R. Sasiprabhu, Mr. Anurag Bhargava has been designated as Chairman of Audit Committee in place of Mr. R. Sasiprabhu.

<sup>4</sup>Dr. Harsha Vardhana Singh was inducted in the Audit Committee on October 30, 2017.

#### b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee's powers, role and terms of reference covers the area as contemplated under Section 178 of the Act, 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) Terms of Reference

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

##### ii) Composition, Meetings and Attendance:

The Composition of Nomination and Remuneration Committee is in conformity with the provisions of Section 178 of the Act and the Listing Regulations. During the financial year 2017-18, the Nomination and Remuneration Committee was reconstituted on February 6, 2018 and Dr. Harsha Vardhana Singh (Independent Director) was appointed as member of Nomination and Remuneration Committee in place of Mr. Anurag Bhargava. The Chairman of the Committee is Independent Director.

During the financial year 2017-18, the Nomination and Remuneration Committee met three (3) times on October 30, 2017; February 6, 2018 and February 7, 2018 with necessary quorum being present at all the meetings.

The details of the composition, meetings and attendance are as follows:

Name of the Committee Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. R. Sasiprabhu <sup>5</sup>	Independent Director	Chairman	3	2
Mr. Ajay Singh	Managing Director	Member	3	3
Mr. Anurag Bhargava <sup>5</sup>	Independent Director	Member	2	2
Mrs. Shiwani Singh	Non - Independent Director	Member	3	1
Dr. Harsha Vardhana Singh <sup>5</sup>	Independent Director	Member	1	1

<sup>5</sup>The Nomination and Remuneration Committee was reconstituted on February 6, 2018 and Dr. Harsha Vardhana Singh was appointed as member of Nomination and Remuneration Committee in place of Mr. Anurag Bhargava. Further, consequent upon resignation of Mr. R. Sasiprabhu with effect from May 9, 2018, the Nomination and Remuneration Committee stands dissolved. The Company is in process of filing-up the casual vacancy due to resignation of R. Sasiprabhu, subject to security clearance from Ministry of Civil Aviation, Government of India. The Company has already applied for security clearance of new Independent Director and the approval is awaited.

### iii) Remuneration Policy

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

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

Pursuant to the provisions of the Act 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.

### iv) Details of remuneration to all the directors

During the financial year March 31, 2018, the Company has not paid any remuneration to any Independent Director or Non-Executive Director except sitting fees to Independent Directors and Non-Executive Director for attending the Board Meeting.

During the financial year March 31, 2018, Mr. Ajay Singh, Chairman and Managing Director was paid remuneration of ₹ 147.36 million.

### v) Performance Evaluation

The Nomination and Remuneration Committee conducted the Board evaluation for the year. 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. The outcome of the Board evaluation for financial year 2017-18 was discussed by the Nomination and Remuneration Committee and the Board at the meeting held on February 7, 2018.

### c) Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been constituted as per the provisions of Section 178 of the Act, Regulation 20 and Part D of the Schedule II of the Listing Regulations.

#### i) Terms of Reference

- To consider and resolve the grievances of shareholders, debenture holders and other security holders;
- 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.

#### ii) Composition, Meetings and Attendance

As on March 31, 2018, the Stakeholders Relationship Committee comprises of members as stated below. The composition of the Committee is in conformity with Section 178 of the Act and the Listing Regulations. The Chairman of the Committee is a Non - Executive Director.

The Stakeholders Relationship Committee focuses on investors' relation and the envisaged role include, inter-alia, transfer of shares, redressal of complaints and other investors' related matters.

During the financial year 2017-18, the Stakeholders Relationship Committee met once on June 3, 2017 with necessary quorum being present at the meeting.

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
Dr. Harsha Vardhana Singh	Independent Director	Chairman	1	-
Mr. R. Sasiprabhu <sup>6</sup>	Independent Director	Member	1	1
Mrs. Shiwani Singh	Non - Independent Director	Member	1	1

<sup>6</sup>Consequent upon resignation of Mr. R. Sasiprabhu effective May 9, 2018, Mr. Ajay Singh (Chairman & Managing Director) was appointed as member of the Stakeholders Relationship Committee.

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

#### iii) Investor Grievance Redressal

During the financial year 2017-18, the Company has received 85 letters/ complaints from shareholders and replied/ redressed the same to the satisfaction of shareholders.

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.

### d) Corporate Social Responsibility Committee

The Committee oversees, inter-alia, corporate social responsibility and other related matters as may be referred by the Board of Directors and discharges the roles as prescribed under Section 135 of the Act.

**i) Terms of Reference**

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the above referred activities; and
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

**ii) Composition, Meetings and Attendance**

As on March 31, 2018, the Corporate Social Responsibility Committee comprises of members as stated below. The composition of the Committee is in conformity with Section 135 of the Act. The Chairman of the Committee is a Non – Executive Independent Director.

During the year under review, the Corporate Social Responsibility Committee met on February 7, 2018.

The present Corporate Social Responsibility Committee comprises of following Directors:

- Dr. Harsha Vardhana Singh - Chairman
- Mr. Ajay Singh - Member
- Mrs. Shiwani Singh - Member

**4. MANAGEMENT DISCUSSION AND ANALYSIS**

The Annual Report has a detailed chapter on Management Discussion and Analysis, which forms part of this report.

**5. COMPANY POLICIES****a) Whistle Blower Policy:**

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to report any concern about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct or ethical business practices, in respect of the operation of the Company's affairs. The Company has provided dedicated e-mail addresses [whistleblower@spicejet.com](mailto:whistleblower@spicejet.com) for reporting such concerns. Alternatively, employees can also send written communication to the Compliance Officer of the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. The Audit Committee of the Company oversees the implementation and proper functioning of this Policy. The Whistle Blower Policy is available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) in 'Investors' section.

**b) Code of Conduct:**

The Company has formulated and implemented the Code of Conduct for Board members and senior management of the Company. This Code comprises of various principles which complies with the legal requirements of applicable laws and regulations, including anti-bribery and anticorruption, the ethical handling of conflict of interest. This Code has been posted on the website of the Company at [www.spicejet.com](http://www.spicejet.com) in 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, 2018. A declaration to this effect signed by Chairman and Managing Director is given as an annexure to this report.

**c) Related Party Transactions Policy:**

The Company has not entered into any material Related Party Transaction during this financial year. In line with requirement of the Companies Act, 2013 and Listing Regulations, the Company has formulated a Policy on Related Party Transactions which is also available on the website of the Company at [www.spicejet.com](http://www.spicejet.com) in 'Investors' 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.

All Related Party Transactions entered during the year were in Ordinary Course of the business and on arm's length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover of the Company as per the last audited financial statements, were entered during this financial year by the Company.

**d) Policy on Material Subsidiaries:**

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

**e) Dividend Distribution Policy:**

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

**f) 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.

**g) 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.

**6. POSTAL BALLOT**

During the year under review, no resolution was passed through postal ballot.

**7. MEANS OF COMMUNICATION**

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

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

## 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
33 <sup>rd</sup> AGM (2016-17)	November 27, 2017 at 10:00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003	(a) Approval of SpiceJet Employee Stock Option Scheme - 2017 and grant of stock options to the employees of the Company. (b) Grant of stock options to the employees of Subsidiary or Holding Company(ies) of the Company under SpiceJet Employee Stock Option Scheme - 2017.
32 <sup>nd</sup> AGM (2015-16)	December 26, 2016 at 10:00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003	(a) Remuneration to Mr. Ajay Singh, Managing Director of the Company.
31 <sup>st</sup> AGM (2014-15)	December 28, 2015 at 9.30 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003	(a) Investments under Section 186 of the Companies Act, 2013 and (b) Creation of charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.

## 9. 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.

## 10. DEMATERIALISATION OF SHARES AND LIQUIDITY

Over 98.81% of the outstanding equity shares have been dematerialised upto March 31, 2018. The equity shares of the Company are listed at BSE Limited only; where they are actively traded.

## 11. OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY OTHER CONVERTIBLE INSTRUMENT

The Company has no outstanding GDRs/ ADRs/Warrants or Convertible Instrument.

## 12. 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 2017-18.

## 13. CERTIFICATE ON CORPORATE GOVERNANCE

A certificate from Practicing Company Secretary regarding compliance of the conditions of Corporate Governance, as stipulated under Schedule V of the Listing Regulations is attached and forms part of this Report.

## 14. PLANT LOCATIONS

The Company does not have any plant location. As on March 31, 2018, the Company operates to 45 domestic and 7 international airports and has offices at these airports for its airline operations.



## 15. MARKET PRICE DATA

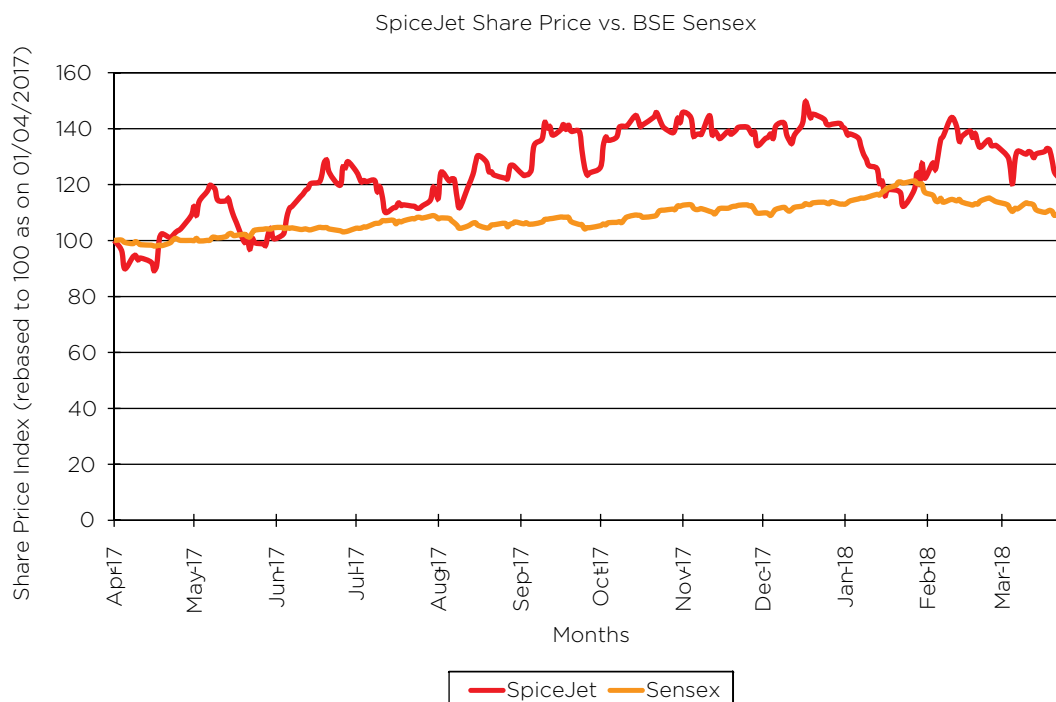
The market capitalisation of the Company is included in the computation of BSE 500 Index. The table below sets out the monthly high and low quotations of the shares traded at BSE Limited ([www.bseindia.com](http://www.bseindia.com)) during the period under review:

Month	Open Price	High Price	Low Price	Close Price
Apr-17	103.05	109.80	90.30	107.35
May-17	108.90	126.25	95.05	105.65
Jun-17	106.40	136.30	99.50	132.15
Jul-17	131.00	132.90	110.70	118.00
Aug-17	119.85	135.40	112.50	130.85
Sep-17	130.50	150.10	126.00	128.05
Oct-17	129.00	153.00	129.00	143.85
Nov-17	147.00	154.70	138.55	143.00
Dec-17	143.00	156.25	135.10	145.95
Jan-18	146.00	150.80	114.70	124.25
Feb-18	124.25	154.00	121.10	138.05
Mar-18	139.00	142.00	121.00	125.15

## 16. 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, 2017 to March 31, 2018.

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



**17. GENERAL SHAREHOLDER INFORMATION**

- a) Venue, date and time of the 34th Annual General Meeting** : Venue: Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003  
Date: November 29, 2018  
Time: 10:00 a.m.
- b) Financial Year** : April 1, 2017 to March 31, 2018
- c) Book Closure date** : November 23, 2018 to November 29, 2018 (both days inclusive)
- d) Dividend Payment Date** : Not applicable
- e) Listing on Stock Exchange** : BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001  
(Equity Shares)
- f) Stock Code** : BSE: 500285  
Reuters: SPJT.BO  
Bloomberg: SJET  
ISIN in NSDL and CDSL: INE285B01017
- g) Listing fees for Financial Year 2018-19** : Paid
- h) Registrar and Transfer Agents** : Karvy Computershare Private Limited,  
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad - 500 032

**18. ADDRESS FOR CORRESPONDENCE****(a) For shares in physical/ demat mode**

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

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

Legal & Company Affairs  
SpiceJet Ltd.,  
319, Udyog Vihar,  
Phase IV, Gurugram- 122 016 Haryana  
Email: investors@spicejet.com  
Tel: +91 124 3913939  
Fax: +91 124 3913888

**19. SHAREHOLDING PATTERN AS ON MARCH 31, 2018**

S. No.	Category	No. of Shares	Percentage (%)
1.	Promoters	359,834,068	60.03
2.	Resident Individuals	127,599,959	21.29
3.	Bodies Corporates	26,679,978	4.45
4.	Non-Resident Indians	7,095,338	1.18
5.	Foreign Institutional Investors	109,000	0.02
6.	Foreign Portfolio Investors	38,923,190	6.49
7.	Hindu Undivided Family	2,878,627	0.48
8.	Clearing Members	1,735,280	0.29
9.	Employees	635,092	0.11
10.	Non-Banking Financial Companies	258,205	0.04
11.	Mutual Funds	30,402,085	5.07
12.	Trusts	729,938	0.12
13.	Directors	5,000	0.00
14.	Non-Resident Indian Non Repatriable	1,692,247	0.28
15.	Alternative Investment Fund	862,503	0.14
16.	Banks	9,673	0.00
<b>Total</b>		<b>599,450,183</b>	<b>100.00</b>

## 20. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2018:

Category	Shareholders		Shares	
	Number	% of total	Number	% of total
1-5000	120,740	82.20	16,888,924	2.82
5001-10000	11,919	8.11	9,900,995	1.65
10001-20000	6,217	4.23	9,677,127	1.61
20001-30000	2,245	1.53	5,852,350	0.98
30001-40000	1,095	0.75	3,968,516	0.66
40001-50000	1,075	0.73	5,106,069	0.85
50001-100000	1,736	1.18	13,007,594	2.17
100001 and above	1,859	1.27	535,048,608	89.26
<b>Total</b>	<b>146,886</b>	<b>100</b>	<b>599,450,183</b>	<b>100</b>

## 21. OTHER DISCLOSURES

### a) Details of non - compliance by the Company

The Company is complying with requirement of the authorities. There has been no non-compliance by the Company or penalty or stricture imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years except penalty of ₹ 6,000 for late submission of shareholding pattern for quarter ended on December 31, 2015 and ₹ 23,000 for late submission of financial statements for the quarter and year ended March 31, 2017.

### b) 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](http://www.spicejet.com) in 'Investors' section.

None of the Indian subsidiary of the Company comes under the purview of the term 'material non-listed Indian subsidiary' as defined under Regulation 24 of the Listing Regulations.

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

### c) Other Disclosures:

- 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, 2018. A declaration to this effect signed by Chairman and Managing Director is given as an annexure to this report.
- The Company has laid down procedures to inform Board members about risk assessment and minimisation procedures with regard to safety of its operations. These are periodically reviewed to ensure that executive management is controlling risks through properly defined framework.
- The Company has fully complied with the mandatory requirements of the Listing Regulations and the provisions of non-mandatory requirements are under consideration of the Board of the Company.

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

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

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

I hereby declare that all Board Members and Senior Management personnel have affirmed compliance with the Code for the Financial Year ended March 31, 2018.

Sd/-

Ajay Singh

Chairman & Managing Director

Date : October 30, 2018

Place : Gurugram

## COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARY

To the Members of SpiceJet Limited

- (i) We have examined the compliance of conditions of Corporate Governance by SpiceJet Limited (the **"Company"**), for the year ended on March 31, 2018, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"Listing Regulations"**).
- (ii) The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- (iii) Based on the records and documents maintained by the Company and the information and explanations given to us in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended March 31, 2018. However, consequent upon resignation of Mr. R. Sasiprabhu (Independent Director) with effect from May 9, 2018, the Nomination and Remuneration Committee stands dissolved. The Company is in process of filing-up the casual vacancy due to resignation of Mr. R. Sasiprabhu, subject to security clearance from Ministry of Civil Aviation, Government of India.
- (iv) We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mahesh Gupta & Company  
Company Secretaries

Sd/-

Mahesh Kumar Gupta

Proprietor

FCS 2870::CP 1999

Date : October 30, 2018

Place : New Delhi

# MANAGEMENT DISCUSSION AND ANALYSIS

*Investors are cautioned that this discussion contains forward-looking statements that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, acquisition plans, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.*

## 1. ECONOMY AND PROSPECTS<sup>1</sup>

### a) Indian Economy

Financial year 2017-18 witnessed some major reforms. The implementation of Goods and Services Tax (GST) in mid-2017 saw initial challenges in policy, law, and information technology system triggered by its complexity and scale of change, which especially affected the informal sector. However, there were expeditious responses soon to rationalise rates and simplify compliance burdens. Besides, there had been positive dialogue and developments eventually paving the way for a smoother GST regime.

The new Insolvency and Bankruptcy Code (IBC) was passed with the aim to address the issues of the Twin Balance Sheet and provide relief to stressed corporates in restructuring their business operations. IBC has provided a framework to enable resolutions and help corporates restructure their balance sheets and reduce their debts. Moreover, another critical move by the government was the announcement of a large recapitalisation package (about 1.2% of GDP) to strengthen the balance sheets of the public sector banks (PSBs). These much-awaited and critical reforms are expected to boost corporate spending and increase lending by the banks especially to the critical and, currently-stressed sectors of infrastructure and manufacturing.

Macroeconomic developments were in full swing during the year and India remained the second-best performer amongst major countries with strong macroeconomic fundamentals. India witnessed robust signs of revival in the second half of the year. Economic growth improved with the fading impact of the regulatory shocks, corrective actions being taken and the synchronous global economic recovery boosting exports. These solid improvements were tinged with anxieties related to macro-economic stability. Inflation was slightly higher than expected, as an outcome partly due to higher international oil prices - India's historic macroeconomic vulnerability.

These dualities of revival and risk have been reflected in the markets with the rising bond yields leading to a marked steepening of the yield curve and soaring stock prices.

### b) Outlook for financial year 2018-19

The outlook for financial year 2018-19 will be determined by economic policy in the run-up to the next national election. Growth is expected to start recovering towards its medium-term economic potential of at least 8% aided by macro-economic stability, stabilisation in the ongoing reforms and a buoyant world economy.

The components of demand that are likely to influence the growth outlook are as under:

- The acceleration of global growth should in-principle provide a solid boost to export demand

<sup>1</sup> Based on the economic survey of India

- Private investment is expected to rebound with the easing of factors exerting a drag on growth over the past year
- Consumption demand, on the other hand, will encounter different tugs

On the positive side, growth is likely to be supported by the reduction in real interest rates in financial year 2018-19 compared to financial year 2017-18 average. At the same time, average oil prices are forecasted to be about 12% higher in financial year 2018-19 by the IMF, which will crimp real income and spending. Besides, real interest rates could exert a drag on consumption with higher oil prices requiring tighter monetary policy to meet the inflation target. On the back of all these factors, a pick-up in growth of nearly 7-7.5% in financial year 2018-19 can be forecasted; reiterating India's position as the world's fastest growing major economy.

## 2. INDIAN AVIATION

### a) Overview

The Indian market is comprised of the following airlines. The airlines have been categorised as Full Service Carriers (FSC) and Low Cost Carriers (LCC) based on the customer experience and operating models.

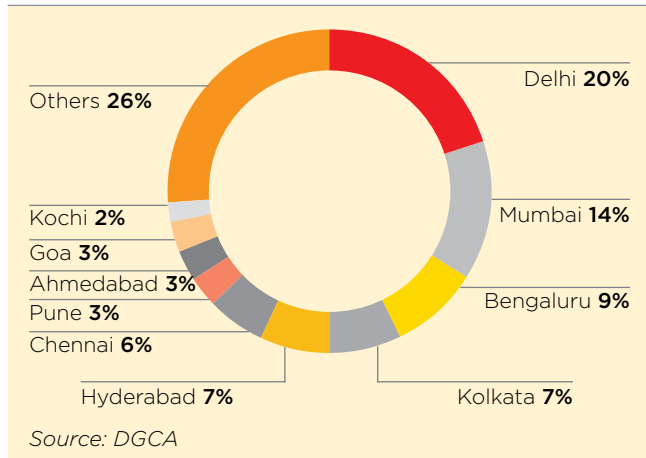
Airline	Promoter	Market Share (Domestic) <sup>2</sup>	Capacity Share (Domestic) <sup>2</sup>	Service Type <sup>3</sup>	Fleet Size <sup>3</sup>	Aircraft Type <sup>3</sup>
Air Asia	Air Asia, Tata Sons	4.04%	4.11%	LCC	16	A320
Air India	Govt. of India	13.10%	13.96%	FSC	164	A319, A320, A320N, A321, B747, B777, B787, ATR42/72
GoAir	Wadia Group	8.78%	8.63%	LCC	32	A320, A320N
Indigo	InterGlobe Enterprises	39.70%	40.36%	LCC	163*	A320, A320N, ATR
Jet Airways	Naresh Goyal	17.28%	17.03%	FSC	120	A330, B737, B777, ATR72, B737MAX
SpiceJet	Ajay Singh	13.08%	11.34%	LCC	60*	B737, Q400
Vistara	Tata Group	3.60%	4.37%	FSC	19	A320

Source: 2. DGCA (Financial year 2017-18), 3. Service Type (FSC/LCC) is a term assigned by various analysts to these airlines. Company website and internet search (April 1st, 2018).

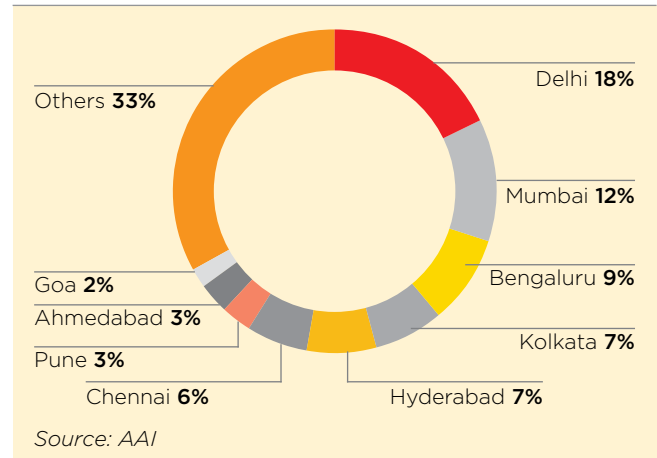
\* Includes four aircraft on damp lease /wet lease

The route network deployed by these airlines cover a wide area of international, domestic, and regional market. However, 60% of traffic origination is concentrated around Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Mumbai. Besides, Tier II and Tier III cities have been contributing significantly to the recent growth.

### Domestic Passengers - Origin Based

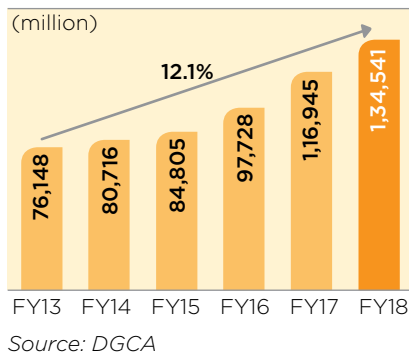


### Domestic Aircraft Movements

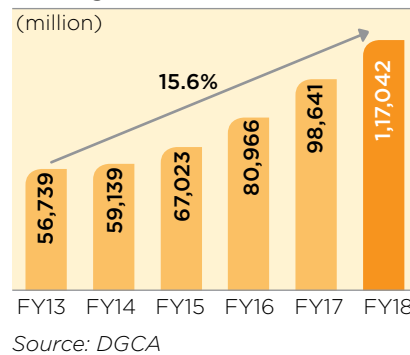


India continued to be the fastest growing domestic travel market, witnessing 19% growth in domestic passengers and 14% growth in international passengers during financial year 2017-18, aided by an impressive annual growth of 22% in domestic passengers and 12% in international passengers during financial year 2016-17. However, the capacity growth in the respective domestic and international markets has been below the demand at 15% and 11% respectively (terms of 'seat kilometres'). This reflected greater seat utilisation in terms of Load Factor which stood at 87% for domestic and 81% for international operations during financial year 2017-18 as against 84% and 78% recorded in financial year 2016-17.

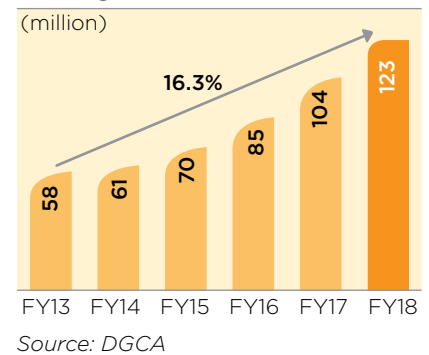
### Seat Kilometres - Domestic



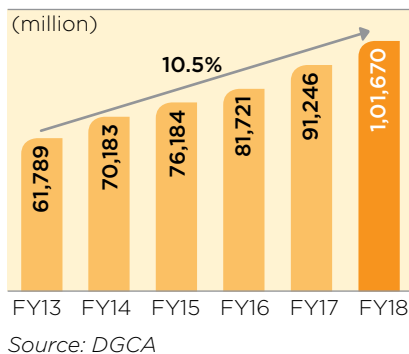
### Passenger Kilometres - Domestic



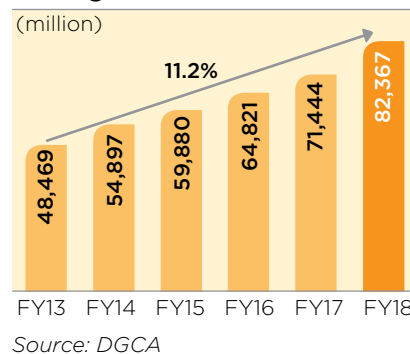
### Passengers - Domestic



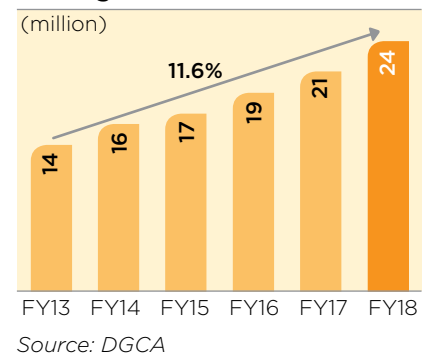
### Seat Kilometres - International



### Passenger Kilometres - International

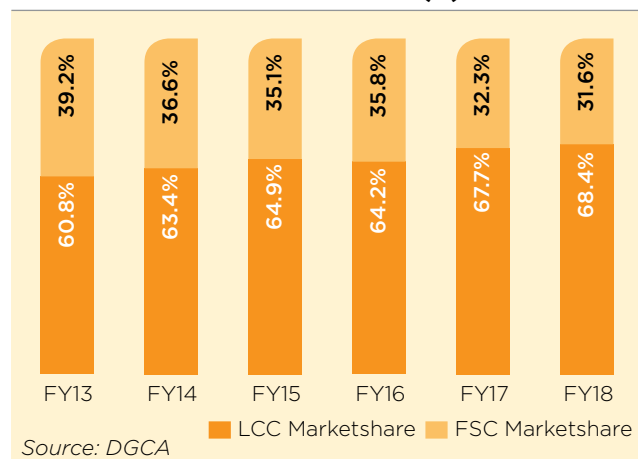
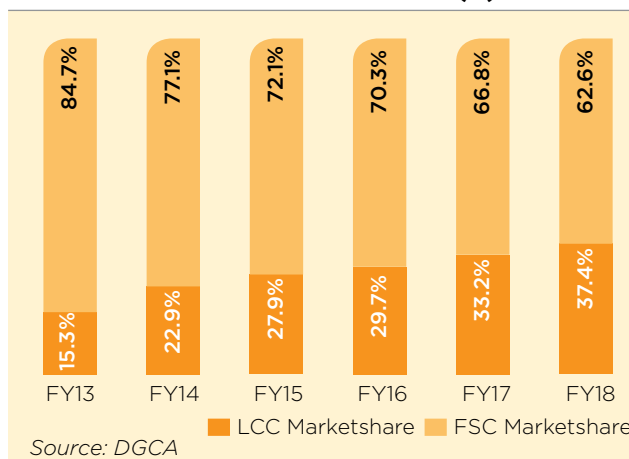


### Passengers - International



The strong volume growth is driven by the "Low Cost Carriers" as the market share of the LCCs continue to rise with respect to the "Full Service Carriers" (FSC), characterising the price sensitivity and mass travel needs of the market.



**LCC & FSC Marketshare - Domestic (%)****LCC & FSC Marketshare - International (%)**

The three listed airlines, which command a market share of 70%, posted operating revenues of ₹ 553,267 million (approximately US\$ 8,260 million) in financial year 2017-18 at a growth of 17%. This revenue growth, for these listed airlines came with a 3% increase in unit revenues (revenue per seat kilometre).

These are good indicators for a 15-18% forecast in sustainable volume growth in the domestic sector in the short term and 11-13% in the long term. The below-mentioned factors and fundamentals are likely to support the growth:

- Favourable demographics and large pool of middle-class population, rising disposable incomes, modal shift from rail to air, widening route network and regional connectivity scheme is expected to strengthen demand
- Geographical advantage of lying at crossroads of important international hubs
- Economic growth along with the low aircraft penetration, presents a huge opportunity. Air travel penetration at 0.10 trips per capita is the lowest amongst developing nations including Brazil, China, Russia and Turkey\*
- Airports and supplementing infrastructure development will further unlock demand

## **b) Initiatives by Government of India**

National Civil Aviation Policy 2016 cleared by the Indian Cabinet in June 2016 has seen a continuous progress. Some of the key initiatives proposed by the Government include:

- The construction of 18 Greenfield airports in the country. These would be executed and financed by the respective airport promoters, and are estimated to require an investment of ₹ 300,000 million
- The revival of 50 unserved and underserved airstrips in three financial years starting from financial year 2017-18 at an estimated cost of ₹ 45,000 million
- The commencement of a new RCS (Regional Connectivity Scheme - Udan) called "Ude Desh ka Aam Nagrik" (UDAN) under which fares are capped at nominal fares to make air travel affordable ₹ 2,500 for specified seats for one-hour flight
- Doubling the number of airports in India over the next two to three years to cater to the increasing passenger traffic due to developing regional air travel market

\* (Source: Airbus global market forecast 2018-2037)

- Developing small airports with frugal facilities, and encouraging private airlines to bid for routes connecting these small airports with existing larger airports, thereby increasing regional air traffic
- An outlay of ₹ 40.86 billion has been proposed in financial year 2018-19 against ₹ 26.93 billion (RE) in financial year 2017-18
- A proposal to expand airport capacity more than five times to handle a billion trips a year under a new initiative – NABH Nirman. Balance sheet of Airport Authority of India shall be leveraged to raise more resources for funding this expansion

Government thrust on infrastructure development of the country will provide fillip to India's aviation market. Allocation to Civil Aviation Ministry for financial year 2018-19 has increased to ₹ 6,602.86 crore under Union Budget financial year 2018-19.

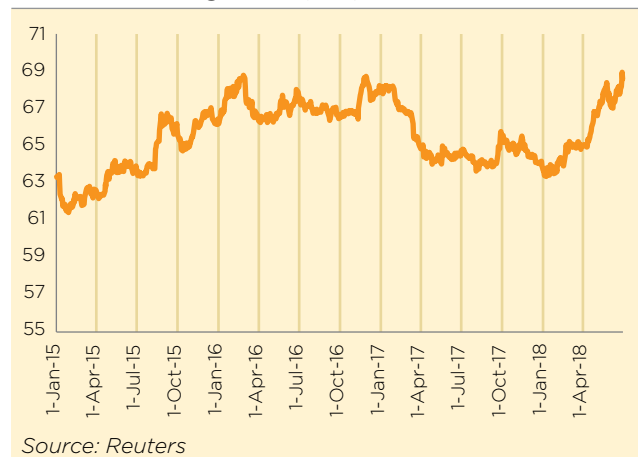
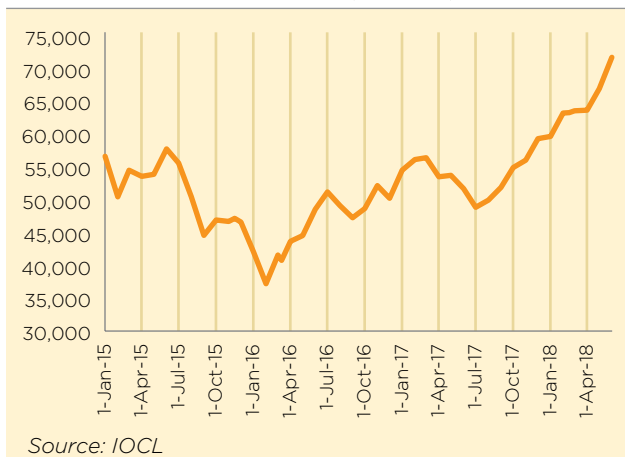
Some of the key initiatives proposed by the Government include:

- Investment of ₹ 17,500 crore for upgrading airport infrastructure by Airport Authority of India (AAI) over a period till financial year 2019-20
- Permitting 100% FDI under automatic route in greenfield projects and 74% for brownfield projects
- Approval of construction of 17 other greenfield airports in the country to be financed and executed by the respective airport owners at an estimated investment of ₹ 30,000 crore
- Announcement of NABH (NextGen Airports for Bharat) Nirman scheme to expand airport capacity by over 5 times to handle a billion trips a year
- Development of 250 airports across the country by year 2020 to cater to the rising passenger traffic due to developing regional air travel market
- 100% tax exemption for airport projects for a period of 10 years boosting the growth of the airport sector

### **c) Factors that sustain the projected growth**

As mentioned earlier, 60% of the originating domestic traffic is concentrated around Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Mumbai. With increasing economic activity in Tier II and Tier III cities, and the recent growth spurt observed in these cities, development of airports, scalability of existing airports, creation of secondary airport infrastructure like freeways, mass transit system “metros and railways”, “aerocities”, etc. will play crucial role. Airport Infrastructure is the single-most contributor to the development of aviation. While there has been significant upgradation of existing airports and increase in efficiencies and hourly movements, India needs to move on to creating secondary airports and ease the traffic from the main airports. This means airport privatisation, significant capital allocation and redefining the role of Airports Authority.

Indian market is price sensitive and has seen a phenomenal growth in volumes. Pricing remains vital to this growth. Resultantly, the underlying cost structure of the airlines will determine the sustainability of the airlines. Volatility in international crude prices and fluctuations in the exchange rates impact the earnings significantly. During financial year 2017-18, oil prices increased by 11%; whereas Rupee appreciated by 4% as compared to financial year 2016-17. The beginning of financial year 2018-19 witnessed a sharp increase in the exchange rates and fuel prices as indicated below. However, LCCs with their leaner cost structures are better equipped to face such challenging operating environment.

**USD/INR Exchange Rate (INR)****Domestic Airlines ATF Prices (INR /KL)**

### 3. DEVELOPMENTS AT SPICEJET

The Company continued its endeavour to strengthen operations and competitiveness with all initiatives focussed towards enhancing customer-centricity and improving its financial position. Aligned to these objectives, the focus has been on efficient network expansion, increasing customer experience through reliable operations, while making the flying experience more enjoyable. The Company continued on its core philosophy of rationalising costs and enhancing revenues.

#### a) Financial stability

SpiceJet is one of the few aviation companies in the world to deliver fourteen consecutive quarters of profitability after being close to a shutdown at one stage. As on March 31, 2018, Balance Sheet further strengthened with the cash balances standing at ₹1,458 million; in addition the net worth of the Company increased by ₹5,662 million. The Company has taken adequate provisions in its financials to reflect a fair view of its liabilities and future maintenance obligations.

#### b) Fleet and network augmentation

In financial year 2016-17, the Company placed an order of up to 205 (155 firm and 50 option) Boeing 737 MAX aircraft committing itself to a strategic direction and a planned growth. The US\$ 22 billion (₹1500 billion) aircraft order is the biggest ever placed by any Indian airline with Boeing in its history and marks the beginning of a growth story, which will see the airline expand its wings – both within and outside the country. Further, in order to strengthen its regional connectivity, the Company had also placed order for up to 50 Bombardier Q400 aircraft. The delivery of this new aircraft commenced in middle of financial year 2018-19.

Today, SpiceJet operates 38 B737 family aircraft. During the year under review, the Company achieved impressive aircraft utilisation of over 12 hours per aircraft-day. The Company's initiative towards network optimisation, delivering consistent and impressive 'On-Time-Performance', and providing seamless connectivity to its customers enabled it to achieve sustained monthly passenger load factors of above 90% for 42 months in a row (a feat unparalleled globally).

#### Route additions

During financial year 2017-18, SpiceJet opened 36 new routes. The fact that the airline won 6 RCS routes was of primary significance, of which 4 commenced in financial year 2017-18. These include operations to Mumbai-Porbandar, Mumbai-Kandla-Mumbai, Jaipur-Jaisalmer-Jaipur and Hyderabad-Pondicherry Hyderabad. The remaining 2 routes commenced in early financial year 2018-19.

During financial year 2017-18, the Company added these routes – Ahmedabad to Bangkok and Varanasi; Delhi to Bangkok; Bengaluru to Bagdogra, Madurai, Patna, Pondicherry, Rajahmundry, Tirupati, Thiruvananthapuram; Mumbai to Kandla and Porbandar as RCS routes; Mumbai to Patna, Surat; Kolkata to Jabalpur, Patna, Surat; Goa to Surat and Jodhpur to Surat; Jammu to Dehradun, Jaipur; Delhi to Jaisalmer, Port Blair, Patna; Guwahati to Dibrugarh, Jaipur; Hyderabad to Chandigarh, Surat, Patna and Pondicherry as RCS flight; Chandigarh to Jammu, Jaipur; Chennai to Mangalore and Patna; Jaipur to Jodhpur, Surat, Varanasi, and Jaisalmer as RCS flight; Thiruvananthapuram to Male.

During early financial year 2018-19, the Company added these routes - Delhi to Adampur, Hubli to Hyderabad and Chennai, and Delhi to Kanpur were commenced on RCS routes. Further, RCS routes connecting Pakyong with Kolkata and Guwahati will be launched during this winter.

This fiscal will see more additions during the winter, viz. Kolkata to Varanasi; Delhi to Kishangarh, Coimbatore, Shirdi; Kanpur with Mumbai and Kolkata; Guwahati to Patna; Amritsar to Goa; Hyderabad and Amritsar to Bangkok; Hyderabad to Kozhikode, Guwahati; Chennai to Rajahmundry; Bengaluru to Tuticorin, Varanasi, Udaipur.

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

#### **Revenue maximisation efforts**

The Company conducts a detailed and close flight monitoring for almost 24 hours with proper coordination between network and revenue departments to ensure timely action to maximise revenue and increase the load factors. Pricing remains core to SpiceJet's "maximisation objective". The Company has achieved highest unit revenues in any financial year in its history and continued with record-breaking highest load factor for 42 consecutive months at the same time. This indicates that capacity infusion was non-dilutive on its revenues. This incredible performance has led to yield divergence with respect to the overall market dynamics.

#### **Passenger-related ancillary revenue measures**

On the product front, the launch of interesting combo products like seat + meal and YouFirst (priority check-in + priority baggage) by the airline has received impressive response from its customers. Additionally, the airline has launched a series of niche products focussed around services like Visa, International Connection Baggage, Gift Cards, SMEs, No Shows, Hold Bookings and lean flights.

The latest and the biggest launch by the airline recently has been the loyalty programme intended to build a large loyal customer base that will increase airline's direct bookings for flights as well as boost sales of ancillary products. The programme has been designed to benefit frequent fliers in many ways.

Various deals and offers to boost web and mobile app-based transactions have been rolled out during the fiscal year. These include the customer level offers in association with major banks and BFSI in India such as HDFC, ICICI, SBI, American Express, IndusInd, Standard Chartered, Yes Bank and Paytm. These deals and offers have generated incremental transactions and increased direct traffic. Moreover, these offers are centred on strengthening flights bookings and ancillary products like Spicemax, Seats, Meals and Priority check-in etc.

#### **SpiceVacations**

During the year under review, the airline had undergone a complete revamp of its product and website to make it more attractive, responsive and in line with other competitive websites. There has been a huge uplift in terms of business numbers as well as on success metrics like traffic, bounce rate, average time spent and other relevant parameters. The Company has recently launched activities portal on the SpiceVacations platform called Spice Experiences. Spice Experiences is aimed to offer a wide range of bookable destination specific activities like para sailing, scuba diving, hiking, airport transfers and local transport to customers.

#### d) Cost reduction measures

Cost reduction is an extremely important and crucial exercise in a price sensitive market. The Company's relentless efforts of reducing costs included asset utilisation, manpower optimisation, and resource productivity. During the year, SpiceJet and CFM International entered into a US\$ 12.5 billion agreement for purchase of LEAP-1B engines to power its 155 Boeing 737 MAX fleet along with spare engines. This order will significantly reduce the engine maintenance costs for SpiceJet's new MAX fleet. The Company also focussed on improving employee productivity, fuel-saving methods such as fuel hedging and lightweight seats, improvement in efficiencies of key functions like cargo handling, lower aircraft acquisition and maintenance costs and reduction of training costs.

#### e) Brand consolidation

During financial year 2017-18, the Company's brand continued to gain momentum and achieved new record. Given the critical phase of growth that the brand had entered, albeit flyers assumed an even greater significance. On the back of one of the biggest Boeing orders placed both in the country as well as in the history of Boeing, it was pertinent that the airline keeps aligning itself with flyers. This resulted in SpiceJet constantly recruiting new generation of flyers from the existing markets as well as exploring new markets of growth. Simultaneously, the brand focussed on constantly introducing novel offerings and re-inventing the existing ones in order to turn new recruits into patrons.

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

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

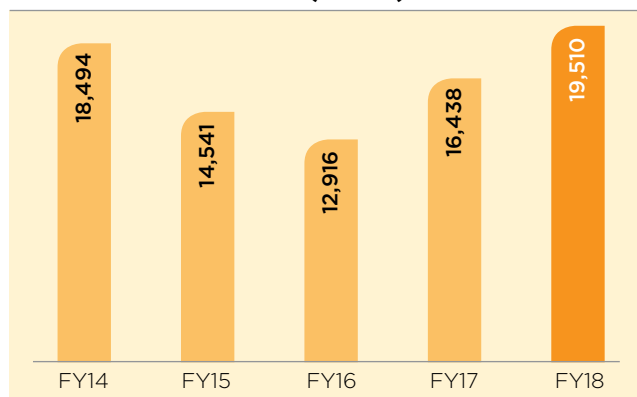


SpiceJet also introduced SpicEngage, the in-flight entertainment system. This first-ever in-flight entertainment system offered by a low cost airline is a novel initiative designed to act as another differentiator in the category and is capable of re-enforcing the pioneer image of the brand.

## 4. OPERATIONAL AND FINANCIAL HIGHLIGHTS

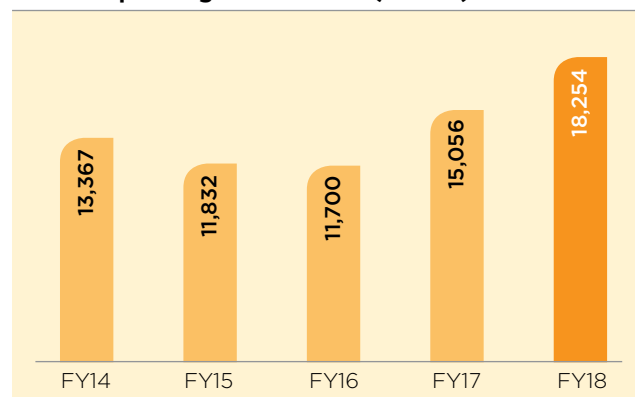
### a) Operational Highlights:

**Available seat kilometres (million)**



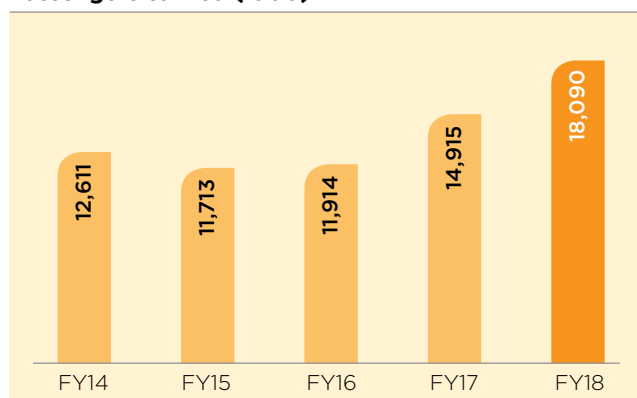
Capacity deployed in ASKM terms increased by 19% due to expansion in fleet.

**Revenue passenger kilometres (million)**



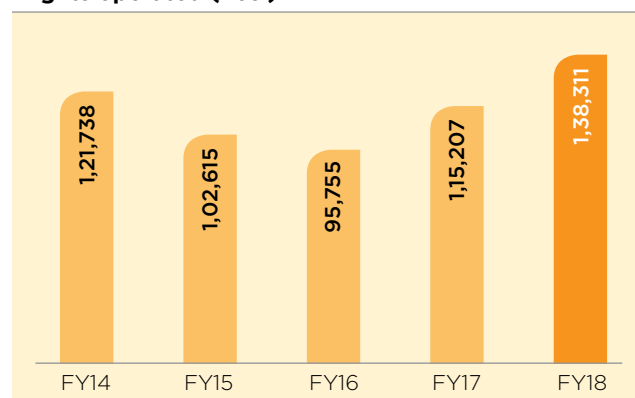
RPKM increased by 21% due to increase in load factor and expansion in fleet.

**Passengers carried ('000)**



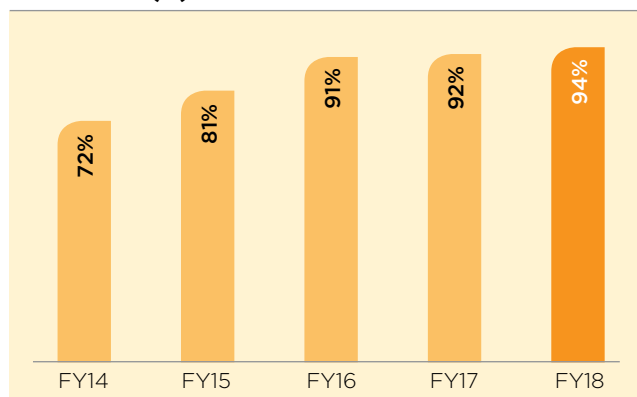
Passengers carried increased by 21% due to better load factor and increase in capacity.

**Flights operated (nos.)**



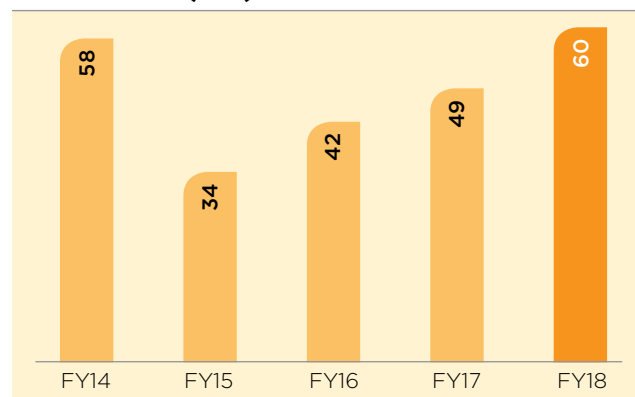
Flights operated increased by 20% due to expansion in fleet and enhanced aircraft utilisation.

**Load factor (%)**



Capacity deployment (load factor) increased substantially due to superior product offering and efficient deployment of network.

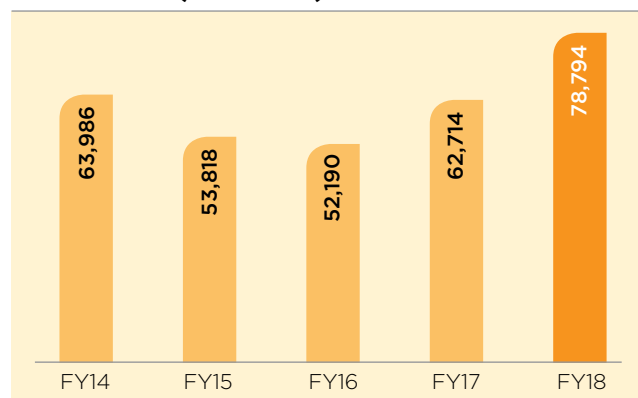
**Aircraft at end (nos.)**



Aircraft at end of financial year 2017-18 increased by 22% due to additional aircrafts inducted during the year.

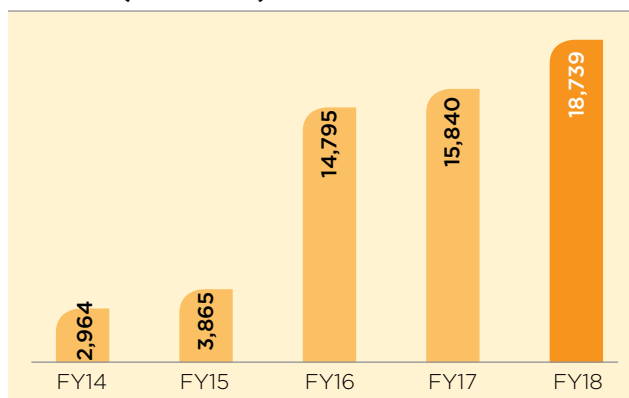
## b) Financial Highlights:

### Total revenue (INR million)



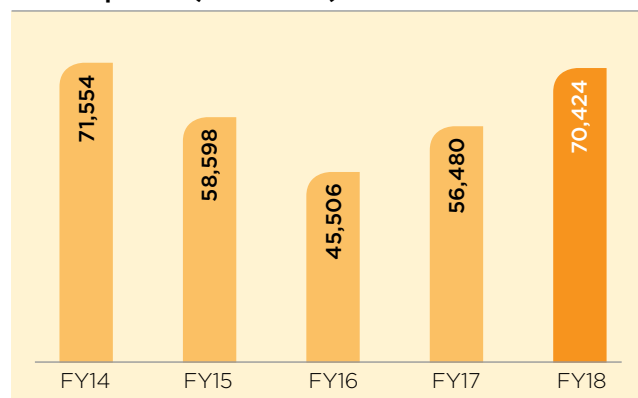
Total revenue increased due to better operating performance in terms of load factor, average fare etc. and additional flights introduced.

### EBITDAR (INR million)



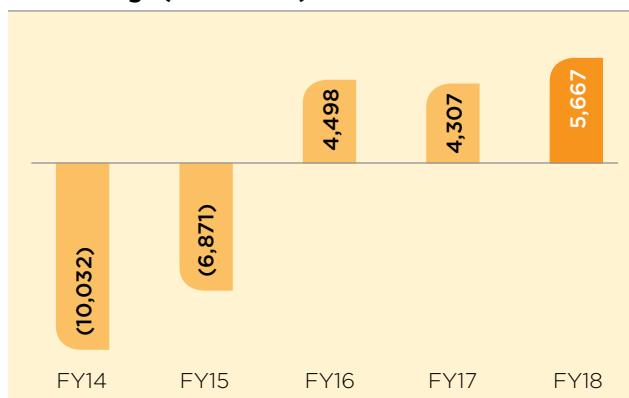
The EBITDAR increased by 18% due to better revenue management and capacity enhancement.

### Total expenses (INR million)



Total expenses increased by 25% mainly due to increase in capacity and ATF price increase.

### Net earnings (INR million)



The net earnings increased by 32% to strong yield, better load factor and capacity increase.

## c) Revenues

SpiceJet's total revenues improved by 26% to ₹ 78,794 million in financial year 2017-18 from ₹ 62,714 million in financial year 2016-17.

Revenue from operations increased by 26% to ₹ 77,951 million in financial year 2017-18 from ₹ 61,913 million in financial year 2016-17.

Other income increased by 5% to ₹ 843 million in financial year 2017-18 from ₹ 801 million in financial year 2016-17.

## d) Expenses

Total expenses for financial year 2017-18 increased by 25% to ₹ 70,424 million from ₹ 56,480 million in financial year 2016-17.

### i) Aircraft Fuel and Oil

Expenditure on aircraft fuel increased by 31% to ₹24,326 million in financial year 2017-18 from ₹18,552 million in financial year 2016-17. This increase is in line with increasing number of flights and higher oil prices.



**ii) Lease Rental-Aircraft and Engines**

Expenditure on lease rental-aircraft and engines increased by 8% to ₹10,369 million in financial year 2017-18 from ₹9,606 million in financial year 2016-17. This is a result of expansion in fleet.

**iii) Aircraft Maintenance Cost**

Expenditure on aircraft maintenance cost increased by almost 38%. The increase in maintenance and repair costs in financial year 2017-18 was towards increasing the capacity enhancement.

**iv) Employee Benefits / Expenses**

Expenses with regard to employee remuneration and benefits increased to ₹8,626 million in financial year 2017-18 from ₹6,735 million in financial year 2016-17, an increase of 28% primarily due to increase in the fleet size.

**v) Selling Expenses**

Selling expenses increased by 6% to ₹2,217 million for financial year 2017-18 from ₹2,093 million for financial year 2016-17. The increase is mainly due to increase in the revenue.

**vi) Other Expenses**

Other expense increased by 21% mainly due to increase in capacity.

**vii) Finance Cost**

Finance cost have increased during financial year 2017-18 by 42% to ₹922 million from ₹650 million in financial year 2016-17 due to increase in borrowings.

**viii) Depreciation and amortisation**

Depreciation and amortisation increased by 16% to ₹2,312 million in financial year 2017-18 from ₹1,986 million in financial year 2016-17.

## **5. OPPORTUNITIES, RISKS, CONCERNS AND THREATS**

The Indian aviation industry is expected to continue delivering a robust performance on the back of strong economic growth, expanding middle-class group and working population, business and leisure travel growth and expansion of aviation infrastructure. There has been impressive growth in domestic and international passenger traffic in recent times. Moreover, the untapped markets of Tier II and Tier III cities present huge growth opportunities aided by strong demand of air travel in these centres. Triggered by its strong foothold in domestic market, innovation-led excellence, customer-centricity, focus on network expansion and improving profitability, SpiceJet is well positioned to capitalise on the burgeoning aviation sector.

Risks and concerns on profitability include (a) rising crude oil prices; (b) the compounding effect of taxation on fuel costs; (c) fluctuations in foreign exchange rates and (d) sensitivity of demand due to inflationary environment. Fuel costs can be mitigated through adequate hedging and direct import which will be taken at appropriate time. Another major challenge is the inadequate airport infrastructure in the country affecting the operations of the airlines. Threats can arise from irrational pricing behaviour and/or uncontrolled capacity infusion. Irresponsible growth and over concentration in certain markets by incumbents remain a threat.

## **6. FUTURE OUTLOOK FOR SPICEJET**

Pricing levels in the industry remain a challenge in the wake of increasing costs; however, the new fleet inductions results in significant savings in unit costs to stay insulated. The Boeing MAX brings in cost reduction of around 12-14% per aircraft as compared to the earlier generation; while Q400 will increase the seat capacity from 78 to 90 and will improve performance that will bring in 8-10% reduction in its unit costs.

The Indian aviation industry is on a high growth trajectory led by a strong market growth rate coupled with infrastructure development and airline expansion. During financial year 2017-18, SpiceJet strengthened its operations

and explored new growth avenues through the UDAN programme. The Company plans to add 10-12 Boeing 737 MAX aircraft and 5 Bombardier Q400 aircraft to its existing fleet before December 2018. On the Bombardier Q400 aircraft, the seat count has been increased to 90 seats. This will enhance the seats flown in the regional and UDAN routes. Moreover, with a record aircraft order of B737 MAX, the Company endeavours to expand domestically and internationally to improve profitability and operating performance. The Company has also adopted significant initiatives to increase its ancillary revenues and constantly looks at new ventures to spur its passenger traffic. Pricing levels in the industry have firmed up and reflect the underlying cost structure. The massive aircraft order, cost reduction initiatives and scaling of operations reiterate the long-term growth strategy of the Company. With demonstrated profitability and robust demand, increase in SpiceJet's capacity addition is imperative to garner a healthy market share.

The Company, through its brand "SpiceXpress" has laid down a detailed plan for the launch of air cargo services covering both domestic and international routes. Much like SpiceJet's commercial passenger aircraft fleet, the airline's freighters fleet will consist of Boeing 737 planes and will be operated on an incremental direct operating cost model and will extend its operations through its common pool of resources like pilots, engineers, ground staff and airport infrastructure. The first freighter aircraft inducted by SpiceJet is a Boeing 737 NG Freighter. SpiceJet plans to have a dedicated air cargo fleet starting with the first four freighters scheduled to be inducted by March 2019 and will offer India's largest door-to-door air cargo service.

This is an extension of its 'belly cargo' service to a 'dedicated freighter' with Boeing 737 aircraft. Furthermore, the Company is capitalising on its proven operational capability and the huge growth potential offered by the logistics industry. These freighter aircraft are acquired on pure operating leases and haven't incurred any major CAPEX, while the ground operations will be either self-handled by the existing SpiceJet ground infrastructure or shall be outsourced till the development of a certain scale of operations. SpiceJet currently offers cargo capacity on its passenger aircraft fleet of 38 Boeing and 24 Q400s operating across 49 domestic and 7 international destinations. The added capacities through the acquisition of the freighters will enhance the airline's existing cargo competence to 60 domestic destinations by the end of 2018. The air cargo traffic in India is expected to grow by 60% in the next five years. The Indian logistics industry which provides employment to more than 22 million people has grown at a compound annual growth rate (CAGR) of 7.8% during the last five years and is expected to touch a worth of US\$ 215 billion in the next two years. Eyeing the huge growth potential in both domestic and global markets fuelled by the ever increasing e-commerce boom, SpiceJet aims to shore up SpiceXpress's existing capacity, transforming it into a full scale freighter cargo service.

In summary, the Company's management is working on every aspect ranging across revenue maximisation, cost reduction, employee welfare and productivity, customer retention, brand awareness and reputation, etc. in its efforts to create and sustain a world-class airline.

## 7. INTERNAL CONTROL

The Company has put in place strong internal control systems commensurate with its size and scale of operations. Latest technology is used to ensure efficient and effective internal controls in the business. The Company has adopted risk-based framework for effective risk mitigation with increased transparency and accountability as well as for ensuring compliance with all statutory requirements under different legislations.

Internal controls are designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of operations
- Adequacy of safeguards for assets
- Prevention and timely detection of frauds and errors
- Accuracy and completeness of the accounting records

The Company also has strong team of professionals for executing internal audit function which comprise its employees as well as services of reputed auditing firms. Internal audit function has implemented risk based internal audit plan to ensure increased coverage and assurance on operating effectiveness of internal controls in the Company. Audit observations are periodically presented to Senior Management and the Directors for taking adequate, effective and timely measures to address the deficiencies identified.

## 8. HUMAN RESOURCES

As the Organisation embarks on its next growth phase, it is imperative for the Company to build Leadership bandwidth, Organisation structure and People processes, to keep pace with the high energy Operational delivery at a high level of Operational excellence. During the year under review, SpiceJet continued to attract critical talent as a result of which the overall employee strength increased from 6,902 in April 2017 to 8,447 in March 2018. Structured and well calendarised “roadshows” for Inflight and Flight Operations ensured continuation of the required numbers. The Company ensured 75 internal job postings. Resultantly, the existing workforce of SpiceJet found avenues to grow professionally outside their regular work areas.

The quarterly individual achievement recognition programme to identify the “Spice Stars” was launched during the year with a lot of fanfare. An automated process ensured timeliness and control on the entire flow of the programme. A large number of people got recognised and strived harder to find a place on the pedestal. The “Long Service” award continued with increased fervour, with 950 more people coming within this ambit.

The Company continued to promote the culture of equality and diversity with more than 30% of women being recruited in its workforce. Two complete batches of 29 lady pilots were hired to reinforce the organisational commitment to this direction. Moreover, a full-time psychologist was brought onboard to provide emotional counsel to deal with workplace-related issues and personal challenges.

The Company continued to work on simplifying internal processes through a collaborative effort to ensure that employees are delivering their best results. It continued with its journey of rewarding outstanding employees by honouring them with annual awards for excellence. The focus was on making the internal processes more agile to cater to the needs of a predominantly millennial workforce. The digitisation of the entire HR processes was initiated to have a technology-driven HR interface.

SpiceJet strongly believes in enhancing the skill-set of its employees so that they can embrace the emerging technologies and the ever-changing, dynamic corporate world. To accelerate the learning capabilities of SpiceJetters, the Company invests deeply in various learning and development interventions.

SpiceJet strives to create an atmosphere where its employees are deeply engaged, committed and work with enthusiasm. Employee Engagement continues to be a key indicator to measure employees’ involvement and dedication in the organisation. During the year, SpiceJet participated and won several events at the Skylympics 2018, a mega national level sporting event where its employees competed against employees of the other aviation companies.

The Company conducted numerous fun activities/health camps and celebrated festivities throughout the year to encourage a culture of fun along with work. Regular employee interaction HR forums were conducted to provide greater understanding of the employees’ voice at the workplace. Besides, Employee grievances and issues were addressed and shared with concerned groups to provide equal opportunity to all at the workplace. The Company follows a gender neutral approach in handling all kinds of complaints and grievances to ensure a conducive, safe and secure workplace for women employees.

The tie-up with Amity University resulted in a large number of employees opting for online distance education through “Learn while you Earn” programme. This programme continued during the year, with SpiceJetters and their spouses getting exclusive 50% discounts on course fees for pursuing higher education with Amity University.

## 9. INFORMATION TECHNOLOGY

Information Technology plays a pivotal role in the management of airlines. Communication is a key aspect in air travel, and technology is serving to enhance communication between airplanes, airports, airlines and passengers. In the days to come, self-service and mobile-based technologies will be vital for consumer satisfaction. The past couple of years have witnessed a huge disruption in the mobile and digital payment space. India is now home to one-fifth of the world’s mobile subscribers. Mobile technologies and emerging web technologies are at the heart of the digital journey that SpiceJet has embarked upon.

At SpiceJet, its teams are working relentlessly to create an environment that provides comprehensive solutions around mobile and new-age web technologies. SpiceJet has upgraded its core Passenger Service System, Navitaire to the most recent version. This upgradation is likely to bring in robust infrastructure and new enhancements which would help the organisation to run its core functions, including revenue management with more agility. The current mobile site will be replaced with a Progressive Web Application (PWA). The current website and mobile application will also be replaced by a state-of-the-art mobile app and website.

New tools have been created to improve efficiency, reduce manual work and maintain data integrity. A rostering solution for engineers has been developed to prevent controllable delays and increase employee efficiency. An application has been built for the crew to fill all the technical logs digitally, which will drive predictive maintenance and taking proactive measures by looking at the data trends.

Keeping customers at the heart of everything, SpiceJet has introduced effective personalised communication with its customers by integrating Sales Force CRM. Additionally, the existing calling management tool allows call agents to have a 360 degree view of the customers and their past history, call details and social interaction with SpiceJet.

In a first-of-its-kind in the Indian aviation industry, SpiceJet cabin crew have started using Android Tablets on board for managing inflight catering. This application not only enables the crew to digitally record sales achieved onboard but will also help in recording customer preferences to serve them better.

In another industry first initiative, SpiceJet, India’s most innovative airline allows passengers to book tickets, check-in and manage their journey through Facebook messenger. SpiceJet customers can also check in and manage their booking through WhatsApp messaging service.

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

In its endeavour to automate and digitise employees’ operations, a state-of-the-art HRMS solution has been implemented. The new solution will automate recruitment management, document library, workflow management, onboarding process, time tracker, attendance, leave and rostering management, time sheets, reimbursements, claims and other HR processes. A crew portal has been designed to digitise the crew journey and empower them to interact with different departments.

Going forward, data, mobile and innovation continue to remain the key aspects of the digital journey at SpiceJet.

# INDEPENDENT AUDITOR'S REPORT

To the Members of SpiceJet Limited

## Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of SpiceJet Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the standalone Cash Flow Statement, the standalone Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

## Management's Responsibility 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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the standalone financial position, standalone financial performance including other comprehensive income, standalone cash flows and standalone changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit 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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by 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, 2018, its profit including other comprehensive income and its cash flows and statement of changes in equity for the year ended on that date.

## Emphasis of Matter

We draw attention to Note 44 of the Standalone Ind AS financial statements regarding disputes with erstwhile promoters and certain resultant possible non-compliances of applicable provisions of law, and Note 36 regarding the consequent effects thereof on diluted earnings per share disclosure. Our opinion is not qualified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone Balance Sheet, standalone Statement of Profit and Loss including the standalone Statement of Other Comprehensive Income, the standalone Cash Flow Statement and standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) The matters described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
  - f) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 43 to the standalone Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

### For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

### per Aniruddh Sankaran

Partner

Membership Number: 211107

Place : Gurugram

Date : May 11, 2018

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

Re: SpiceJet Limited ('the Company')

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



Name of the statute	Nature of dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax (including penalty for delay)	170.70	April 2006 to March 2012	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Customs (including penalty for delay)	34.13	December 2012 to September 2016	Customs, Excise and Service Tax Appellate Tribunal
Goods and Services Tax Act, 2017	Integrated goods and services tax	561.47	August 2017 to March 2018	GST Appellate Tribunal

- viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to a bank or financial institution during the year. The Company has not made any borrowings from the government and has not issued any debentures during the year.
- 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, there are no transactions with the related parties which attract the provisions of sections 188 and 177 of Companies Act, 2013. The details of such transactions with related parties 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 No.: 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership Number: 211107

Place : Gurugram

Date : May 11, 2018

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

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

We have audited the internal financial controls over financial reporting of SpiceJet Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

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

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

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

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

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

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

and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

### **per Aniruddh Sankaran**

Partner

Membership Number: 211107

Place : Gurugram

Date : May 11, 2018

# STANDALONE BALANCE SHEET

as at March 31, 2018

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

	Notes	As at 31-Mar-2018	As at 31-Mar-2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment ('PPE')	3	15,936.64	16,188.72
Intangible assets	4	40.38	9.03
Investments in subsidiaries	5a	0.30	0.20
Financial Assets			
(i) Investments	5b	0.24	0.23
(ii) Loans	6	497.64	190.33
(iii) Other Financial Assets	7	9,721.93	4,255.76
Non-current tax assets	8	290.63	211.54
Other non current assets	9	5,508.42	2,127.27
<b>Total non-current assets</b>		<b>31,996.18</b>	<b>22,983.08</b>
<b>Current Assets</b>			
Inventories	10	1,243.68	869.93
Financial Assets			
(i) Investments	11	1,012.62	1,397.52
(ii) Trade Receivables	12	851.87	617.69
(iii) Cash and cash equivalents	13	1,186.71	187.67
(iv) Bank balances other than (iii) above	13	271.00	485.74
(v) Other financial assets	14	1,585.76	1,797.93
Other current assets	15	3,071.82	1,569.46
<b>Total current assets</b>		<b>9,223.46</b>	<b>6,925.94</b>
<b>Total Assets</b>		<b>41,219.64</b>	<b>29,909.02</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	16	5,994.50	5,994.50
Other Equity	17	(6,424.17)	(12,085.44)
<b>Total Equity</b>		<b>(429.67)</b>	<b>(6,090.94)</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	18	6,509.53	7,759.84
(ii) Trade Payables	19	150.69	209.51
Long-term Provisions	20	3,403.02	2,897.25
Other non-current liabilities	21	617.16	461.22
<b>Total non-current liabilities</b>		<b>10,680.40</b>	<b>11,327.82</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	22	3,574.38	2,522.45
(ii) Trade Payables	23	6,882.16	5,845.11
(iii) Other current financial liabilities	24	3,178.51	1,536.01
Short-term Provisions	25	2,253.72	1,417.91
Other Current Liabilities	26	15,080.14	13,350.66
<b>Total current liabilities</b>		<b>30,968.91</b>	<b>24,672.14</b>
<b>Total Liabilities</b>		<b>41,649.31</b>	<b>35,999.96</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,219.64</b>	<b>29,909.02</b>

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership No: 211107

Place: Gurugram

Date: May 11, 2018

**For and on behalf of the Board of Directors**

**Ajay Singh**

Chairman &  
Managing Director

Place: Gurugram

Date: May 11, 2018

**Kiran Koteswar**

Chief Financial  
Officer

Place: Gurugram

Date: May 11, 2018

**Chandan Sand**

Company Secretary

Place: Gurugram

Date: May 11, 2018

# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

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

	Note No.	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>INCOME</b>			
Revenue from operations	27	77,950.93	61,912.66
Other income	28	842.73	801.34
<b>Total Income</b>		<b>78,793.66</b>	<b>62,714.00</b>
<b>EXPENSES</b>			
Operating expenses	30	55,565.55	44,325.13
Cost of inventory consumed		-	-
Employee benefits expense	31	8,625.67	6,735.40
Sales and marketing expenses	32	2,216.60	2,092.90
Other expenses	33	4,015.84	3,326.42
<b>Total Expense</b>		<b>70,423.66</b>	<b>56,479.85</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>8,370.00</b>	<b>6,234.15</b>
Depreciation and amortization expense	3 & 4	(2,312.01)	(1,986.05)
Finance Income	29	530.42	324.04
Finance costs	34	(921.90)	(650.40)
<b>PROFIT FOR THE YEAR BEFORE EXCEPTIONAL ITEMS</b>		<b>5,666.51</b>	<b>3,921.74</b>
Exceptional items	35	-	385.54
<b>Profit Before Tax</b>		<b>5,666.51</b>	<b>4,307.28</b>
Income Tax Expense			
- Current Tax		-	-
- Deferred Tax		-	-
Total tax expense		-	-
<b>Profit for the year</b>		<b>5,666.51</b>	<b>4,307.28</b>
<b>OTHER COMPREHENSIVE INCOME:</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Remeasurement gains and (losses) on defined benefit obligations (net)		2.34	(21.22)
Income tax impact			
<b>Other comprehensive loss for the year</b>		<b>2.34</b>	<b>(21.22)</b>
<b>Total comprehensive income for the year</b>		<b>5,668.85</b>	<b>4,286.06</b>
Earnings per Equity Share of INR 10 each	36		
Earnings per share			
- Basic earnings per share		9.45	7.19
- Diluted earnings per share	36c	9.45	7.19

Summary of significant accounting policies

2

See accompanying Notes forming part of the Financial Statements.

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership No: 211107

Place: Gurugram

Date: May 11, 2018

**For and on behalf of the Board of Directors**

**Ajay Singh**

Chairman &  
Managing Director

Place: Gurugram

Date: May 11, 2018

**Kiran Koteswar**

Chief Financial  
Officer

Place: Gurugram

Date: May 11, 2018

**Chandan Sand**

Company Secretary

Place: Gurugram

Date: May 11, 2018

# STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2018

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

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>CASH FLOW FROM / USED IN OPERATING ACTIVITIES</b>		
Profit before tax and exceptional items	5,666.51	3,921.74
Adjustments to reconcile profit before tax and exceptional items to net cash flows:		
Depreciation and Amortisation expense	2,312.01	1,986.05
Provision for doubtful claims / advances	103.07	-
Loss / (profit) on disposal of PPE (net) / assets written off	52.16	9.06
Provision for litigations	-	82.69
Advances / debts written off	36.54	79.35
Share-based payment expense	13.01	-
Provision for aircraft maintenance	2,823.63	1,796.89
Provision for aircraft redelivery	102.46	122.81
Liabilities / provision no longer required written back	(489.08)	(517.58)
Profit on sale of engine under sale and lease-back arrangement	(47.55)	(23.70)
Net (Gain)/Loss on financial assets measured at fair value through profit or loss ('FVTPL')	26.85	(34.83)
Finance income	(530.42)	(324.04)
Finance costs	921.90	650.40
Translation loss / (gain) on monetary assets and liabilities	115.01	(499.72)
<b>Operating profit before working capital changes</b>	<b>11,106.10</b>	<b>7,249.12</b>
<b>MOVEMENTS IN WORKING CAPITAL :</b>		
(Increase) / Decrease in trade receivables	(252.24)	(183.95)
(Increase) / Decrease in inventories	(373.75)	(204.48)
(Increase) / Decrease in other financial assets	(1,316.07)	344.06
(Increase) / Decrease in other current assets	(1,502.36)	(431.51)
Increase / (Decrease) in trade payables	(1,356.32)	(790.03)
Increase / (Decrease) in other financial liabilities	1,619.12	(275.45)
Increase / (Decrease) in other liabilities	1,932.98	1,542.91
Increase / (Decrease) in provisions	1,241.46	(4,026.80)
<b>Cash generated from operations</b>	<b>11,098.92</b>	<b>3,223.87</b>
Income taxes received / (paid) (net of refunds)	(79.09)	81.23
<b>Net cash generated from operating activities before exceptional items</b>	<b>11,019.83</b>	<b>3,305.10</b>
Cash inflow from exceptional items (refer note 35)	-	1,658.32
<b>Net cash flow from / (used in) operating activities</b>	<b>A 11,019.83</b>	<b>4,963.42</b>

# STANDALONE CASH FLOW STATEMENT (Contd.)

for the year ended March 31, 2018

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

		Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>CASH FLOW FROM / USED IN INVESTING ACTIVITIES</b>			
Purchase of PPE and capital work in progress (including capital advances)		(5,586.80)	(2,488.64)
Proceeds from sale of PPE		18.73	4.28
Investment in subsidiary		(0.10)	(0.20)
Purchase of investments		358.04	(1,158.28)
Investments in bank deposits		(3,739.79)	(185.74)
Margin money deposits placed		(2,365.54)	(2,561.21)
Margin money deposits withdrawn		2,365.54	1,212.49
Finance income		333.47	259.61
<b>Net cash from / (used in) investing activities</b>	<b>B</b>	<b>(8,616.45)</b>	<b>(4,917.69)</b>
<b>CASH FLOW FROM / USED IN FINANCING ACTIVITIES</b>			
Loans to subsidiary		(307.31)	(190.33)
Proceeds from short-term borrowings		1,051.93	1,472.45
Repayment of long-term borrowings		(1,250.31)	(1,255.72)
Finance costs		(898.52)	(650.24)
<b>Net cash (used in) / from financing activities</b>	<b>C</b>	<b>(1,404.21)</b>	<b>(623.84)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>999.17</b>	<b>(578.11)</b>
Effects of exchange difference on cash and cash equivalents held in foreign currency		(0.13)	6.76
Cash and cash equivalents at the beginning of the year		187.67	759.02
Cash and cash equivalents at the end of the year		<b>1,186.71</b>	<b>187.67</b>
<b>NOTES :</b>			
Components of cash and cash equivalents			
On current accounts		1,109.61	149.03
On deposit accounts		55.63	16.23
Cash on hand		21.47	22.41
<b>Total cash and cash equivalents (Note 13)</b>		<b>1,186.71</b>	<b>187.67</b>

See accompanying Notes forming part of the Financial Statements.

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**

**For and on behalf of the Board of Directors**

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership No: 211107

Place: Gurugram

Date: May 11, 2018

**Ajay Singh**

Chairman &  
Managing Director

Place: Gurugram

Date: May 11, 2018

**Kiran Koteswar**

Chief Financial  
Officer

Place: Gurugram

Date: May 11, 2018

**Chandan Sand**

Company Secretary

Place: Gurugram

Date: May 11, 2018



## STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

(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, 2016	599,450,183	5,994.50
At March 31, 2017	599,450,183	5,994.50
<b>At March 31, 2018</b>	<b>599,450,183</b>	<b>5,994.50</b>

### b. Other equity

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

For the year ended March 31, 2017	Reserves and Surplus				Other reserves	Total Equity
Particulars	Retained earnings	Securities Premium Account	General Reserve	Share-based payment reserves	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	
<b>As at April 01, 2016</b>	(26,317.57)	9,864.92	42.17	6.92	20.42	(16,383.14)
Profit for the year	4,307.28	-	-	-	-	4,307.28
Other comprehensive income	(21.22)	-	-	-	-	(21.22)
<b>Total Comprehensive Income</b>	<b>(22,031.51)</b>	<b>9,864.92</b>	<b>42.17</b>	<b>6.92</b>	<b>20.42</b>	<b>(12,097.08)</b>
Options granted during the year	-	-	-	-	-	-
Transferred from employee stock options outstanding upon lapse of such options	-	-	6.92	(6.92)	-	-
Movement during the year in Foreign Currency Monetary Item Translation Difference Account ('FCMITDA'), net	-	-	-	-	(1.81)	(1.81)
Recognised in the Statement of P&L during the year	-	-	-	-	13.45	13.45
<b>As at March 31, 2017</b>	<b>(22,031.51)</b>	<b>9,864.92</b>	<b>49.09</b>	<b>-</b>	<b>32.06</b>	<b>(12,085.44)</b>

See accompanying Notes forming part of the Financial Statements.

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership No: 211107

Place: Gurugram

Date: May 11, 2018

**For and on behalf of the Board of Directors**

**Ajay Singh**

Chairman &  
Managing Director

Place: Gurugram

Date: May 11, 2018

**Kiran Koteswar**

Chief Financial  
Officer

Place: Gurugram

Date: May 11, 2018

**Chandan Sand**

Company Secretary

Place: Gurugram

Date: May 11, 2018

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2018

*(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 60 aircraft including 4 aircraft taken on wet lease across various routes in India and abroad as at March 31, 2018. The registered office of the Company is located at Indira Gandhi International Airport, Terminal 1D, New Delhi - 110037.

The financial statements were approved for issue by the board of directors on May 11, 2018.

### 2. 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, 2018 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, read with Companies (Indian Accounting Standards) as amended.

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

##### ii. Historical Cost convention

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

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

##### iii. Going concern assumption

The Company has been consistently profitable for the last three financial years, as a result of which the negative net worth has substantially improved, and is only Rs 429.70 million as at March 31, 2018. The Company's net current liabilities have also reduced by similar amounts. The earlier position of negative net worth and net current liabilities was the result of historical market factors.

As a result of various operational, commercial and financial measures implemented over the last three years, the Company has significantly improved its liquidity position, and generated operating cash flows during that period. In view of the foregoing, and having regard to industry outlook in the markets in which the Company operates, management is of the view that the Company will be able to maintain profitable operations and raise funds as necessary, in order to meet its liabilities as they fall due. Accordingly, these financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.) for the year ended March 31, 2018

*(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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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.

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	8 - 17.86
Rotable and Tools	17.86

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

In respect of aircraft and rotables and tools, had the Company applied the requirements of useful life and residual values specified under Schedule II of the Act as described above, the depreciation expense for the current year would have been lower by ₹ 21.62 million (previous year ₹ 23.16 million).

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

### d) Intangible assets

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

Costs incurred towards purchase of computer software are amortised using the straight-line method over a period based on management's estimate of useful lives of such software being 2 / 3 years, or over the license period of the software, whichever is shorter.

### e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the services, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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

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,

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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 recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The revenue is recognized net of VAT / Service tax / Goods and Service Tax (if any).

The specific recognition criteria described below must also be met before revenue is recognised.

#### 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 unearned revenue.

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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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.

### Sale of food and beverages

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

### Training Income

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

### Interest

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

## **h) Employee benefits**

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

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### Deferred tax

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

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

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as a deferred tax asset.

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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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

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

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

### k) Leases

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

#### Where the Company is a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

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

#### Sale and lease back arrangements

Profit or loss on sale and lease back arrangements resulting in operating leases is recognized immediately in case the transaction is established at fair value. If the sale price is below fair value, any profit or loss is recognised immediately except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.

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

### l) Cash and cash equivalents

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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

### m) Foreign currencies

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

#### Initial Recognition

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

#### Conversion

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

#### Exchange Differences

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

### n) Fair value measurement

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

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

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

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

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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 48).

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

### **o) Provisions**

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

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

### **p) Financial instruments**

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

#### **Financial assets**

##### *Initial recognition and measurement*

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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.

### *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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

### Financial liabilities

#### *Initial recognition and measurement*

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

#### *Subsequent measurement*

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

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

#### *Derecognition*

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

#### Derivative financial instruments

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



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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.

### **q) Inventories**

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

### **r) Manufacturers' incentives**

#### Cash Incentives

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

#### Non-cash Incentives

Non cash incentives relating to aircraft taken on finance lease are recorded as and when due to the Company by setting up a deferred asset and a corresponding incentive. These incentives are recognized under the head other operating revenue in the statement of profit and loss on a straight line basis over the remaining life of the aircraft. The deferred asset explained above is reduced on the basis of utilization against purchase of goods and services.

### **s) Commission to agents**

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

### **t) Share-based payments**

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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.

### u) Segment reporting

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

### v) Contingent liabilities

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

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

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 3. PROPERTY PLANT & EQUIPMENT (PPE)

Particulars	Plant & Equipment	Rotable & Tools	Office Equipment	Computers	Furniture & Fixtures	Vehicles	Leasehold Improvements	Aircraft ^	Land	Total
<b>Cost or valuation</b>										
<b>As at April 01, 2016</b>	400.98	1,310.61	52.81	66.33	16.58	346.35	32.60	15,786.75	-	18,013.01
Additions #	114.36	967.17	14.48	58.65	4.07	57.31	1.12	885.95	-	2,103.11
Disposals	7.92	6.22	0.02	0.62	0.06	2.57	-	-	-	17.41
Exchange Differences *	-	-	-	-	-	-	-	(193.66)	-	(193.66)
<b>As at March 31, 2017</b>	<b>507.42</b>	<b>2,271.56</b>	<b>67.27</b>	<b>124.36</b>	<b>20.59</b>	<b>401.09</b>	<b>33.72</b>	<b>16,479.04</b>	<b>-</b>	<b>19,905.05</b>
Additions #	224.17	613.98	32.38	77.11	5.39	89.76	10.92	875.20	171.37	2,100.28
Disposals	5.30	75.99	1.06	0.07	-	1.25	-	-	-	83.67
Exchange Differences *	-	-	-	-	-	-	-	20.76	-	20.76
<b>As at March 31, 2018</b>	<b>726.29</b>	<b>2,809.55</b>	<b>98.59</b>	<b>201.40</b>	<b>25.98</b>	<b>489.60</b>	<b>44.64</b>	<b>17,375.00</b>	<b>171.37</b>	<b>21,942.42</b>
<b>Depreciation and impairment</b>										
At April 1, 2016	34.77	90.30	18.37	16.72	3.01	53.30	10.45	1,520.67	-	1,747.59
Charge for the Year	40.56	117.49	16.24	26.54	4.66	65.83	7.39	1,512.98	-	1,791.69
Disposals	0.82	0.61	-	0.47	0.01	2.17	-	-	-	4.08
Exchange Differences *	-	-	-	-	-	-	-	181.13	-	181.13
<b>As at March 31, 2017</b>	<b>74.51</b>	<b>207.18</b>	<b>34.61</b>	<b>42.79</b>	<b>7.66</b>	<b>116.96</b>	<b>17.84</b>	<b>3,214.78</b>	<b>-</b>	<b>3,716.33</b>
Charge for the Year	50.01	160.86	17.55	39.40	5.44	76.18	8.20	1,785.76	-	2,143.40
Disposals	1.89	9.19	1.00	0.02	-	0.68	-	-	-	12.78
Exchange Differences *	-	-	-	-	-	-	-	158.83	-	158.83
<b>As at March 31, 2018</b>	<b>122.63</b>	<b>358.85</b>	<b>51.16</b>	<b>82.17</b>	<b>13.10</b>	<b>192.46</b>	<b>26.04</b>	<b>5,159.37</b>	<b>-</b>	<b>6,005.78</b>
<b>Net Block</b>										
<b>As at March 31, 2017</b>	<b>432.91</b>	<b>2,064.38</b>	<b>32.66</b>	<b>81.57</b>	<b>12.93</b>	<b>284.13</b>	<b>15.88</b>	<b>13,264.26</b>	<b>-</b>	<b>16,188.72</b>
<b>As at March 31, 2018</b>	<b>603.66</b>	<b>2,450.70</b>	<b>47.43</b>	<b>119.23</b>	<b>12.88</b>	<b>297.14</b>	<b>18.60</b>	<b>12,215.63</b>	<b>171.37</b>	<b>15,936.64</b>

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

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

# Additions to Aircraft comprise ₹ 875.20 million for the year March 31,2018 and ₹ 885.95 million for the March 31,2017 pertaining to overhaul costs capitalised on aircraft.

Rotables and tools, Ground support equipment and Motor Vehicles with a carrying amount of ₹ 36.30 million (March 31, 2017 ₹ 45.69 million), are subject to a first charge to secure the facilities provided by a lender.

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 4. INTANGIBLE ASSETS

	Software	Total
<b>Cost or valuation</b>		
<b>As at April 01, 2016</b>	24.91	24.91
Additions	12.16	12.16
Disposals	-	-
<b>At March 31, 2017</b>	<b>37.07</b>	<b>37.07</b>
Additions	41.13	41.13
Disposals	-	-
<b>At March 31, 2018</b>	<b>78.20</b>	<b>78.20</b>
<b>Accumulated Amortization</b>		
As at April 01, 2016	14.81	14.81
Charge for the year	13.23	13.23
Disposals	-	-
<b>At March 31, 2017</b>	<b>28.04</b>	<b>28.04</b>
Charge for the year	9.78	9.78
Disposals	-	-
<b>At March 31, 2018</b>	<b>37.82</b>	<b>37.82</b>
<b>Net Block</b>		
<b>At March 31, 2017</b>	<b>9.03</b>	<b>9.03</b>
<b>At March 31, 2018</b>	<b>40.38</b>	<b>40.38</b>

### 5. NON-CURRENT INVESTMENTS

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

	As at 31-Mar-2018	As at 31-Mar-2017
10,000 (March 31, 2017:10,000) equity shares of SpiceJet Merchandise Private Limited	0.10	0.10
10,000 (March 31, 2017:10,000) equity shares of SpiceJet Technic Private Limited	0.10	0.10
10,000 (March 31, 2017:nil) equity shares of Canvin Realestate Private Limited	0.10	-
<b>Total Investments in subsidiaries</b>	<b>0.30</b>	<b>0.20</b>

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

1,270 (March 31, 2017: 1,189) equity shares of Aeronautical Radio of Thailand Limited	0.24	0.23
<b>Aggregate amount of unquoted investments</b>	<b>0.24</b>	<b>0.23</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 6. LONG-TERM LOANS

(Unsecured, considered good unless stated otherwise)

	As at 31-Mar-2018	As at 31-Mar-2017
Loan to subsidiary (Refer note 47)	497.64	190.33
	<b>497.64</b>	<b>190.33</b>

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

### 7. OTHER NON-CURRENT FINANCIAL ASSETS

(Unsecured, considered good unless stated otherwise)

Security deposits (at amortised cost)	3,154.23	1,675.79
Non-current bank balances (also refer note 13)	6,527.41	2,572.88
Interest accrued but not due from related parties (Refer note 47)	40.29	7.09
	<b>9,721.93</b>	<b>4,255.76</b>

### 8. NON-CURRENT TAX ASSETS

Advance income-tax and tax deducted at source (net of provision for taxation)	290.63	211.54
	<b>290.63</b>	<b>211.54</b>

### 9. OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless stated otherwise)

Accrued overhaul obligation on finance lease aircraft	1,099.30	1,145.61
Deposit with Bombay High Court (also refer note 43 (b) (i))	-	50.00
Deposit with Delhi High Court (also refer note 44)	2,500.00	-
Tax paid under protest	561.47	-
<b>Capital advances</b>		
Unsecured, considered Doubtful	109.32	24.32
Unsecured, considered good	1,347.65	931.66
	<b>5,617.74</b>	<b>2,151.59</b>
<b>Impairment Allowance</b>		
Doubtful advances	(109.32)	(24.32)
	<b>(109.32)</b>	<b>(24.32)</b>
<b>Total</b>	<b>5,508.42</b>	<b>2,127.27</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 10. INVENTORIES (AT THE LOWER OF COST AND NET REALISABLE VALUE)

	As at 31-Mar-2018	As at 31-Mar-2017
Engineering stores and spares	1,146.51	808.54
Inventories held in trade	16.71	-
Other stores	80.46	61.39
<b>Total inventories</b>	<b>1,243.68</b>	<b>869.93</b>

### 11. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Quoted investment in mutual funds	1,012.62	1,397.52
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>1,012.62</b>	<b>1,397.52</b>

### 12. TRADE RECEIVABLES

Trade receivables (Current)	851.87	617.69
<b>Total Trade receivables</b>	<b>851.87</b>	<b>617.69</b>
<b>Trade receivables</b>		
Unsecured, considered Doubtful	13.59	4.04
Unsecured, considered good	861.38	618.69
	<b>874.97</b>	<b>622.73</b>
<b>Impairment Allowance (Allowance for bad and doubtful debts)</b>		
Unsecured, considered good	(9.51)	(1.00)
Doubtful	(13.59)	(4.04)
	<b>(23.10)</b>	<b>(5.04)</b>
<b>Total</b>	<b>851.87</b>	<b>617.69</b>

Sale of air tickets are on cash basis. 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 party receivables, refer Note 47.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 13. CASH AND CASH EQUIVALENTS

	As at 31-Mar-2018	As at 31-Mar-2017
Balances with banks:		
- On current accounts	1,109.61	149.03
- On deposit accounts with original maturity less than 3 months	55.63	16.23
Cash on hand	21.47	22.41
	<b>1,186.71</b>	<b>187.67</b>
<b>Other bank balances</b>		
Deposits with original maturity for more than 3 months but less than 12 months	208.00	13.64
Deposits with original maturity more than 12 months*	6,590.41	3,044.98
	<b>6,798.41</b>	<b>3,058.62</b>
Less: Amount disclosed under other non-current asset (Refer note 7)	(6,527.41)	(2,572.88)
	<b>271.00</b>	<b>485.74</b>
	<b>1,457.71</b>	<b>673.41</b>

At March 31, 2018, the Company had available INR 925.62 million (March 31, 2017: INR 377.55 million, April 01, 2015: Nil) 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, 2017	Cash flows	Forex impact	Others	March 31, 2018
Current borrowings	2,522.45	1,051.93	-	-	3,574.38
Finance Cost	31.62	(898.52)	-	921.90	55.00
Non- current borrowings	7,759.84	(1,274.87)	24.56	-	6,509.53
<b>Total liabilities from financing activities</b>	<b>10,313.91</b>	<b>(1,121.46)</b>	<b>24.56</b>	<b>921.90</b>	<b>10,138.91</b>

Particulars	April 01, 2016	Cash flows	Forex impact	Others	March 31, 2017
Current borrowings	1,050.00	1,472.45	-	-	2,522.45
Finance Cost	31.46	(650.24)	-	650.40	31.62
Non- current borrowings	9,209.22	(1,241.52)	(207.86)	-	7,759.84
<b>Total liabilities from financing activities</b>	<b>10,290.68</b>	<b>(419.31)</b>	<b>(207.86)</b>	<b>650.40</b>	<b>10,313.91</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 14. OTHER CURRENT FINANCIAL ASSETS

(Unsecured, considered good unless stated otherwise)

	As at 31-Mar-2018	As at 31-Mar-2017
Security deposits	541.49	1,258.77
Employee advances	54.50	20.98
Interest accrued		
- on fixed deposits	281.35	84.40
Unbilled revenue	240.83	307.70
Claims receivable		
Unsecured, considered Doubtful	-	-
Unsecured, considered good	467.59	126.08
	<b>1,585.76</b>	<b>1,797.93</b>
<b>Impairment Allowance</b>		
Doubtful receivables	-	-
	-	-
<b>Total</b>	<b>1,585.76</b>	<b>1,797.93</b>

### 15. OTHER CURRENT ASSETS

(Unsecured, considered good unless stated otherwise)

Prepaid expenses	1,734.59	758.99
Balance with Government authorities	175.44	-
Advances to suppliers		
Unsecured, considered Doubtful	-	-
Unsecured, considered good	1,081.79	810.47
Others	80.00	-
	<b>3,071.82</b>	<b>1,569.46</b>
<b>Impairment Allowance</b>		
Doubtful advances	-	-
	-	-
<b>Total</b>	<b>3,071.82</b>	<b>1,569.46</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 16. SHARE CAPITAL

	As at 31-Mar-2018	As at 31-Mar-2017
<b>Authorised Capital</b>		
(1,500,000,000 equity shares of ₹ 10/- each)		
<b>As at April 01, 2016</b>	15,000.00	15,000.00
Increase during the year	-	-
<b>As at March 31, 2017</b>	15,000.00	15,000.00
Increase during the year	-	-
<b>As at March 31, 2018</b>	<b>15,000.00</b>	<b>15,000.00</b>
<b>Issued, Subscribed and Paid-up Capital</b>		
(599,450,183 equity shares of ₹ 10/- each)		
<b>As at April 01, 2016</b>	5,994.50	5,994.50
Increase during the year	-	-
<b>As at March 31, 2017</b>	5,994.50	5,994.50
Increase during the year	-	-
<b>As at March 31, 2018</b>	<b>5,994.50</b>	<b>5,994.50</b>

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

Particulars	As at Mar 31, 2018		As at March 31, 2017	
	Number	Value (₹)	Number	Value (₹)
Shares outstanding at the beginning of the period	599,450,183	5,994,501,830	599,450,183	5,994,501,830
Issued during the year	-	-	-	-
<b>Shares outstanding at the end of the period</b>	<b>599,450,183</b>	<b>5,994,501,830</b>	<b>599,450,183</b>	<b>5,994,501,830</b>

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

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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

Name of Shareholder	As at 31-Mar-2018		As at 31-Mar-2017	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Mr. Ajay Singh	354,443,450	59.13%	354,443,450	59.13%
<b>Total</b>	<b>354,443,450</b>	<b>59.13%</b>	<b>354,443,450</b>	<b>59.13%</b>

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### D. Aggregate number of bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding the reporting date:

The Company has issued total Nil shares (March 31, 2017 - 171,665 shares) during the period of five years immediately preceeding the reporting date on exercise of options granted under the employee stock option ('ESOP') plan wherein part consideration was received in form of employee services.

### E. Shares reserved for issue under options

For details of shares reserved for issue under ESOP, refer Note 39

## 17. OTHER EQUITY

	As at 31-Mar-2018	As at 31-Mar-2017
<b>Reserves and Surplus</b>		
Securities Premium Account	9,864.92	9,864.92
General Reserve	49.09	49.09
Share-based payment reserves	13.01	-
Retained Earnings	(16,362.66)	(22,031.51)
<b>Total</b>	<b>(6,435.64)</b>	<b>(12,117.50)</b>
Other reserves		
Foreign Currency Monetary Item Translation Difference Account	11.47	32.06
<b>Total other equity</b>	<b>(6,424.17)</b>	<b>(12,085.44)</b>

### a. Securities Premium

<b>Balance at the beginning of the year</b>	<b>9,864.92</b>	<b>9,864.92</b>
Additions during the year	-	-
Deductions during the year	-	-
<b>Balance at the end of the year</b>	<b>9,864.92</b>	<b>9,864.92</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

(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-2018	As at 31-Mar-2017
<b>Balance at the beginning of the year</b>	<b>49.09</b>	<b>42.17</b>
Transferred from employee stock options outstanding upon lapse of such options	-	6.92
Deductions during the year	-	-
<b>Balance at the end of the year</b>	<b>49.09</b>	<b>49.09</b>

### c. Share-based payment reserves

The balance represents reserves created to the extent of granted options based on the Employees Stock Option Scheme, 2017.

<b>Balance at the beginning of the year</b>	<b>-</b>	<b>6.92</b>
Options granted during the year	13.01	-
Transferred to general reserve upon lapse of such options	-	(6.92)
<b>Balance at the end of the year</b>	<b>13.01</b>	<b>-</b>

### d. Retained Earnings

<b>Balance at the beginning of the year</b>	<b>(22,031.51)</b>	<b>(26,317.57)</b>
Profit for the year	5,666.51	4,307.28
Re-measurement Gain/(Loss) on Defined Benefit Obligations	2.34	(21.22)
<b>Balance at the end of the year</b>	<b>(16,362.66)</b>	<b>(22,031.51)</b>

### e. Foreign Currency Monetary Item Translation Difference Account

Represents the exchange differences arising on other long-term foreign currency monetary item amortised to the Statement of Profit and Loss over the remaining life of the concerned monetary item.

<b>Balance at the beginning of the year</b>	<b>32.06</b>	<b>20.42</b>
Movement during the year in FCMITDA, net	1.58	(1.81)
Recognised in the Statement of P&L during the year	(22.17)	13.45
<b>Balance at the end of the year</b>	<b>11.47</b>	<b>32.06</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 18. LONG TERM BORROWINGS (SECURED)

	As at 31-Mar-2018	As at 31-Mar-2017
<b>Term Loans</b>		
From bank	1,666.67	-
Less: Current maturities of long term borrowings (refer note 24)	(1,666.67)	-
	-	-
<b>Other loans</b>		
External commercial borrowing (Unsecured)	7,780.75	9,021.93
Vehicle loan from bank	5.12	10.17
Less: Current maturities of long term borrowings (refer note 24)	(1,276.34)	(1,272.26)
	<b>6,509.53</b>	<b>7,759.84</b>
	<b>6,509.53</b>	<b>7,759.84</b>

- a. Term loan from banks is repayable in 6 equal instalments commencing from December 2017, and carries an interest rate of 10%.

The loan and other facilities granted by the lender were secured by exclusive charge on current assets both present and future excluding lien marked deposits, second charge on movable fixed assets, both present and future, and pledge of shares of the Company owned by the promoter of the Company, Mr. Ajay Singh.

- 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 2.4% to 4.1%. Under each lease agreement the Company is required to make payment of lease rentals over a period of forty-eight quarters to lessor or its nominees.
- c. The vehicle loan has been availed from Yes Bank Limited and is repayable in equal instalments over a period of three years commencing from March 2016, and carries an interest rate of 10.25%. The loan is secured by the related vehicle purchased by the Company having a carrying value of ₹ 13.79 million.

### 19. NON CURRENT TRADE PAYABLES

Trade payables	150.69	209.51
	<b>150.69</b>	<b>209.51</b>

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 20. LONG TERM PROVISIONS

	As at 31-Mar-2018	As at 31-Mar-2017
Provision for gratuity (also refer note 40)	258.15	222.79
Provision for aircraft redelivery (also refer note 25)	413.67	148.57
Provision for aircraft maintenance (also refer note 25)	2,731.20	2,525.89
	<b>3,403.02</b>	<b>2,897.25</b>

### 21. OTHER NON-CURRENT LIABILITIES

Deferred incentive	204.17	221.27
Less: Current portion of above	(17.10)	(17.10)
	<b>187.07</b>	<b>204.17</b>
Deferred gain on Sale and lease-back	515.05	297.02
Less: Current portion of above	(84.96)	(39.97)
	<b>430.09</b>	<b>257.05</b>
	<b>617.16</b>	<b>461.22</b>

### 22. SHORT TERM BORROWINGS (SECURED)

Inter corporate deposits (also refer note 43 (b) (i))	-	50.00
Working capital demand loan from bank	1,000.00	1,000.00
Working capital demand loan from others	1,000.00	-
Buyers' Credit from bank	162.61	-
Pre-shipment credit foreign currency loan	1,411.77	1,472.45
	<b>3,574.38</b>	<b>2,522.45</b>

Working capital demand loan from bank is secured by fixed deposits placed by the erstwhile promoter and is repayable on demand. The loan carries an interest rate of 12.75%.

Working capital demand loan from others is secured by an exclusive charge on pledge of shares and a first pari-passu charge over all current assets of the Company. The loan carries an interest rate of 11.25%.

Buyers Credit from bank is secured by fixed deposits placed by the Company having a carrying value of ₹ 160 million and repayable within 6 months. The loan carries an interest rate benchmarked to the LIBOR rate at each drawdown ranging between 2% to 2.5%.

Pre-shipment credit foreign currency loan from bank is secured by fixed deposits placed by the Company having a carrying value of ₹ 793.14 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 3.72% to 4.45%.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 23. TRADE PAYABLES

	As at 31-Mar-2018	As at 31-Mar-2017
Trade payables	6,882.16	5,845.11
	<b>6,882.16</b>	<b>5,845.11</b>

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

#### Terms and conditions of the above financial liabilities:

Trade payables are non interest bearing and carry a credit period generally between 30 and 90 days

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

### 24. OTHER CURRENT LIABILITIES

#### Unsecured

Derivative liability	-	15.39
Employee compensation payable	166.18	202.94
Security deposits received	14.32	13.80

#### Secured

Current maturities of long-term borrowings (also refer note 18) (includes current maturities of ECB ₹ 1,271.22 (March 31, 2017 - ₹ 1,267.20)	2,943.01	1,272.26
Interest accrued and due on borrowings	39.03	11.83
Interest accrued but not due on borrowings	15.97	19.79
	<b>3,178.51</b>	<b>1,536.01</b>

#### Break up of financial liabilities carried at amortised cost :

Borrowings (non-current) (note 18)	6,509.53	7,759.84
Borrowings (current) (note 22)	3,574.38	2,522.45
Current maturity of long term loans (note 24)	2,943.01	1,272.26
Trade payables (non current) (note 19)	150.69	209.51
Trade payables (current) (note 23)	6,882.16	5,845.11
Other Current financial liabilities (note 24)	180.50	216.74
<b>Total financial liabilities carried at amortised cost</b>	<b>20,240.27</b>	<b>17,825.91</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 25. SHORT TERM PROVISIONS

	As at 31-Mar-2018	As at 31-Mar-2017
Provision for employee benefits		
Provision for gratuity (also refer note 40)	25.45	16.77
Provision for compensated absences	116.52	92.70
Provision for litigation * (also refer note 43)	97.69	255.09
Provision for aircraft maintenance ** (also refer note below)	1,987.31	846.40
Provision for aircraft redelivery # (also refer note below)	26.75	206.95
	<b>2,253.72</b>	<b>1,417.91</b>
<b>* Provision for litigation:</b>		
At the beginning of the year	255.09	172.40
Additions during the year	-	82.69
Utilisation / reversal during the year	(157.40)	-
<b>At the end of the year</b>	<b>97.69</b>	<b>255.09</b>

\*\* 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. As required by Ind-AS 37, "Provisions, Contingent Liabilities and Contingent Assets" given below is the movement in provision for aircraft maintenance.

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.

<b>** Provision for aircraft maintenance</b>		
At the beginning of the year	3,372.29	4,004.53
Additions during the year	2,823.63	1,796.89
Utilisation during the year	(1,477.41)	(2,429.13)
<b>At the end of the year</b>	<b>4,718.51</b>	<b>3,372.29</b>

# 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

The Company, therefore, provides for such redelivery expenses, as contractually agreed, in proportion to the expired lease period.

The Company in the past, had also accounted for costs relating to early termination of Boeing aircraft leased by the Company which were retired from commercial use. Such accrual is based on management estimate of these liabilities, having regard to various factors including lease terms, age of the aircraft and past experience of aircraft redelivery costs incurred by the Company. Further liabilities in this regard, are accounted for in the period they are determined to be payable. During the previous year, the Company has concluded / substantially agreed the terms of settlement with these aircraft lessors.

	As at 31-Mar-2018	As at 31-Mar-2017
<b># Provision for aircraft redelivery:</b>		
At the beginning of the year	355.52	1,904.14
Provision made over the lease period	102.46	122.81
Utilisation during the year	(17.56)	(1,671.43)
<b>At the end of the year</b>	<b>440.42</b>	<b>355.52</b>

### 26. OTHER CURRENT LIABILITIES (UNSECURED)

Current portion of deferred incentives	17.10	17.10
Current portion of deferred gain on sale and lease-back	84.96	39.97
Amount due under order of Delhi High Court (also refer note 44)	5,790.89	5,790.89
Unearned revenue	6,062.50	4,887.46
Advance received from agents	1,967.26	1,562.59
Statutory dues (including interest thereon)	365.29	335.96
Airport Taxes Payable	785.38	712.43
Others	6.76	4.26
	<b>15,080.14</b>	<b>13,350.66</b>

### 27. REVENUE FROM OPERATIONS

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>Sale of services</b>		
Passenger revenue	74,094.96	58,206.23
Cargo revenue	2,700.60	2,414.23
Sale of food and beverages	438.54	392.83
<b>Other operating revenues</b>		
Incentives received	37.89	151.69
Income from training services	218.11	368.49
Others	460.83	379.19
	<b>77,950.93</b>	<b>61,912.66</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 28. OTHER INCOME

	As at 31-Mar-2018	As at 31-Mar-2017
Fair valuation of liabilities	-	87.45
Net Gain on financial assets measured at FVTPL	-	34.83
Net Gain on sale of investments	148.28	34.14
Gain on sale and lease-back	47.55	23.70
Liabilities / provision no longer required written back	489.08	517.58
Insurance / warranty claims received	122.07	77.26
Miscellaneous income	35.75	26.38
	<b>842.73</b>	<b>801.34</b>

### 29. FINANCE INCOME

Interest income on discounting of financial instruments	64.43	81.00
Interest income		
- on bank deposits	432.79	235.95
- on loan to subsidiary	33.20	7.09
	<b>530.42</b>	<b>324.04</b>

### 30. OPERATING EXPENSES

Aviation turbine fuel	24,326.27	18,552.42
Lease charges - aircraft, engines and auxiliary power units (also refer note 41)	10,369.11	9,605.76
Aircraft repairs and maintenance	4,692.91	2,954.33
Supplemental lease charges - aircraft, engines and auxiliary power units	6,330.81	4,907.86
Consumption of stores and spare parts	856.73	751.66
Aviation insurance	227.39	270.80
Landing, navigation and other airport charges	6,605.56	5,533.02
Cost of inflight food and beverages	884.34	674.45
Aircraft navigation software expenses	491.94	377.83
Aircraft redelivery costs	97.98	123.98
Cargo handling costs	399.38	326.70
Other operating expenses	283.13	246.32
	<b>55,565.55</b>	<b>44,325.13</b>

### 31. EMPLOYEE BENEFITS EXPENSES

Salaries, wages and bonus	7,680.04	5,925.65
Contribution to provident and other funds	247.25	183.51
Employee stock option scheme	13.01	-
Gratuity expense (also refer note 40)	71.41	58.35
Recruitment and training cost	373.09	384.15
Staff welfare	240.87	183.73
	<b>8,625.67</b>	<b>6,735.40</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 32. SALES AND MARKETING EXPENSES

	As at 31-Mar-2018	As at 31-Mar-2017
Commission to agents *	1,425.83	1,231.21
Business promotion and advertisement	790.77	861.69
	<b>2,216.60</b>	<b>2,092.90</b>

\* Includes deposit incentive to agents

### 33. OTHER EXPENSES

Rent	447.14	376.17
Rates and taxes	464.29	411.39
Repairs and maintenance		
- buildings	44.42	35.69
- plant and machinery	20.68	5.70
- others	237.78	252.00
Crew accommodation cost	368.30	340.32
Communication	94.72	93.12
Printing and stationery	131.07	117.31
Travelling and conveyance	939.90	833.57
Legal, and professional fees (Refer note below for details of payment to auditor)	385.64	249.94
Power and fuel	85.78	62.19
Provision for doubtful advances	85.00	-
Advances / debts written off	36.54	79.35
Provision for doubtful debts	18.07	-
Provision for litigation	-	82.69
Insurance	48.05	39.34
Credit card charges	286.49	289.78
Bank charges	10.01	11.24
Exchange fluctuation loss (net)	214.89	6.95
Net Loss on financial assets measured at FVTPL	26.85	-
Fair value losses on derivatives not designated as hedges	-	15.39
Loss on sale of assets (net)	52.16	9.06
Miscellaneous expenses	18.06	15.22
	<b>4,015.84</b>	<b>3,326.42</b>
<b>Payment to auditor</b>		
<b>As auditor</b>		
Audit fees	5.57	6.31
Limited review	2.25	1.50
<b>In other capacity</b>		
Other services (certification fees)	0.60	0.75
Reimbursement of expenses	0.78	0.78

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 34. FINANCE COSTS

	As at 31-Mar-2018	As at 31-Mar-2017
Interest		
- on fixed loan from banks	397.86	186.36
- on fixed loan from others	367.21	327.99
Interest cost on discounting of financial instruments	74.02	99.86
Other borrowing cost	82.81	36.19
	<b>921.90</b>	<b>650.40</b>

### 35. EXCEPTIONAL ITEMS

Liabilities / Provisions no longer required written back #	-	385.54
	<b>-</b>	<b>385.54</b>

#### Note:

# In previous financial reporting periods, the Company had made certain provisions based on management's assessment of certain claims by a vendor, based on applicable contractual terms. Under the provisions of such contract, the vendor had initiated arbitration proceedings in the previous financial year. Based on the status of the proceedings and submissions thereat, and legal advice obtained, management is of the view that certain previously recognised provisions are not likely to subsist. Accordingly, management has revised its assessment thereof, and as a consequence, the Company has written back provisions made in this regard, of ₹ 385.54 million as an exceptional item.

### 36. EARNINGS PER SHARE ('EPS')

- Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.
- Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Number of equity shares outstanding at the beginning of the year	599,450,183	599,450,183
Number of equity shares issued	-	-
Number of equity shares outstanding at the end of the year	599,450,183	599,450,183

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>Weighted average number of shares</b>		
a. Basic	599,450,183	599,450,183
Effect of dilution:	-	-
Stock options granted under ESOP	158,448	-
b. Diluted	599,608,631	599,450,183
Profit / (Loss) for the year	5,666.51	4,307.28
<b>Earnings per share :</b>		
-- Basic earnings / (loss) per share (₹)	9.45	7.19
-- Diluted earnings / (loss) per share (₹)	9.45	7.19
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 44, 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 44.

### 37. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with Ind AS requires the Company's management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

In respect of other taxes which are in disputes, the management estimates the level of tax that will be payable based upon the Company's / expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

### Defined Benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

### Useful life, residual value of property, plant and equipment

The management has estimated the useful life of its property, plant and equipment based on technical assessment. The estimate has been supported by independent assessment by technical experts. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

### Going concern assumption

These financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future. (refer note 2(a)(iii) for management's assessment regarding going concern, including related judgments involved).

## 38. DETAILS OF CSR EXPENDITURE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Gross amount required to be spent by the Group during the year	21.55	-
<b>Amount spent during the year ending on March 31, 2018</b>	<b>Paid in cash</b>	<b>Yet to be paid in cash</b>
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	3.11	18.44
<b>Amount spent during the year ending on March 31, 2017</b>	<b>Paid in cash</b>	<b>Yet to be paid in cash</b>
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 39. SHARE BASED PAYMENTS

**The following share-based payment arrangements were in existence during the current and prior years :**

#### Employees Stock Option Scheme, 2007

The shareholders at the Annual General Meeting held on September 11, 2007, approved an Employee Stock Option Scheme (ESOS) which provides for the grant of 6,016,250 options (each option convertible into share) to employees. Further, at the Extraordinary General Meeting held on December 23, 2009, the shareholders had approved to extend the aggregate number of options under the scheme to 20,000,000 options.

The remuneration committee had granted 5,200,000 options to eligible employees on September 11, 2007 at an exercise price of ₹ 30 /- per share. Such options were to vest over 4 years in the following manner:

- 35% of the options – one year from the date of grant
- 25% of the options – two years from the date of grant
- 25% of the options – three years from the date of grant
- 15% of the options – four years from the date of grant

In accordance with the shareholders' approval, options once vested can only be exercised by the employee (subject to him / her remaining in employment) within a period of 5 years. Consequently, the scheme expires on September 11, 2016 which is the last date for exercise of options vested to the employee's. All the unexercised options have been forfeited in the current year.

#### Employees Stock Option Scheme, 2017

The shareholders at the Annual General Meeting held on November 27, 2017, approved an ESOS which provides for the grant of 10,000,000 options (each option convertible into share) to employees.

The remuneration committee had granted 2,131,538 options to eligible employees subject to certain conditions on February 07, 2018 at an exercise price of ₹ 10 /- per share. Such options were to vest over 3 years in the following manner:

- 25% of the options – one year from the date of grant
- 35% of the options – two years from the date of grant
- 40% of the options – three years from the date of grant

In accordance with the shareholders' approval, options once vested can only be exercised by the employee (subject to him / her remaining in employment) within a period of 5 years.

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
<b>Outstanding, beginning of year</b>	-	-	247,900	30.00
Granted during the year	300,289*	10	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	(247,900)	30.00
<b>Outstanding, end of year</b>	<b>300,289</b>	<b>10</b>	<b>-</b>	<b>30.00</b>
<b>Outstanding at the year-end comprise:</b>				
Options eligible for exercise at year end	-	-	-	-
Options not eligible for exercise at year end	300,289	10	-	-

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

The fair value of options provided under the ESOS, 2017 was estimated at the date of grant using the Black-Scholes method with the following assumptions:

Particulars	Vesting dates		
	February 07, 2019	February 07, 2020	December 31, 2020
Market price of share (as at Feb 06, 2018)	129.35	129.35	129.35
Exercise price of option	10	10	10
Number of period to exercise in years	3.50	4.50	5.42
Risk free interest rate	7.53%	7.51%	7.51%
Expected dividend yield	-	-	-
Standard Deviation (annualised)	58.50%	58.11%	57.61%
<b>Fair value per vest</b>	<b>121.72</b>	<b>122.32</b>	<b>122.84</b>
<b>Fair value of option</b>	<b>122.29</b>		

#### 40. EMPLOYEE BENEFITS OBLIGATION

##### Defined benefit plan

##### a. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of ₹ 2.00 million (March 31, 2017 - ₹ 1.00 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>A. Change in defined benefit obligation ('DBO')</b>		
1. Defined benefit obligation at the beginning of the period	239.56	180.01
2. Service cost		
a. Current service cost	53.80	43.95
3. Interest expenses	17.61	14.40
4. Cash flows		
a. Benefits paid	(25.03)	(20.02)
5. Remeasurements		
a. Effect of changes in financial assumption	(17.14)	19.23
b. Effect of experience adjustments	14.81	1.99
6. Defined benefit obligation at the end of the period	283.61	239.56
<b>B. Amounts recognized in Balance Sheet</b>		
1. Defined benefit obligation	283.60	239.56
2. Fair value of plan assets	-	-
3. Funded status	-	-
4. Net defined benefit liability / (asset)	283.60	239.56
<b>C. Components of defined benefit cost</b>		
1. Service cost		
a. Current service cost	53.80	43.95
2. Net interest cost	-	-
a. Interest expense on DBO	17.61	14.40
b. Interest (income) on plan assets	-	-
c. Total net interest cost	17.61	14.40
3. Remeasurements (recognized in OCI)		
a. Effect of changes in Financial assumption	(17.14)	19.23
b. Effect of changes in experience adjustments	14.81	1.99
c. (Return) on plan assets (excluding interest income)	-	-
4. Total defined benefit cost recognized in P&L and OCI	69.08	79.57



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>D. Re-measurement</b>		
a. Actuarial Loss/ (Gain) on DBO	(2.33)	21.22
b. Returns above interest income	-	-
<b>Total remeasurements (OCI)</b>	<b>(2.33)</b>	<b>21.22</b>
<b>E. Employer expense (P&amp;L)</b>		
a. Current service cost	53.80	43.95
b. Interest cost on net DBO	17.61	14.40
c. Total P&L expenses	71.41	58.35
<b>F. Net defined benefit liability (asset) reconciliation</b>		
1. Net defined benefit liability (asset)	239.56	180.01
2. Defined benefit cost included in P&L	71.41	58.35
3. Total remeasurements included in OCI	(2.33)	21.22
4. Employer contribution	(25.03)	(20.02)
5. Net defined benefit liability (asset) as at end of period	283.61	239.56
<b>G. Reconciliation on OCI (Re-measurement)</b>		
1. Recognized in OCI during the period	(2.33)	21.22
2. Recognized in OCI at the end of the period	(2.33)	21.22
<b>H. Sensitivity analysis- DBO end of period</b>		
1. Discount rate + 50 Basis points	(17.72)	(15.35)
2. Discount rate - 50 Basis points	19.60	17.02
3. Salary increase rate + 0.5%	19.95	17.25
4. Salary increase rate - 0.5%	(18.17)	(15.68)
<b>I. Significant actuarial assumption</b>		
1. Discount rate current year	7.35%	8.00%
2. Salary increase rate	5.50%	5.50%
3. Pre-retirement mortality	3% (Upto 30 years) 2% (Age 31-44) 1% ( above age 44)	3% (Upto 30 years) 2% (Age 31-44) 1% ( above age 44)
4. Retirement age	58	58

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
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### J. Data

1. No. of employee's	8,447	6,902
2. Average age (years)	30.05	29.74
3. Average past service	3.12	3.08
4. Average monthly salary	1,472.23	115.26
5. Future service (years)	27.95	28.26
6. Weighted average duration of DBO	20.47	20.50

### K. Expected total benefit payments

Within the next 12 months (next annual reporting period)	25.45	16.77
Between 2 and 5 years	25.05	19.04
Beyond 5 years	233.10	203.75

### L. Defined benefit obligation at the end of the year

1. Current obligation	25.45	16.77
2. Non-current obligation	258.15	222.79

### Summary

1. Defined benefit obligation at end of the period	283.60	239.56
2. Fair value plan assets at end of the period	-	-
3. Net defined benefit liability/ (asset)	283.60	239.56
4. Defined benefit cost included in P&L	69.66	58.35
5. Total remeasurement included in OCI	(2.34)	21.22
6. Total defined benefit cost recognized in P&L and OCI	67.32	79.57

### b. Short term compensated absences

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

1. Discount rate	7.80%	7.35%
2. Future salary increase	5.50%	5.50%

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### c. Contributions to defined contribution plan:

During the year, the company recognized ₹ 209.59 Million (Previous year- ₹ 171.10 Million) to Provident Fund under defined contribution plan and ₹ 37.66 Million (Previous year - Rs 12.41 Million) for contributions to Employee State Insurance scheme in the Statement of profit & loss.

## 41. LEASES

Operating lease: Company as a lessee

The Company has taken on lease aircraft, aircraft spares, engines and premises from third parties. Lease charges for aircraft and engines for the year ended March 31, 2018 amount to ₹ 10,369.11 million (Previous year ₹ 9,605.76 million), supplemental lease charges amount to ₹ 6,330.81 million (Previous year ₹ 4,907.86 million) and rental expense on premises for the year ended March 31, 2018 amount to ₹ 447.14 million (Previous year ₹ 376.17 million).

The Company has taken aircraft through dry operating lease from lessors. Under the aircraft lease agreements, the Company pays monthly rentals in the form of base and supplementary rental. Base rental payments are either based on floating or fixed interest rates. Supplemental rentals are based on aircraft utilisation and are calculated with reference to the number of hours flown or number of cycles operated during each month. Both base and supplemental lease rentals have been charged to the statement of profit and loss. The lease terms vary between 4 and 10 years. There are no significant restrictions imposed by lease arrangements.

The Company has also taken aircraft on wet lease. In a wet lease lease arrangement, the lessor provides an aircraft, complete crew, maintenance, and insurance (ACMI) to the lessee. The Company pays monthly lease rentals containing fixed and variable consideration. The lease period for a wet lease are generally between 3 to 5 months.

The future minimum lease rentals payable under non-cancellable leases (except supplementary rental which are based on aircraft utilisation and calculated on number of hours flown or cycle operated) are as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Aircraft</b>		
Not later than one year	9,169.92	7,091.49
Later than one year but not later than five years	37,879.13	17,413.35
Later than five years	29,541.81	2,865.66
<b>Aircraft engines</b>		
Not later than one year	376.27	292.97
Later than one year but not later than five years	993.78	469.35
Later than five years	278.24	284.55
<b>Wet Lease aircraft</b>		
Not later than one year	236.84	68.42
Later than one year but not later than five years	-	-
Later than five years	-	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 42. CAPITAL AND OTHER COMMITMENTS

- a. At March 31, 2018, the Company has commitments of ₹ 529,250.32 million (March 31, 2017 - Rs 496,134.73 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 41.
- c. Under certain long-term maintenance contracts for the management, maintenance, repair and overhaul of aircraft components and spares, the Company incurs an agreed power-by-the-hour cost based on aircraft / component utilization. In addition, some contracts provide for compensation upon pre-mature termination, as applicable.

### 43. 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 25.
- ii) Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed under Note 2 Contingent liabilities below.
- 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, 2018	Year ended March 31, 2017
Liability arising out of legal cases filed against the Company in various Courts/ Consumer Redressal Forums, Consumer Courts, disputed by the Company.	148.96	128.13
Liability arising out of Arbitration proceedings on account of cancellation of leased premises. Refer note (iv) below	33.32	33.32
Liability towards Penalty levied by customs department on late payments which is disputed and is pending in the Hon'ble High Court of Delhi. Refer note (ix) below	-	-
Demand in respect of provident fund dues for international workers as explained in note (iii) below.	142.37	142.37
Demand in respect of service tax (including interest and penalty) as explained in note (v) below.	170.70	170.70
Liability arising out of other legal cases filed against the Company.	82.51	11.83
Liability arising out of other Arbitration proceedings Refer (vi) below	-	196.51

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Show cause notice received in respect of service tax as explained in note (vii) below	4,005.72	3,815.74
Liability arising out of Integrated Goods and Services Tax ('IGST'), on overseas repairs and replacement of various aircraft equipment as explained in note (xi) below	561.47	-
<p>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.</p>		

- i. Under a suit filed by Leela Capital (petitioner) for recovery of the Inter Corporate Deposit ('ICD') aggregating ₹ 50 million, the Company had deposited the amount of ₹ 50 million on November 30, 2001 with the Hon'ble Bombay High Court and the Hon'ble Bombay High Court later allowed the petitioner to withdraw the said amount, upon furnishing an undertaking that the petitioner will reconstitute the said sum or such part thereof, with 9% interest, to the Company, if and as directed by the Hon'ble Court at the time of the final decision of the suit filed by the petitioner. Accordingly, pending finality of the matter, both the ICD and deposit with Hon'ble High Court have been disclosed under Short-term borrowings and Other non-current assets, respectively. The parties have entered into a settlement agreement in the current year and have agreed to 10 million as a full and final settlement towards interest. Accordingly, the Company has written back interest payable of ₹ 64.71 million up to the date of deposit in its financial statements.
- ii. In another case, M/s Hindustan Development Corporation Limited ("HDCL") (now renamed as Mallanpur Steels Limited) who had lent ₹ 50 million by way of inter-corporate deposit to the Company, has filed an appeal before the division bench of the Hon'ble Delhi High Court against the Scheme of Settlement passed by the Hon'ble Delhi High Court wherein the Company's liability was fixed at ₹ 35 million. The Company had made a deposit of ₹ 35 million to the Official Administrator of the Scheme in accordance with approved Scheme. Pending disposition of the review petition, the likelihood of the balance amount of ₹ 15 million devolving on the Company is not probable. Also, the interest (if any) on the same is not ascertainable.
- iii. The Company has received a demand notice from the Regional Provident Fund Commissioner, Gurgaon for Rs 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 Rs 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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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, during the current year, a report has been filed by the Department's Representatives before the Regional Provident Fund Commissioner on March 22, 2017 pursuant to which there is an additional claim against the Company aggregating ₹ 64.42 million for the period from March 2011 till January 2012. The aggregate demand on account of this matter from the period November 2008 to January 2012 is ₹ 144.43 million. Pending disposal of the petition, the Company has not accrued for any additional liability in respect of provident fund contributions to international workers.

- iv. A vendor has filed an arbitration claim against the Company for ₹ 33.32 million including an interest of ₹ 10.58 million for termination of a lease agreement for accommodation of the Company's crew. The agreement was terminated by the Company citing poor quality of services. The arbitration proceedings in the matter have been completed and the suit has been dismissed in favour of the Company. The vendor has subsequently, filed an appeal before the High Court of Delhi and the matter is currently sub-judice. Pending disposal of the appeal, the Company has not accrued for any additional liability in respect of the dispute.
- v. 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. 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.
- vi. One of the Company's vendors filed an arbitration claim against the Company before the International Court of Arbitration of the International Chamber of Commerce claiming payment of overdue amounts with applicable interest. The Company has also served a counter-claim against the vendor during the arbitration proceedings, and without prejudice to its defence, has accrued for the amounts claimed by the vendor which were considered probable in its financial statements as at March 31, 2017. During the previous year, based on the current status of such proceedings and submissions thereat, and legal advice obtained, certain previously recognised provisions are not likely to subsist. Accordingly, the Company has written back provisions made in this regard, of ₹ 385.54 million in previous financial year as an exceptional item. The Company has not made any adjustments to the financial statements in respect of its counter-claim. The Company has received the final arbitral award in the current year against its favour directing refund of the amounts which form the subject matter of the claims made by the Vendor along with interest and legal costs incurred in connection with the arbitration. Based on the final arbitral award, the Company has accounted for the damages claimed by the Vendor.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

- vii. The Company has received certain show cause notices from the service tax authorities, citing various defaults, including failure/delay in remitting service tax collected, over past financial years as well as alleged failure in remittance of service tax on certain other items. Based on their assessment of the contentions of the service tax authorities, management has submitted a detailed reply to the notice, and based on legal advice obtained, believes that the likelihood of this liability devolving on the Company is low, and accordingly has made no adjustments to the financial statements.
- viii. The Competition Commission of India ("CCI") passed an order dated November 17, 2015 against, inter alia, the Company, which included a demand of Rs 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 is in the process of filing its 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.
- ix. The Company had previously defaulted in remittance of the Inland Air Travel Tax ("IATT") dues for the period of March 1996 to August, 1996. The Revisionary Authority, Government of India had confirmed the orders of the Commissioner (Appeals), Department of Customs directing the Company to pay ₹ 86.50 million together with a penalty of ₹ 100.00 million. The Company remitted the entire dues towards IATT and a minimum penalty @ 20% amounting to ₹ 17.30 million. The Company filed a Civil Writ Petition challenging the orders passed by the Revisionary Authority against the penal dues levied. The Hon'ble Delhi High Court dismissed the Company's writ petition. Subsequently, the Company has challenged the same through a Special Leave to Petition (SLP) before the Hon'ble Supreme Court and the SLP has been dismissed in the current year pursuant to which the Company has remitted ₹ 82.69 million against this obligation to the Department of Customs.
- x. 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.
- xi. The Company has received certain orders from the 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, 2018.
- c. Based on the legal advice obtained by the management, no provision is required to be made for the above contingent liabilities.

### 44. STATUS OF ADVANCE MONEY RECEIVED AGAINST SECURITIES PROPOSED TO BE ISSUED

The Company, had in earlier financial years, received amounts aggregating Rs 5,790.89 Million from Mr. Kalanithi Maran and M/S KAL Airways Private Limited ("erstwhile promoters") as advance money towards

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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 Court, in its order dated July 29, 2016, without expressing anything on the merits of the dispute, ordered the Company to deposit the amount of ₹ 5,790 Million as security with the Court, in 5 equal monthly instalments, and directed the parties to take necessary steps for the purpose of constitution of an Arbitral Tribunal.

During the current year, the Company's appeal against this order was dismissed by Hon'ble Division Bench of the Court ("Division Bench"). As a consequence, the Company was required to secure an amount of ₹ 3,290 Million through a bank guarantee in favour of the Registrar General of the Delhi High Court ("Registrar") and to deposit the balance amount of ₹ 2,500 Million with the Registrar. The Company has complied with these requirements during the year.

The parties to the aforementioned litigation have concurrently initiated arbitration proceedings which are ongoing before a 3 member arbitral tribunal. The erstwhile promoters have made various claims against the Company and the present promoter, citing various purported breaches / non-compliances with the terms of the Share Sale & Purchase Agreement ("SSPA") dated January 29, 2015. The Company and the current promoter have disputed all such claims citing various grounds including non-compliances with the terms of the SSPA by the erstwhile promoters themselves. The arbitration is currently in progress, and the final outcome of the matter is currently not ascertainable.

In view of the uncertainties involved as explained above, management believes that the manner, timing and other related aspects of adjustment of these amounts, are currently not determinable. The effects of this matter may attract the consequent non-compliance provisions (including penal provisions) of applicable 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, will not have a material impact on the financial statements of the Company. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

### 45. SEGMENT REPORTING

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

#### Revenue from external customers

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
India	73,112.41	56,942.24
Outside India	4,838.52	4,970.42
<b>Total revenue as per statement of profit or loss</b>	<b>77,950.93</b>	<b>61,912.66</b>

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



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### Non-current operating assets

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
India	21,485.44	18,325.08
Outside India	-	-
<b>Total</b>	<b>21,485.44</b>	<b>18,325.08</b>

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

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

### 46. INCOME TAX EXPENSE

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

#### Profit or loss section

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

#### Other Comprehensive Income(OCI) section

Deferred tax related to items recognised in OCI during in the year:

Net loss/(gain) on remeasurement of defined benefit plan	(2.34)	21.22
<b>Income Tax charged to OCI</b>	<b>(2.34)</b>	<b>21.22</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2018 :

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (34.608%) as follows:

<b>Accounting Profit before income tax</b>	<b>5,666.51</b>	<b>4,307.28</b>
Profit before income tax multiplied by standard rate of corporate tax in India of 34.608% (2016: 34.608%)	1,961.07	1,490.66

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Effects of:</b>		
Income exempted from tax	(22.48)	(71.19)
Non-deductible expenses for tax purposes	263.79	122.56
Set-off of brought forward losses / unabsorbed tax depreciation	(2,202.38)	(1,542.03)
<b>Net effective income tax</b>	<b>-</b>	<b>-</b>

### Deferred Tax

The Company has recognized deferred tax assets arising on account of carried forward tax losses and unabsorbed depreciation to the extent of the deferred tax liability arising on account of the temporary difference on depreciation of ₹ 4,276.32 million as at March 31, 2018 (₹ 4,470.24 million as at March 31, 2017) since it is not probable that future taxable profit will be available against which the complete unused tax losses and unused tax credits will be utilised.

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax liability	(4,276.32)	(4,470.24)
Deferred Tax asset	4,276.32	4,470.24
<b>Net Deferred Tax asset/ (liability)</b>	<b>-</b>	<b>-</b>

Year ended March 2018	Opening	Recognised in profit or loss	Recognised in OCI	Closing Balance
Property, plant & equipment	(4,470.24)	193.92	-	(4,276.32)
Tax losses	4,470.24	(193.92)	-	4,276.32
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Year ended March 2017	Opening	Recognised in profit or loss	Recognised in OCI	Closing Balance
Property, plant & equipment	(4,706.09)	235.85	-	(4,470.24)
Tax losses	4,706.09	(235.85)	-	4,470.24
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 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, 2018	As at March 31, 2017
Unused Tax losses *	11,731.74	16,187.45
Unabsorbed Tax depreciation #	13,749.69	12,013.36
<b>Net Deferred Tax asset/ (liability)</b>	<b>25,481.43</b>	<b>28,200.81</b>

# Unabsorbed depreciation does not have any expiry period under the Income Tax Act, 1961

\*The following table details the expiry of the unused tax losses

< 4 years	-	2,328.69
< 5 years	6,060.89	-
< 6 years	5,670.85	8,187.92
< 7 years	-	5,670.84
<b>Total</b>	<b>11,731.74</b>	<b>16,187.45</b>

The unused tax losses and unabsorbed depreciation considered above are based in the tax records and returns of the Company and does not consider the potential effect of matters under dispute/litigation with the tax authorities which are currently sub-judice at various levels. Also refer note 43.

## 47. RELATED PARTY TRANSACTIONS

Relationship	Name of the party
Party exercising control	Mr. Ajay Singh
Enterprises over which parties above or their relatives have control / significant influence ('Affiliates')	Crosslink Finlease Private Limited
	Greenline Transit System Private Limited
	Intel Constructions Private Limited
	One City, Promoters Private Limited
	Indiverse Broadband Private Limited
	Smarnagar Digital Ventures Private Limited
	Smarnagar Broadband Networks Private Limited
	Starbus Services Private Limited
	Argentum Engineering Design Private Limited
	Argentum Electric Vehicles Private Limited
	i2n Technologies Private Limited
	Greenline Communication Private Limited
	Pan India Motors Private Limited
	Multipurpose Trading and Agencies Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

(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
Key management personnel	Mr. Ajay Singh, Chairman and Managing Director
	Mrs. Shiwani Singh, Non-Executive Promoter Director
	Mr. Kiran Koteswar, Chief Financial Officer
	Mr. Chandan Sand, Company Secretary
	Mr. HarshaVardhana Singh, Independent Director (from November 25, 2016)
	Mr. R. Sasiprabhu, Independent Director (from November 25, 2016)
	Mr. Anurag Bhargava, Independent Director (from November 25, 2016)

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, 2018	Year ended March 31, 2017
<b>SpiceJet Merchandise Private Limited</b>		
<i>Transactions during the year</i>		
Investment in subsidiary	-	0.10
Loans to subsidiary	59.11	190.33
Interest on loan	30.46	7.09
Purchase of goods	29.86	0.61
<b>Balances outstanding as at the period end</b>		
Investment in subsidiary	0.10	0.10
Loans to subsidiary	249.44	190.33
Reimbursement of expenses	25.17	14.73
Interest on loan	37.55	7.09

Subsidiaries	Year ended March 31, 2018	Year ended March 31, 2017
<b>SpiceJet Technic Private Limited</b>		
<i>Transactions during the year</i>		
Investment in subsidiary	-	0.10
Loans to subsidiary	12.20	-
Interest on loan	0.39	-
<b>Balances outstanding as at the period end</b>		
Investment in subsidiary	0.10	0.10

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

Subsidiaries	Year ended March 31, 2018	Year ended March 31, 2017
Loans to subsidiary	12.20	-
Interest on loan	0.39	-
<b>Canvin Real Estate Private Limited</b>		
<i>Transactions during the year</i>		
Investment in subsidiary	0.10	-
Loans to subsidiary	236.00	-
Interest on loan	2.35	-
<b>Balances outstanding as at the period end</b>		
Investment in subsidiary	0.10	-
Loans to subsidiary	236.00	-
Interest on loan	2.35	-
<b>I2N Technologies Private Limited</b>		
<i>Transactions during the year</i>		
Advance given to suppliers	1.25	-
<b>Balances outstanding as at the period end</b>		
Advance given to suppliers	1.25	-

### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Nil).

### Compensation of Key management personnel of the Company

	Year ended March 31, 2018	Year ended March 31, 2017
Short-term employee benefits *	209.50	167.62
Provident Fund Contribution	1.40	1.30
<b>Total</b>	<b>210.90</b>	<b>168.92</b>
Sitting fees		
Mr. Anurag Bhargava	0.26	0.01
Mr. R. Sasiprabhu	0.34	0.04
Dr. Harsha Vardhana Singh	0.35	0.02
Ms. Shiwani Singh	0.10	-
<b>Total</b>	<b>1.05</b>	<b>0.07</b>
<b>Total compensation paid to key management personnel</b>	<b>211.95</b>	<b>168.99</b>

\* Includes employee stock option compensation cost of ₹ 9.45 million (March 31, 2017 :Nil) towards ESOPS issued under the Company's plan. For details of the plan and options granted, refer note 39.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

As the liabilities for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel are not included above.

### 48. FAIR VALUES

The 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.

	Carrying value		Fair value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Financial Assets (Non-current and Current)</b>				
Investments	1,012.86	1,397.75	1,012.86	1,397.75
<b>Financial Liabilities (Non-current and Current)</b>				
Derivative Liability	-	15.39	-	15.39
Fixed rate loans	1,649.68	1,934.66	1,668.29	1,995.99

### 49. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities are measured at fair value in the Balance Sheet.

Particulars	Fair value hierarchy as at March 31, 2018		
	Level 1	Level 2	Level 3
Investments in mutual funds	1,012.63	-	-
Derivative Liability	-	-	-
Equity Investments	-	-	0.23

Particulars	Fair value hierarchy as at March 31, 2017		
	Level 1	Level 2	Level 3
Investments in mutual funds	1,397.52	-	-
Derivative Liability	-	15.39	-
Equity Investments	-	-	0.23

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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.

### 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise of loans and borrowings, trade and other payables and derivatives. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a treasury team. The treasury team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. Market risk comprises three types of risk: interest rate risk, currency risk and foreign currency risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

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, 2018.

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The majority of the Company's investments are in the shares of subsidiaries, which are carried at cost. The investments in other equity instruments as at the reporting date are not material.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because it borrow funds at floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. As at March 31, 2018 approximately 53.95% of the Company's borrowings are at a variable rate of interest (March 31, 2017 - 61.58%)

#### 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, 2018 would decrease/increase by ₹ 30.98 million (March 31, 2017: decrease/increase by ₹ 37.30 million).

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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, 2018 would decrease/increase by ₹ 275.06 million (March 31, 2017: decrease/increase by 291.70 million).

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Trade receivables are typically unsecured and are primarily derived from cargo and other revenue streams. Majority of the Company's passenger revenue is made against deposits made by agents. Trade receivables primarily comprise of domestic customers, which are fragmented and are not concentrated to individual customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored. At March 31, 2018, the Company had 11 customers (March 31, 2017: 11 customers) that owed the Company more than ₹ 10 million each and accounted for approximately 61% (March 31, 2017: 64%) 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



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are widely dispersed and operate in largely independent markets. The average credit period ranges between 30 and 90 days.

### Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt markets with a view to maintaining financial flexibility.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Year ended March 2018	On demand	Upto 1 year	1 to 5 years	> 5 years	Total
<b>Financial Liabilities (Non-current and Current)</b>					
Borrowings	2,162.65	1,416.89	5,083.92	1,420.45	10,083.91
Trade Payables	4,138.83	2,712.77	181.25	-	7,032.85
Other current financial liabilities	39.03	3,125.16	14.32	-	3,178.51
<b>Total</b>	<b>6,340.51</b>	<b>7,254.82</b>	<b>5,279.49</b>	<b>1,420.45</b>	<b>20,295.27</b>

Year ended March 2017	On demand	Upto 1 year	1 to 5 years	> 5 years	Total
<b>Financial Liabilities (Non-current and Current)</b>					
Borrowings	1,050.00	1,472.45	4,788.94	2,970.90	10,282.29
Trade Payables	2,355.48	3,456.12	191.19	51.87	6,054.66
Other current financial liabilities	11.83	1,510.38	13.80	-	1,536.01
<b>Total</b>	<b>3,417.31</b>	<b>6,438.95</b>	<b>4,993.93</b>	<b>3,022.77</b>	<b>17,872.96</b>

### 51. CAPITAL MANAGEMENT

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term fleet expansion plans. The funding requirements are met through internal accruals and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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, 2018	As at March 31, 2017
Long term borrowings	6,509.53	7,759.84
Short term borrowings	3,574.38	2,522.45
Other current liabilities (Current maturities of Long term borrowing)	2,943.01	1,272.26
Cash and cash equivalents	(1,186.71)	(187.67)
Bank balances other than above	(271.00)	(485.74)
Net debt	11,569.21	10,881.14
Total equity	(429.67)	(6,090.94)
<b>Net debt to total equity ratio</b>	<b>(26.93)</b>	<b>(1.79)</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017

### 52. PRIOR PERIOD COMPARATIVES

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

### 53. STANDARDS ISSUED BUT NOT EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

#### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company plans to adopt the new standard on the required effective date using the modified method.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### **Sale of Services**

For passenger revenues and cargo revenues in which the provision of transportation services are generally expected to be the only performance obligation, adoption of Ind AS 115 is not expected to have any impact on the Company's revenue and profit or loss. The Company expects the revenue recognition to occur at a point in time when performance obligation is met.

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

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

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

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company as the Company has significant tax losses and consequently there are no assets that are in the scope of the amendments.

### **Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112**

The amendments clarify that disclosure requirements for interests in other entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, Non-current Asset Held for Sale and Discontinued Operations.

The amendments are effective for annual periods beginning on or after 1 April 2018. The group will apply amendments when they become effective.

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

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- i) The beginning of the reporting period in which the entity first applies the Appendix, or

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

- ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. The Company is analysing the changes and impact as applicable from financial year 2018-19.

### 54. EVENTS AFTER THE REPORTING PERIOD

The financials have been approved by the Board of Directors on May 11, 2018 and there have been no significant events after the reporting period till such date.

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: Gurugram

Date: May 11, 2018

#### For and on behalf of the Board of Directors

#### Ajay Singh

Chairman &  
Managing Director

Place: Gurugram

Date: May 11, 2018

#### Kiran Koteswar

Chief Financial  
Officer

Place: Gurugram

Date: May 11, 2018

#### Chandan Sand

Company Secretary

Place: Gurugram

Date: May 11, 2018

# INDEPENDENT AUDITOR'S REPORT

To the Members of SpiceJet Limited

## Report on the Consolidated Ind AS Financial Statements

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, 2018, the consolidated Statement of Profit and Loss (including other comprehensive income), the 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 (hereinafter referred to as "the consolidated Ind AS financial statements").

## Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) 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; the 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 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.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit 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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the 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, 2018, their consolidated profit including other

comprehensive income, and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Emphasis of Matter

We draw attention to Note 44 of the Consolidated Ind AS financial statements regarding disputes with erstwhile promoters and certain resultant possible non-compliances of applicable provisions of law, and Note 35 regarding the consequent effects thereof on diluted earnings per share disclosure. Our opinion is not qualified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, 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;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) The matter described under the 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, 2018 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 is disqualified as on March 31, 2018 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 of the Holding Company and its subsidiary companies, refer to our separate report in "Annexure 1" to this report;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 43 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, 2018;
  - iii. There were no amounts which were required to be transferred to the Investor Education and

Protection Fund by the Holding Company, during the year ended March 31, 2018.

### For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

per Aniruddh Sankaran

Partner

Membership Number: 211107

Place : Gurugram

Date : May 11, 2018

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

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

In conjunction with our audit of the consolidated financial statements of SpiceJet Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of SpiceJet Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

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

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

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

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

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

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

### **per Aniruddh Sankaran**

Partner

Membership Number: 211107

Place : Gurugram

Date : May 11, 2018



# CONSOLIDATED BALANCE SHEET

as at March 31, 2018

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

	Notes	As at 31-Mar-2018	As at 31-Mar-2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment ('PPE')	3	15,943.24	16,191.34
Intangible assets	4	40.40	9.02
Financial Assets			
(i) Investments	5	0.24	0.23
(iii) Other Financial Assets	6	9,686.55	4,253.15
Non-current tax assets	7	290.63	211.60
Other non current assets	8	5,508.39	2,128.35
<b>Total non-current assets</b>		<b>31,469.45</b>	<b>22,793.69</b>
<b>Current Assets</b>			
Inventories	9	1,418.71	985.51
Financial Assets			
(i) Investments	10	1,012.62	1,397.52
(ii) Trade Receivables	11	858.28	617.95
(iii) Cash and cash equivalents	12(a)	1,199.51	196.31
(iv) Bank balances other than (iii) above	12(b)	271.00	485.74
(v) Other financial assets	13	1,560.64	1,801.15
Other current assets	14	3,305.44	1,628.28
<b>Total current assets</b>		<b>9,626.20</b>	<b>7,112.46</b>
<b>Total Assets</b>		<b>41,095.65</b>	<b>29,906.15</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	15	5,994.50	5,994.50
Other Equity	16	(6,553.69)	(12,120.51)
<b>Total Equity</b>		<b>(559.19)</b>	<b>(6,126.01)</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	17	6,509.53	7,759.84
(ii) Trade Payables	18	150.69	209.51
Long-term Provisions	19	3,403.02	2,897.25
Other non-current liabilities	20	617.16	461.22
<b>Total non-current liabilities</b>		<b>10,680.40</b>	<b>11,327.82</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	21	3,574.38	2,522.45
(ii) Trade Payables	22	6,885.24	5,873.41
(iii) Other current financial liabilities	23	3,178.52	1,538.61
Short-term Provisions	24	2,253.72	1,417.92
Other Current Liabilities	25	15,082.58	13,351.95
<b>Total current liabilities</b>		<b>30,974.44</b>	<b>24,704.34</b>
<b>Total Liabilities</b>		<b>41,654.84</b>	<b>36,032.16</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,095.65</b>	<b>29,906.15</b>

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership No: 211107

Place: Gurugram

Date: May 11, 2018

**For and on behalf of the Board of Directors**

**Ajay Singh**

Chairman &  
Managing Director

Place: Gurugram

Date: May 11, 2018

**Kiran Koteswar**

Chief Financial  
Officer

Place: Gurugram

Date: May 11, 2018

**Chandan Sand**

Company Secretary

Place: Gurugram

Date: May 11, 2018

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

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

	Note No.	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>Income</b>			
Revenue from operations	26	77,995.36	61,913.62
Other income	27	842.73	801.34
<b>Total Income</b>		<b>78,838.09</b>	<b>62,714.96</b>
<b>Expenses</b>			
Operating expenses	29	55,565.55	44,325.17
Purchase of traded goods	29(a)	91.57	115.83
Increase in inventories of traded goods	29(a)	(59.46)	(115.57)
Employee benefits expense	30	8,616.92	6,738.23
Sales and marketing expenses	31	2,226.36	2,097.79
Other expenses	32	4,085.83	3,347.27
<b>Total Expense</b>		<b>70,526.77</b>	<b>56,508.72</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>8,311.32</b>	<b>6,206.24</b>
Depreciation and amortization expense	3 & 4	(2,313.18)	(1,986.14)
Finance Income		497.22	316.96
Finance costs	33	(923.30)	(650.40)
<b>Profit for the year before exceptional items</b>		<b>5,572.06</b>	<b>3,886.66</b>
Exceptional items	34	-	385.54
<b>Profit Before Tax</b>		<b>5,572.06</b>	<b>4,272.20</b>
Income Tax Expense			
- Current Tax		-	-
- Deferred Tax		-	-
Total tax expense		-	-
<b>Profit for the year</b>		<b>5,572.06</b>	<b>4,272.20</b>
<b>Other Comprehensive Income:</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Remeasurement gains and (losses) on defined benefit obligations (net)		2.34	(21.22)
Income tax impact			
<b>Other comprehensive loss for the year</b>		<b>2.34</b>	<b>(21.22)</b>
<b>Total comprehensive income for the year</b>		<b>5,574.40</b>	<b>4,250.98</b>
Earnings per Equity Share of INR 10 each	35		
Earnings per share			
- Basic earnings per share		9.30	7.13
- Diluted earnings per share	35c	9.30	7.13

Summary of significant accounting policies

2

See accompanying Notes forming part of the Financial Statements.

As per our report of even date.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership No: 211107

Place: Gurugram

Date: May 11, 2018

**For and on behalf of the Board of Directors**

**Ajay Singh**

Chairman &  
Managing Director

Place: Gurugram

Date: May 11, 2018

**Kiran Koteswar**

Chief Financial  
Officer

Place: Gurugram

Date: May 11, 2018

**Chandan Sand**

Company Secretary

Place: Gurugram

Date: May 11, 2018

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2018

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

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>Cash flow from / used in operating activities</b>		
Profit before tax and exceptional items	5,572.06	3,886.72
Adjustments to reconcile profit before tax and exceptional items to net cash flows:		
Depreciation and Amortisation expense	2,313.18	1,986.14
Provision for doubtful claims / advances	103.07	-
Loss / (profit) on disposal of PPE (net) / assets written off	52.16	9.06
Provision for litigations	-	82.69
Advances / debts written off	36.54	79.35
Share-based payment expense	13.01	1,796.89
Provision for aircraft maintenance	2,823.63	122.81
Provision for aircraft redelivery	102.46	-
Liabilities / provision no longer required written back	489.08	(517.58)
Profit on sale of engine under sale and lease-back arrangement	(47.55)	(23.70)
Net (Gain)/Loss on financial assets measured at fair value through profit or loss ('FVTPL')	26.85	(34.83)
Finance income	(497.22)	(316.96)
Finance costs	923.30	650.40
Translation loss / (gain) on monetary assets and liabilities	115.04	(500.25)
<b>Operating profit before working capital changes</b>	<b>12,025.61</b>	<b>7,220.75</b>
<b>Movements in working capital :</b>		
(Increase) / Decrease in trade receivables	(258.39)	(184.26)
(Increase) / Decrease in inventories	(433.20)	(320.05)
(Increase) / Decrease in other financial assets	(1,258.25)	361.23
(Increase) / Decrease in other current assets	(1,677.16)	(481.77)
Increase / (Decrease) in trade payables	(2,359.70)	(784.52)
Increase / (Decrease) in other financial liabilities	1,619.10	(275.41)
Increase / (Decrease) in other liabilities	1,934.12	1,543.41
Increase / (Decrease) in provisions	1,241.45	(4,026.80)
<b>Cash generated from operations</b>	<b>10,833.58</b>	<b>3,052.58</b>
Income taxes received / (paid) (net of refunds)	(79.03)	81.23
<b>Net cash generated from operating activities before exceptional items</b>	<b>10,754.55</b>	<b>3,133.81</b>
Cash inflow from exceptional items (refer note 35)	-	1,658.32
<b>Net cash flow from / (used in) operating activities</b>	<b>A 10,754.55</b>	<b>4,792.13</b>

## CONSOLIDATED CASH FLOW STATEMENT(Contd.)

for the year ended March 31, 2018

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

		Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>Cash flow from / used in investing activities</b>			
Purchase of PPE and capital work in progress (including capital advances)		(5,611.65)	(2,492.17)
Proceeds from sale of PPE		18.73	4.26
Purchase of investments		358.04	(1,158.28)
Investments in bank deposits		214.74	(185.74)
Margin money deposits placed		(6,320.07)	(2,561.21)
Margin money deposits withdrawn		2,365.54	1,212.53
Finance income		303.56	252.52
<b>Net cash from / (used in) investing activities</b>	<b>B</b>	<b>(8,671.11)</b>	<b>(4,928.09)</b>
<b>Cash flow from / used in financing activities</b>			
Proceeds from short-term borrowings		1,051.93	1,472.45
Repayment of long-term borrowings		(1,229.55)	(1,255.72)
Finance costs		(902.49)	(650.24)
<b>Net cash (used in) / from financing activities</b>	<b>C</b>	<b>(1,080.11)</b>	<b>(433.51)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>1,003.33</b>	<b>(569.46)</b>
Effects of exchange difference on cash and cash equivalents held in foreign currency		(0.13)	6.75
Cash and cash equivalents at the beginning of the year		196.31	759.02
Cash and cash equivalents at the end of the year		<b>1,199.51</b>	<b>196.31</b>
<b>Notes :</b>			
Components of cash and cash equivalents			
On current accounts		1,122.41	157.67
On deposit accounts		55.63	16.23
Cash on hand		21.47	22.41
<b>Total cash and cash equivalents (Note 13)</b>		<b>1,199.51</b>	<b>196.31</b>

See accompanying Notes forming part of the Financial Statements.

As per our report of even date.

### For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E3000004

### per Aniruddh Sankaran

Partner

Membership No: 211107

Place: Gurugram

Date: May 11, 2018

### For and on behalf of the Board of Directors

#### Ajay Singh

Chairman &  
Managing Director

Place: Gurugram

Date: May 11, 2018

#### Kiran Koteswar

Chief Financial  
Officer

Place: Gurugram

Date: May 11, 2018

#### Chandan Sand

Company Secretary

Place: Gurugram

Date: May 11, 2018

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

(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, 2016	599,450,183	5,994.50
At March 31, 2017	599,450,183	5,994.50
<b>At March 31, 2018</b>	<b>599,450,183</b>	<b>5,994.50</b>

### B. OTHER EQUITY

For the year ended March 31, 2018	Reserves and Surplus				Other reserves	Total Equity
Particulars	Retained earnings	Securities Premium Account	General Reserve	Share-based payment reserves	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	
<b>As at April 01, 2017</b>	(22,066.59)	9,864.93	49.09	-	32.06	(12,120.51)
Profit for the year	5,572.06	-	-	-	-	5,572.06
Other comprehensive income	2.34	-	-	-	-	2.34
<b>Total Comprehensive Income</b>	<b>(16,492.19)</b>	<b>9,864.93</b>	<b>49.09</b>	<b>-</b>	<b>32.06</b>	<b>(6,546.11)</b>
Options granted during the year				13.01		13.01
Transferred from employee stock options outstanding upon lapse of such options	-	-	-	-	-	-
Movement during the year in FCMITDA, net	-	-	-	-	1.58	1.58
Recognised in the Statement of P&L during the year	-	-	-	-	(22.17)	(22.17)
<b>As at March 31, 2018</b>	<b>(16,492.19)</b>	<b>9,864.93</b>	<b>49.09</b>	<b>13.01</b>	<b>11.47</b>	<b>(6,553.69)</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

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

For the year ended March 31, 2017	Reserves and Surplus				Other reserves	Total Equity
Particulars	Retained earnings	Securities Premium Account	General Reserve	Share-based payment reserves	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	
As at April 01, 2016	(26,317.57)	9,864.93	42.17	6.92	20.42	(16,383.13)
Profit for the year	4,272.20	-	-	-	-	4,272.20
Other comprehensive income	(21.22)	-	-	-	-	(21.22)
<b>Total Comprehensive Income</b>	<b>(22,066.59)</b>	<b>9,864.93</b>	<b>42.17</b>	<b>6.92</b>	<b>20.42</b>	<b>(12,132.15)</b>
Transferred from employee stock options outstanding upon lapse of such options	-	-	6.92	(6.92)	-	-
Movement during the year in FCMITDA, net	-	-	-	-	(1.81)	(1.81)
Recognised in the Statement of P&L during the year	-	-	-	-	13.45	13.45
<b>As at March 31, 2017</b>	<b>(22,066.59)</b>	<b>9,864.93</b>	<b>49.09</b>	<b>-</b>	<b>32.06</b>	<b>(12,120.51)</b>

See accompanying Notes forming part of the Financial Statements.

As per our report of even date.

## For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E3000004

## per Aniruddh Sankaran

Partner

Membership No: 211107

Place: Gurugram

Date: May 11, 2018

## For and on behalf of the Board of Directors

### Ajay Singh

Chairman &  
Managing Director

Place: Gurugram

Date: May 11, 2018

### Kiran Koteswar

Chief Financial  
Officer

Place: Gurugram

Date: May 11, 2018

### Chandan Sand

Company Secretary

Place: Gurugram

Date: May 11, 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

*(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, 2018. The Company was incorporated on February 9, 1984 as a limited Group under the Companies Act, 1956 and is listed on the Bombay Stock Exchange Limited ('BSE'). The registered office of the Group 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 60 aircraft including 4 aircraft taken on wet lease across various routes in India and abroad as at March 31, 2018. Information on the Group's structure is provided in Note 37. Information on other related party relationships of the Group is provided in Note 47.

The financial statements were approved for issue by the board of directors on May 11, 2018.

### 2. 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, 2018 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, read with Companies (Indian Accounting Standards) as amended.

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

##### ii. Historical Cost convention

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

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

##### iii. Going concern assumption

The Group has been consistently profitable for the last three financial years, as a result of which the negative net worth has substantially improved, and is only ₹ 555.19 million as at March 31, 2018. The Group's net current liabilities have also reduced by similar amounts. The earlier position of negative net worth and net current liabilities was the result of historical market factors.

As a result of various operational, commercial and financial measures implemented over the last three years, the Group has significantly improved its liquidity position, and generated operating cash flows during that period. In view of the foregoing, and having regard to industry outlook in the markets in

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

which the Group operates, management is of the view that the Group will be able to maintain profitable operations and raise funds as necessary, in order to meet its liabilities as they fall due. Accordingly, these financial results have been prepared on the basis that the Group will continue as a going concern for the foreseeable future.

### b) Basis of Consolidation

The Consolidated Financial Statements (CFS) relates to SpiceJet Limited (the Company), 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 Company i.e. March 31, 2018.

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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 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 Company 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.

### 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

### Depreciation

The Group, based on technical assessment made by experts and management estimates, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

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

In respect of aircraft and rotables and tools, had the Group applied the requirements of useful life and residual values specified under Schedule II of the Act as described above, the depreciation expense for the current year would have been lower by ₹ 21.62 million (previous year ₹ 23.16 million).

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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 recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The revenue is recognized net of VAT, Service tax & Goods and Service Tax (if any).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

The specific recognition criteria described below must also be met before revenue is recognised.

### 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 unearned revenue.

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.

### Sale of food and beverages

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

### Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

### Training Income

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

### Interest

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

*(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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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
- 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

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

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

### l) Leases

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

#### Where the Group is a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

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

#### Sale and lease back arrangements

Profit or loss on sale and lease back arrangements resulting in operating leases is recognized immediately in case the transaction is established at fair value. If the sale price is below fair value, any profit or loss is



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

recognised immediately except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.

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

### **m) Cash and cash equivalents**

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

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

### **n) Foreign currencies**

The Consolidated financial statements of the Group is presented in Indian Rupees (₹) 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.

### **o) Fair value measurement**

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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 49).

### p) Provisions

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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 Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

##### *Debt instrument at FVTOCI*

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### **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.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### *Derecognition*

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

### **Derivative financial instruments**

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

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

### **Offsetting of financial instruments**

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

### **r) Inventories**

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

### **s) Manufacturers' incentives**

#### Cash Incentives

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

#### Non-cash Incentives

Non cash incentives relating to aircraft taken on finance lease are recorded as and when due to the Group by setting up a deferred asset and a corresponding incentive. These incentives are recognized under the head other operating revenue in the statement of profit and loss on a straight line basis over the remaining life of the aircraft. The deferred asset explained above is reduced on the basis of utilization against purchase of goods and services.

### **t) Commission to agents**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### u) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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

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

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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

### v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors of the Group who makes strategic decisions and is responsible for allocating resources and assessing performances of the operating segments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### w) Contingent liabilities

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

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

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 3. PROPERTY PLANT & EQUIPMENT ('PPE')

Particulars	Plant & Equipment	Rotable & Tools	Office Equipment	Computers	Furniture & Fixtures	Vehicles	Leasehold Improvements	Aircraft ^	Land	Total
<b>Cost or valuation</b>										
<b>As at April 01, 2016</b>	400.98	1,310.62	52.89	66.33	16.58	346.36	32.61	15,786.76	-	18,013.13
Additions #	114.40	967.17	15.40	59.59	4.24	57.31	1.68	885.95	-	2,105.74
Disposals	7.92	6.22	0.02	0.62	0.06	2.57	-	-	-	17.41
Exchange Differences *	-	-	-	-	-	-	-	(193.66)	-	(193.66)
<b>As at March 31, 2017</b>	<b>507.46</b>	<b>2,271.57</b>	<b>68.27</b>	<b>125.30</b>	<b>20.76</b>	<b>401.10</b>	<b>34.29</b>	<b>16,479.05</b>	<b>-</b>	<b>19,907.80</b>
Additions #	227.27	613.98	34.11	77.23	5.61	89.76	10.92	875.20	171.37	2,105.45
Disposals	5.30	75.99	1.06	0.07	-	1.25	-	-	-	83.67
Exchange Differences *	-	-	-	-	-	-	-	20.76	-	20.76
<b>As at March 31, 2018</b>	<b>729.43</b>	<b>2,809.56</b>	<b>101.32</b>	<b>202.46</b>	<b>26.37</b>	<b>489.61</b>	<b>45.21</b>	<b>17,375.01</b>	<b>171.37</b>	<b>21,950.34</b>
<b>Depreciation and impairment</b>										
At April 1, 2016	34.76	90.31	18.41	16.72	3.02	53.30	10.44	1,520.68	-	1,747.64
Charge for the Year	40.56	117.48	16.25	26.57	4.67	65.83	7.43	1,512.98	-	1,791.77
Disposals	0.82	0.61	-	0.47	0.01	2.17	-	-	-	4.08
Exchange Differences *	-	-	-	-	-	-	-	181.13	-	181.13
<b>As at March 31, 2017</b>	<b>74.50</b>	<b>207.18</b>	<b>34.66</b>	<b>42.82</b>	<b>7.68</b>	<b>116.96</b>	<b>17.87</b>	<b>3,214.79</b>	<b>-</b>	<b>3,716.46</b>
Charge for the Year	50.12	160.86	17.99	39.74	5.55	76.18	8.39	1,785.76	-	2,144.59
Disposals	1.89	9.19	1.00	0.02	-	0.68	-	-	-	12.78
Exchange Differences *	-	-	-	-	-	-	-	158.83	-	158.83
<b>As at March 31, 2018</b>	<b>122.73</b>	<b>358.85</b>	<b>51.65</b>	<b>82.54</b>	<b>13.23</b>	<b>192.46</b>	<b>26.26</b>	<b>5,159.38</b>	<b>-</b>	<b>6,007.10</b>
<b>NET BLOCK</b>										
<b>As at March 31, 2017</b>	<b>432.96</b>	<b>2,064.39</b>	<b>33.61</b>	<b>82.48</b>	<b>13.08</b>	<b>284.14</b>	<b>16.42</b>	<b>13,264.26</b>	<b>-</b>	<b>16,191.34</b>
<b>As at March 31, 2018</b>	<b>606.70</b>	<b>2,450.71</b>	<b>49.67</b>	<b>119.92</b>	<b>13.14</b>	<b>297.15</b>	<b>18.95</b>	<b>12,215.63</b>	<b>171.37</b>	<b>15,943.24</b>

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

^ Under the agreement with the lender, the title to the aircrafts vest with the lessor, and the Company shall take title to aircrafts at the end of the lease period upon payment of all dues under the lease agreements. Also refer note 17 (b).

# Additions to Aircraft comprise ₹875.20 million for the year March 31,2018 and ₹ 885.95 million for the March 31,2017 pertaining to overhaul costs capitalised on aircraft.

Rotables and tools, Ground support equipment and Motor Vehicles with a carrying amount of ₹ 36.30 million (March 31, 2017 ₹45.69 million), are subject to a first charge to secure the facilities provided by a lender.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 4. INTANGIBLE ASSETS

	Software	Total
<b>Cost or valuation</b>		
<b>As at April 01, 2016</b>	24.91	24.91
Additions	12.16	12.16
Disposals	-	-
<b>At March 31, 2017</b>	<b>37.07</b>	<b>37.07</b>
Additions	41.16	41.16
Disposals	-	-
<b>At March 31, 2018</b>	<b>78.23</b>	<b>78.23</b>
<b>Accumulated Amortization</b>		
<b>As at April 01, 2016</b>	<b>14.81</b>	<b>14.81</b>
Charge for the year	13.24	13.24
Disposals	-	-
<b>As at March 31, 2017</b>	<b>28.05</b>	<b>28.05</b>
Charge for the year	9.78	9.78
Disposals	-	-
<b>As at March 31, 2018</b>	<b>37.83</b>	<b>37.83</b>
<b>Net Block</b>		
<b>As at March 31, 2017</b>	<b>9.02</b>	<b>9.02</b>
<b>As at March 31, 2018</b>	<b>40.40</b>	<b>40.40</b>

### 5. NON-CURRENT INVESTMENTS

	As at 31-Mar-2018	As at 31-Mar-2017
Unquoted equity investments, at fair value		
1,270 (March 31, 2017: 1,189) equity shares of Aeronautical Radio of Thailand Limited	0.24	0.23
<b>Aggregate amount of unquoted investments</b>	<b>0.24</b>	<b>0.23</b>

### 6. OTHER NON-CURRENT FINANCIAL ASSETS

(Unsecured, considered good unless stated otherwise)		
Security deposits (at amortised cost)	3,158.74	1,679.87
Non-current bank balances (also refer note 12)	6,527.81	2,573.28
	<b>9,686.55</b>	<b>4,253.15</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 7. NON-CURRENT TAX ASSETS

	As at 31-Mar-2018	As at 31-Mar-2017
Advance income-tax and tax deducted at source (net of provision for taxation)	290.63	211.60
	<b>290.63</b>	<b>211.60</b>

### 8. OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless stated otherwise)

Accrued overhaul obligation on finance lease aircraft	1,099.30	1,145.61
Deposit with Bombay High Court (also refer note 43 (b) (i))	-	50.00
Deposit with Delhi High Court (also refer note 44)	2,500.00	-
Tax paid under protest	561.47	-
<b>Capital advances</b>		
Unsecured, considered Doubtful	109.32	24.32
Unsecured, considered good	1,347.62	932.74
	<b>5,617.71</b>	<b>2,152.67</b>
<b>Impairment Allowance</b>		
Doubtful advances	(109.32)	(24.32)
	<b>(109.32)</b>	<b>(24.32)</b>
<b>Total</b>	<b>5,508.39</b>	<b>2,128.35</b>

### 9. INVENTORIES (AT THE LOWER OF COST AND NET REALISABLE VALUE)

Engineering stores and spares	1,146.51	808.55
Inventories held in trade	191.74	115.57
Other stores	80.46	61.39
<b>Total inventories</b>	<b>1,418.71</b>	<b>985.51</b>

### 10. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Quoted investment in mutual funds	1,012.62	1,397.52
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>1,012.62</b>	<b>1,397.52</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 11. TRADE RECEIVABLES

	As at 31-Mar-2018	As at 31-Mar-2017
Unsecured, considered Doubtful	13.59	4.04
Unsecured, considered good	867.79	618.95
	<b>881.38</b>	<b>622.99</b>
<b>Impairment Allowance (Allowance for bad and doubtful debts)</b>		
Unsecured, considered good	(9.51)	(1.00)
Doubtful	(13.59)	(4.04)
	<b>(23.10)</b>	<b>(5.04)</b>
<b>Total</b>	<b>858.28</b>	<b>617.95</b>

Sale of air tickets are on cash basis. In respect of revenue from cargo operations and sale of merchandise, the Group offers credit to its customers which is in the range of 30 to 90 days.

For terms and conditions relating to related party receivables, refer Note 47

### 12. CASH AND CASH EQUIVALENTS

Balances with banks:		
- On current accounts	1,122.41	157.67
- On deposit accounts with original maturity less than 3 months	55.63	16.23
Cash on hand	21.47	22.41
	<b>1,199.51</b>	<b>196.31</b>
<b>Other bank balances</b>		
Deposits with original maturity for more than 3 months but less than 12 months	208.00	13.64
Deposits with original maturity more than 12 months*	6,590.81	3,045.38
	<b>6,798.81</b>	<b>3,059.02</b>
Less: Amount disclosed under other non-current asset (Refer note 6)	(6,527.81)	(2,573.28)
	<b>271.00</b>	<b>485.74</b>
	<b>1,470.51</b>	<b>682.05</b>

At March 31, 2018, the Group had available INR 925.62 million (March 31, 2017: INR 377.55 million) of undrawn committed borrowing facilities.

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

#### Changes in liabilities arising from financing activities

Particulars	April 01, 2017	Cash flow	Forex Impact	Others	March 31, 2018
Current borrowings	2,522.45	1,051.93	-	-	3,574.38
Finance Cost	31.62	(898.52)	-	921.90	55.00
Non- current borrowings	7,759.84	(1,274.87)	24.56	-	6,509.53
<b>Total liabilities from financing activities</b>	<b>10,313.91</b>	<b>(1,121.46)</b>	<b>24.56</b>	<b>921.90</b>	<b>10,138.91</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

Particulars	April 01, 2016	Cash flow	Forex Impact	Others	March 31, 2017
Current borrowings	1,050.00	1,472.45	-	-	2,522.45
Finance Cost	31.46	(650.24)	-	650.40	31.62
Non- current borrowings	9,209.22	(1,241.52)	(207.86)	-	7,759.84
<b>Total liabilities from financing activities</b>	<b>10,290.68</b>	<b>(419.31)</b>	<b>(207.86)</b>	<b>650.40</b>	<b>10,313.91</b>

### 13. OTHER CURRENT FINANCIAL ASSETS

(Unsecured, considered good unless stated otherwise)

	As at 31-Mar-2018	As at 31-Mar-2017
Security deposits	541.49	1,258.77
Employee advances	54.55	20.98
Interest accrued		
- on fixed deposits	281.34	87.68
Unbilled revenue	215.66	307.64
Claims receivable		
Unsecured, considered Doubtful	-	-
Unsecured, considered good	467.60	126.08
	<b>1,560.64</b>	<b>1,801.15</b>
<b>Impairment Allowance</b>		
Doubtful receivables	-	-
	-	-
<b>Total</b>	<b>1,560.64</b>	<b>1,801.15</b>

### 14. OTHER CURRENT ASSETS

(Unsecured, considered good unless stated otherwise)

Prepaid expenses	1,735.24	759.03
Balance with Government authorities	177.51	0.78
Advances to suppliers		
Unsecured, considered Doubtful	-	-
Unsecured, considered good	1,312.69	868.47
Others	80.00	-
	<b>3,305.44</b>	<b>1,628.28</b>
<b>Impairment Allowance</b>		
Doubtful advances	-	-
	-	-
<b>Total</b>	<b>3,305.44</b>	<b>1,628.28</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 15. SHARE CAPITAL

	As at 31-Mar-2018	As at 31-Mar-2017
<b>Authorised Capital</b>		
(1,500,000,000 equity shares of ₹10/- each)		
<b>As at April 01, 2016</b>	<b>15,000.00</b>	<b>15,000.00</b>
Increase during the year	-	-
<b>As at March 31, 2017</b>	<b>15,000.00</b>	<b>15,000.00</b>
Increase during the year	-	-
<b>As at March 31, 2018</b>	<b>15,000.00</b>	<b>15,000.00</b>
<b>Issued, Subscribed and Paid-up Capital</b>		
(599,450,183 equity shares of ₹10/- each)		
<b>As at April 01, 2016</b>	<b>5,994.50</b>	<b>5,994.50</b>
Increase during the year	-	-
<b>As at March 31, 2017</b>	<b>5,994.50</b>	<b>5,994.50</b>
Increase during the year	-	-
<b>As at March 31, 2018</b>	<b>5,994.50</b>	<b>5,994.50</b>

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

Particulars	As at Mar 31, 2018		As at March 31, 2017	
	Number	Value (₹)	Number	Value (₹)
Shares outstanding at the beginning of the period	599,450,183	5,994,501,830	599,450,183	5,994,501,830
Issued during the year	-	-	-	-
<b>Shares outstanding at the end of the period</b>	<b>599,450,183</b>	<b>5,994,501,830</b>	<b>599,450,183</b>	<b>5,994,501,830</b>

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

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### C. Details of Shareholders holding more than 5 percent in the Group:

Name of Shareholder	As at 31-Mar-2018		As at 31-Mar-2017	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Mr. Ajay Singh	354,443,450	59.13%	354,443,450	59.13%
<b>Total</b>	<b>354,443,450</b>	<b>59.13%</b>	<b>354,443,450</b>	<b>59.13%</b>

As per records of the Group, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### D. Aggregate number of bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding the reporting date:

The Company has issued total Nil shares (March 31, 2017 - 171,665 shares) during the period of five years immediately preceeding the reporting date on exercise of options granted under the employee stock option ('ESOP') plan wherein part consideration was received in form of employee services.

### E. Shares reserved for issue under options

For details of shares reserved for issue under ESOP, refer Note 39

## 16. OTHER EQUITY

	As at 31-Mar-2018	As at 31-Mar-2017
<b>Reserves and Surplus</b>		
Securities Premium Account	9,864.93	9,864.93
General Reserve	49.09	49.09
Share-based payment reserves	13.01	-
Retained Earnings	(16,492.19)	(22,066.59)
<b>Total</b>	<b>(6,565.16)</b>	<b>(12,152.57)</b>
<b>Other reserves</b>		
Foreign Currency Monetary Item Translation Difference Account	11.47	32.06
<b>Total other equity</b>	<b>(6,553.69)</b>	<b>(12,120.51)</b>

### a. Securities Premium

<b>Balance at the beginning of the year</b>	<b>9,864.92</b>	<b>9,864.92</b>
Additions during the year	-	-
Deductions during the year	-	-
<b>Balance at the end of the year</b>	<b>9,864.92</b>	<b>9,864.92</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### b. General Reserve

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

	As at 31-Mar-2018	As at 31-Mar-2017
<b>Balance at the beginning of the year</b>	<b>49.09</b>	<b>42.17</b>
Transferred from employee stock options outstanding upon lapse of such options	-	6.92
Deductions during the year	-	-
<b>Balance at the end of the year</b>	<b>49.09</b>	<b>49.09</b>

### c. Share-based payment reserves

The balance represents reserves created to the extent of vested options based on the Employees Stock Option Scheme, 2007.

<b>Balance at the beginning of the year</b>	<b>-</b>	<b>6.92</b>
Options granted during the year	13.01	-
Transferred to general reserve upon lapse of such options	-	(6.92)
<b>Balance at the end of the year</b>	<b>13.01</b>	<b>-</b>

### d. Retained Earnings

<b>Balance at the beginning of the year</b>	<b>(22,066.59)</b>	<b>(26,317.57)</b>
Profit for the year	5,572.06	4,272.20
Re-measurement Gain/(Loss) on Defined Benefit Obligations	2.34	(21.22)
<b>Balance at the end of the year</b>	<b>(16,492.19)</b>	<b>(22,066.59)</b>

### e. Foreign Currency Monetary Item Translation Difference Account

Represents the exchange differences arising on other long-term foreign currency monetary item amortised to the Statement of Profit and Loss over the remaining life of the concerned monetary item.

<b>Balance at the beginning of the year</b>	<b>32.06</b>	<b>20.42</b>
Movement during the year in FCMITDA, net	1.58	(1.81)
Recognised in the Statement of P&L during the year	(22.17)	13.45
<b>Balance at the end of the year</b>	<b>11.47</b>	<b>32.06</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 17. LONG TERM BORROWINGS (SECURED)

	As at 31-Mar-2018	As at 31-Mar-2017
<b>Term Loans</b>		
From bank	1,666.67	-
Less: Current maturities of long term borrowings (refer note 23)	(1,666.67)	-
	-	-
<b>Other loans</b>		
External commercial borrowing (Unsecured)	7,780.75	9,021.93
Vehicle loan from bank	5.12	10.17
Less: Current maturities of long term borrowings (refer note 23)	(1,276.34)	(1,272.26)
	<b>6,509.53</b>	<b>7,759.84</b>
	<b>6,509.53</b>	<b>7,759.84</b>

a. Term loan from banks is repayable in 6 equal instalments commencing from December 2017, and carries an interest rate of 10%.

The loan and other facilities granted by the lender were secured by exclusive charge on current assets both present and future excluding lien marked deposits, second charge on movable fixed assets, both present and future, and pledge of shares of the Group owned by the promoter of the Group, Mr. Ajay Singh.

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 2.4% to 4.1%. 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.

c. The vehicle loan has been availed from Yes Bank Limited and is repayable in equal instalments over a period of three years commencing from March 2016, and carries an interest rate of 10.25%. The loan is secured by the related vehicle purchased by the Group having a carrying value of ₹ 13.79 million.

### 18. NON CURRENT TRADE PAYABLES

Trade payables	150.69	209.51
	<b>150.69</b>	<b>209.51</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 19. LONG TERM PROVISIONS

	As at 31-Mar-2018	As at 31-Mar-2017
Provision for gratuity (also refer note 40)	258.15	222.79
Provision for aircraft redelivery (also refer note 24)	413.67	148.57
Provision for aircraft maintenance (also refer note 24)	2,731.20	2,525.89
	<b>3,403.02</b>	<b>2,897.25</b>

### 20. OTHER NON-CURRENT LIABILITIES

Deferred incentive	204.17	221.27
Less: Current portion of above	(17.10)	(17.10)
	<b>187.07</b>	<b>204.17</b>
Deferred gain on Sale and lease-back	515.05	297.02
Less: Current portion of above	(84.96)	(39.97)
	<b>430.09</b>	<b>257.05</b>
	<b>617.16</b>	<b>461.22</b>

### 21. SHORT TERM BORROWINGS (SECURED)

Inter corporate deposits (also refer note 43 (b) (i))	-	50.00
Working capital demand loan from bank	1,000.00	1,000.00
Working capital demand loan from others	1,000.00	-
Buyers' Credit from bank	162.61	-
Pre-shipment credit foreign currency loan	1,411.77	1,472.45
	<b>3,574.38</b>	<b>2,522.45</b>

Working capital demand loan from bank is secured by fixed deposits placed by the erstwhile promoter and is repayable on demand. The loan carries an interest rate of 12.75%.

Working capital demand loan from others is secured by an exclusive charge on pledge of shares and a first pari-passu charge over all current assets of the Group. The loan carries an interest rate of 11.25%.

Buyers Credit from bank is secured by fixed deposits placed by the Group having a carrying value of ₹ 160 million and repayable within 6 months. The loan carries an interest rate benchmarked to the LIBOR rate at each drawdown ranging between 2% to 2.5%.

Pre-shipment credit foreign currency loan from bank is secured by fixed deposits placed by the Group having a carrying value of ₹793.14 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 3.72% to 4.45%.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 22. TRADE PAYABLES

	As at 31-Mar-2018	As at 31-Mar-2017
Trade payables	6,885.24	5,873.41
	<b>6,885.24</b>	<b>5,873.41</b>

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

#### 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.

### 23. OTHER CURRENT FINANCIAL LIABILITIES

<b>Unsecured</b>		
Derivative liability	-	15.39
Employee compensation payable	166.20	202.98
Security deposits received	14.32	13.80
<b>Secured</b>		
Current maturities of long-term borrowings (also refer note 17) (includes current maturities of ECB ₹ 1,271.22 (March 31, 2017 - ₹ 1,267.20)	2,943.01	1,272.26
Interest accrued and due on borrowings	39.03	11.83
Interest accrued but not due on borrowings	15.96	22.35
	<b>3,178.52</b>	<b>1,538.61</b>
<b>Break up of financial liabilities carried at amortised cost :</b>		
Borrowings (non-current) (note 17)	6,509.53	7,759.84
Borrowings (current) (note 21)	3,574.38	2,522.45
Current maturity of long term loans (note 23)	2,943.01	1,272.26
Trade payables (non current) (note 18)	150.69	209.51
Trade payables (current) (note 22)	6,885.24	5,873.41
Other Current financial liabilities (note 23)	180.52	216.78
<b>Total financial liabilities carried at amortised cost</b>	<b>20,243.37</b>	<b>17,854.25</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 24. SHORT TERM PROVISIONS

	As at 31-Mar-2018	As at 31-Mar-2017
Provision for employee benefits		
Provision for gratuity (also refer note 40)	25.56	16.77
Provision for compensated absences	116.52	92.70
Provision for litigation * (also refer note 43)	97.69	255.09
Provision for aircraft maintenance ** (also refer note below)	1,987.20	846.41
Provision for aircraft redelivery # (also refer note below)	26.75	206.95
	<b>2,253.72</b>	<b>1,417.92</b>
<b>* Provision for litigation:</b>		
At the beginning of the year	255.09	172.40
Additions during the year	(157.40)	82.69
Utilisation / reversal during the year	-	-
<b>At the end of the year</b>	<b>97.69</b>	<b>255.09</b>

\*\* 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. As required by Ind-AS 37, "Provisions, Contingent Liabilities and Contingent Assets" given below is the movement in provision for aircraft maintenance.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

	As at 31-Mar-2018	As at 31-Mar-2017
<b>** Provision for aircraft maintenance</b>		
At the beginning of the year	3,372.30	4,004.53
Additions during the year	2,823.63	1,796.89
Utilisation during the year	(1,477.53)	(2,429.12)
<b>At the end of the year</b>	<b>4,718.40</b>	<b>3,372.30</b>

# 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.

The Group in the past, had also accounted for costs relating to early termination of Boeing aircraft leased by the Group which were retired from commercial use. Such accrual is based on management estimate of these liabilities, having regard to various factors including lease terms, age of the aircraft and past experience of aircraft redelivery costs incurred by the Group. Further liabilities in this regard, are accounted for in the period they are determined to be payable. During the previous year, the Group has concluded / substantially agreed the terms of settlement with these aircraft lessors.

<b># Provision for aircraft redelivery:</b>		
At the beginning of the year	355.52	1,904.14
Provision made over the lease period	102.46	122.81
Utilisation during the year	(17.56)	(1,671.43)
<b>At the end of the year</b>	<b>440.42</b>	<b>355.52</b>

### 25. OTHER CURRENT LIABILITIES (UNSECURED)

Current portion of deferred incentives	17.10	17.10
Current portion of deferred gain on sale and lease-back	84.96	39.97
Amount due under order of Delhi High Court (also refer note 44)	5,790.89	5,790.89
Unearned revenue	6,062.50	4,887.46
Advance received from agents	1,967.26	1,562.59
Statutory dues (including interest thereon)	367.73	337.25
Airport Taxes Payable	785.38	712.43
Others	6.76	4.26
	<b>15,082.58</b>	<b>13,351.95</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 26. REVENUE FROM OPERATIONS

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>Sale of services</b>		
Passenger revenue	74,094.96	58,206.23
Cargo revenue	2,700.60	2,414.23
Sale of food and beverages	438.54	392.83
Sale of products	44.43	0.96
<b>Other operating revenues</b>		
Incentives received	37.89	151.69
Income from training services	218.11	368.49
Others	460.83	379.19
	<b>77,995.36</b>	<b>61,913.62</b>

### 27. OTHER INCOME

Fair valuation of liabilities	-	87.45
Net Gain on financial assets measured at FVTPL	-	34.83
Net Gain on sale of investments	148.28	34.14
Gain on sale and lease-back	47.55	23.70
Liabilities / provision no longer required written back	489.08	517.58
Insurance / warranty claims received	122.07	77.26
Miscellaneous income	35.75	26.38
	<b>842.73</b>	<b>801.34</b>

### 28. FINANCE INCOME

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Interest income on discounting of financial instruments		
Interest income		
- on bank deposits	497.22	316.96
	<b>497.22</b>	<b>316.96</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 29. OPERATING EXPENSES

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Aviation turbine fuel	24,326.27	18,552.42
Lease charges - aircraft, engines and auxiliary power units (also refer note 41)	10,369.11	9,605.76
Aircraft repairs and maintenance	4,692.91	2,954.33
Supplemental lease charges - aircraft, engines and auxiliary power units	6,330.81	4,907.86
Consumption of stores and spare parts	856.73	751.66
Aviation insurance	227.39	270.80
Landing, navigation and other airport charges	6,605.56	5,533.02
Cost of inflight food and beverages	884.34	674.45
Aircraft navigation software expenses	491.94	377.83
Aircraft redelivery costs	97.98	123.98
Cargo handling costs	399.38	326.70
Other operating expenses	283.13	246.36
	<b>55,565.55</b>	<b>44,325.17</b>

#### 29(a) Cost of traded goods sold

Inventory at the beginning of the year	115.57	-
Add : Purchases of traded goods	91.57	115.83
Less : Inventory at the end of the year	175.03	115.57
<b>Cost of traded goods</b>	<b>32.11</b>	<b>0.26</b>
<b>Changes in inventory of Stock-in-trade</b>	<b>(59.46)</b>	<b>(115.57)</b>

### 30. EMPLOYEE BENEFITS EXPENSES

Salaries, wages and bonus	7,699.56	5,928.18
Contribution to provident and other funds	248.50	183.63
Employee stock option scheme	13.01	-
Gratuity expense (also refer note 40)	71.50	58.35
Recruitment and training cost	373.09	384.15
Staff welfare	211.26	183.91
	<b>8,616.92</b>	<b>6,738.23</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 31. SALES AND MARKETING EXPENSES

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Commission to agents *	1,425.83	1,231.21
Business promotion and advertisement	800.53	866.58
	<b>2,226.36</b>	<b>2,097.79</b>

\* Includes deposit incentive to agents

### 32. OTHER EXPENSES

Rent	461.91	377.06
Rates and taxes	481.45	412.14
Repairs and maintenance		
- buildings	48.98	36.44
- plant and machinery	20.68	5.70
- others	244.67	252.37
Crew accomodation cost	368.30	340.32
Communication	94.91	93.17
Printing and stationery	131.87	117.56
Travelling and conveyance	942.88	844.81
Legal, and professional fees (Refer note below for details of payment to auditor)	407.73	256.82
Power and fuel	86.79	62.20
Provision for doubtful advances	85.00	-
Advances / debts written off	36.54	79.35
Provision for doubtful debts	18.07	-
Provision for litigation	-	82.69
Insurance	48.09	39.48
Credit card charges	286.49	289.78
Bank charges	10.18	11.37
Exchange fluctuation loss (net)	213.97	6.91
Net Loss on financial assets measured at FVTPL	26.85	-
Fair value losses on derivatives not designated as hedges	-	15.39
Loss on sale of assets (net)	52.16	9.06
Miscellaneous expenses	18.31	14.65
	<b>4,085.83</b>	<b>3,347.27</b>
<b>Payment to auditor</b>		
<b>As auditor</b>		
Audit fees	5.84	6.58
Limited review	2.25	1.5
<b>In other capacity</b>		
Other services (certification fees)	0.60	0.75
Reimbursement of expenses	0.78	0.78



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 33. FINANCE COSTS

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Interest		
- on fixed loan from banks	397.86	186.36
- on fixed loan from others	368.61	327.99
Interest cost on discounting of financial instruments	74.02	99.86
Other borrowing cost	82.81	36.19
	<b>923.30</b>	<b>650.40</b>

### 34. EXCEPTIONAL ITEMS

Liabilities / Provisions no longer required written back #	-	385.54
	-	385.54

**Note:**

# In previous financial reporting periods, the Group had made certain provisions based on management's assessment of certain claims by a vendor, based on applicable contractual terms. Under the provisions of such contract, the vendor had initiated arbitration proceedings in the previous financial year. Based on the status of the proceedings and submissions thereat, and legal advice obtained, management is of the view that certain previously recognised provisions are not likely to subsist. Accordingly, management has revised its assessment thereof, and as a consequence, the Group has written back provisions made in this regard, of ₹ 385.54 million as an exceptional item.

### 35. EARNING PER SHARE ('EPS')

- Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.
- Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Number of equity shares outstanding at the beginning of the year	599,450,183	599,450,183
Number of equity shares issued	-	-
Number of equity shares outstanding at the end of the year	599,450,183	599,450,183
<b>Weighted average number of shares</b>		
<b>a. Basic</b>	599,450,183	599,450,183
Effect of dilution:		
Stock options granted under ESOP	158,448	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>b. Diluted</b>	<b>599,608,631</b>	<b>599,450,183</b>
Profit / (Loss) for the year	5,572.06	4,272.20
Earnings per share :		
- Basic earnings / (loss) per share (₹)	9.30	7.13
- Diluted earnings / (loss) per share (₹)	9.29	7.13
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 44, 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 44.

### 36. 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 judgments, 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 judgments and estimations that have been made by the management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Taxation

Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the management to estimate the level of tax that will be payable based upon the Group's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

In respect of other taxes which are in disputes, the management estimates the level of tax that will be payable based upon the Group's / expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

### Defined Benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

### Useful life, residual value of property, plant and equipment

The management has estimated the useful life of its property, plant and equipment based on technical assessment. The estimate has been supported by independent assessment by technical experts. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

### 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 2(a)(iii) for management's assessment regarding going concern, including related judgments involved).

## 37. GROUP INFORMATION

### Information about subsidiaries

The Financial Statements of the Group includes subsidiaries listed in the table below:

Name	Principal activities	Country of Incorporation	% equity interest	
			As at 31-Mar-2018	As at 31-Mar-2017
SpiceJet Merchandise Private Limited	Trading in goods	India	100	100
SpiceJet Technic Private Limited	Technological services	India	100	100
Canvin Real Estate Private Limited	Real Estate	India	100	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 38. DETAILS OF CSR EXPENDITURE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Gross amount required to be spent by the Group during the year	21.55	-
<b>Amount spent during the year ending on March 31, 2018</b>	<b>Paid in cash</b>	<b>Yet to be paid in cash</b>
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	3.11	18.44
<b>Amount spent during the year ending on March 31, 2017</b>	<b>Paid in cash</b>	<b>Yet to be paid in cash</b>
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-

### 39. SHARE BASED PAYMENTS

The following share-based payment arrangements were in existence during the current and prior years :

#### Employees Stock Option Scheme, 2007

The shareholders at the Annual General Meeting held on September 11, 2007, approved an Employee Stock Option Scheme (ESOS) which provides for the grant of 6,016,250 options (each option convertible into share) to employees. Further, at the Extraordinary General Meeting held on December 23, 2009, the shareholders had approved to extend the aggregate number of options under the scheme to 20,000,000 options.

The remuneration committee had granted 5,200,000 options to eligible employees on September 11, 2007 at an exercise price of ₹ 30 /- per share. Such options were to vest over 4 years in the following manner:

- 35% of the options - one year from the date of grant
- 25% of the options - two years from the date of grant
- 25% of the options - three years from the date of grant
- 15% of the options - four years from the date of grant

In accordance with the shareholders' approval, options once vested can only be exercised by the employee (subject to him / her remaining in employment) within a period of 5 years. Consequently, the scheme expires on September 11, 2016 which is the last date for exercise of options vested to the employee's. All the unexercised options have been forfeited in the current year.

#### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

The remuneration committee had granted 2,131,538 options to eligible employees subject to certain conditions on February 07, 2018 at an exercise price of ₹ 10 /- per share. Such options were to vest over 3 years in the following manner:

- 25% of the options – one year from the date of grant
- 35% of the options – two years from the date of grant
- 40% of the options – three years from the date of grant

In accordance with the shareholders' approval, options once vested can only be exercised by the employee (subject to him / her remaining in employment) within a period of 5 years.

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

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
<b>Outstanding, beginning of year</b>	-	-	247,900	30.00
Granted during the year*	300,289	10	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	(247,900)	30.00
<b>Outstanding, end of year</b>	<b>300,289</b>	<b>10</b>	<b>-</b>	<b>30.00</b>
<b>Outstanding at the year-end comprise:</b>				
Options eligible for exercise at year end	-	-	-	-
Options not eligible for exercise at year end	300,289	10	-	-

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

The fair value of options provided under the ESOS, 2017 was estimated at the date of grant using the Black-Scholes method with the following assumptions:

Particulars	Vesting dates		
	February 07, 2019	February 07, 2020	December 31, 2020
Market price of share (as at Feb 06, 2018)	129.35	129.35	129.35
Exercise price of option	10	10	10
Number of period to exercise in years	3.50	4.50	5.42
Risk free interest rate	7.53%	7.51%	7.51%
Expected dividend yield	-	-	-
Standard Deviation (annualised)	58.50%	58.11%	57.61%
<b>Fair value per vest</b>	<b>121.72</b>	<b>122.32</b>	<b>122.84</b>
<b>Fair value of option</b>	<b>122.29</b>		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 40. 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 (March 31, 2017- ₹1.00 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.

#### A. Change in defined benefit obligation ('DBO')

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1 Defined benefit obligation at the beginning of the period	239.57	180.01
2 Service cost		
a. Current service cost	53.89	43.95
3 Interest expenses	17.61	14.40
4 Cash flows		
a. Benefits paid	(25.03)	(20.02)
5 Remeasurements		
a. Effect of changes in financial assumption	(17.13)	19.23
b. Effect of experience adjustments	14.81	1.99
6 Defined benefit obligation at the end of the period	283.71	239.56

#### B. Amounts recognized in Balance Sheet

1 Defined benefit obligation	283.71	293.56
2 Fair value of plan assets	-	-
3 Funded status	-	-
4 Net defined benefit liability / (asset)	283.71	293.56

#### C. Components of defined benefit cost

1 Service cost		
a Current service cost	53.89	43.95
2 Net interest cost	-	-
a Interest expense on DBO	17.61	14.40
b Interest (income) on plan assets	-	-
c Total net interest cost	17.61	14.40
3 Remeasurements (recognized in OCI)		
a Effect of changes in Financial assumption	(17.13)	19.23
b Effect of changes in experience adjustments	14.81	1.99
c (Return) on plan assets (excluding interest income)	-	-
4 Total defined benefit cost recognized in P&L and OCI	69.18	79.57

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### D. Re-measurement

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a Actuarial Loss/ (Gain) on DBO	(2.33)	21.22
b Returns above interest income	-	-
<b>Total remeasurements (OCI)</b>	<b>(2.33)</b>	<b>21.22</b>

### E. Employer expense (P&L)

a Current service cost	53.89	43.95
b Interest cost on net DBO	17.61	14.40
c Total P&L expenses	71.50	58.35

### F. Net defined benefit liability (asset) reconciliation

1 Net defined benefit liability (asset)	239.57	180.01
2 Defined benefit cost included in P&L	71.50	58.35
3 Total remeasurements included in OCI	(2.33)	21.22
4 a. Employer contribution	(25.03)	(20.02)
5 Net defined benefit liability (asset) as at end of period	283.71	239.56

### G. Reconciliation on OCI (Re-measurement)

1 Recognized in OCI during the period	(2.33)	21.22
2 Recognized in OCI at the end of the period	(2.33)	21.22

### H. Sensitivity analysis-DBO end of period

1 Discount rate + 50 Basis points	(17.72)	(15.35)
2 Discount rate - 50 Basis points	19.60	17.02
3 Salary increase rate + 0.5%	19.95	17.25
4 Salary increase rate - 0.5%	(18.17)	(15.68)

### I. Significant actuarial assumption

1 Discount rate current year	7.35%	8.00%
2 Salary increase rate	5.50%	5.50%
3 Pre-retirement mortality	3% (Upto 30 years) 2% (Age 31-44) 1% ( above age 44)	3% (Upto 30 years) 2% (Age 31-44) 1% ( above age 44)
4 Retirement age	58	58

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### J. Data

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1 No. of employee's	8,485	6,902
2 Average age (years)	30.05	29.74
3 Average past service	3.12	3.08
4 Average monthly salary	1,472.24	115.26
5 Future service (years)	27.95	28.26
6 Weighted average duration of DBO	20.47	20.50

### K. Expected total benefit payments

1 Within the next 12 months (next annual reporting period)	25.45	16.77
2 Between 2 and 5 years	25.05	19.04
6 Beyond 5 years	233.21	203.75

### L. Defined benefit obligation at the end of the year

1 Current obligation	25.45	16.77
2 Non-current obligation	258.26	222.79

### Summary

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1 Defined benefit obligation at end of the period	283.71	239.56
2 Fair value plan assets at end of the period	-	-
3 Net defined benefit liability/ (asset)	283.71	239.56
4 Defined benefit cost included in P&L	69.75	58.35
5 Total remeasurement included in OCI	(2.33)	21.22
6 Total defined benefit cost recognized in P&L and OCI	67.42	79.57

### 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, 2018	Year ended March 31, 2017
1 Discount rate	7.80%	7.35%
2 Future salary increase	5.50%	5.50%



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### c. Contributions to defined contribution plan:

During the year, the Group recognized ₹ 209.59 Million (Previous year- ₹ 171.10 Million) to Provident Fund under defined contribution plan and ₹ 37.66 Million (Previous year - ₹ 12.41 Million) for contributions to Employee State Insurance scheme in the Statement of profit & loss.

## 41. LEASES

Operating lease: Group as a lessee

The Group has taken on lease aircraft, aircraft spares, engines and premises from third parties. Lease charges for aircraft and engines for the year ended March 31, 2018 amount to ₹ 10,369.11 million (Previous year ₹ 9,605.76 million), supplemental lease charges amount to ₹ 6,330.81 million (Previous year ₹ 4,907.86 million) and rental expense on premises for the year ended March 31, 2018 amount to ₹ 447.24 million (Previous year ₹ 376.17 million).

The Group has taken aircraft through dry operating lease from lessors. Under the aircraft lease agreements, the Group pays monthly rentals in the form of base and supplementary rental. Base rental payments are either based on floating or fixed interest rates. Supplemental rentals are based on aircraft utilisation and are calculated with reference to the number of hours flown or number of cycles operated during each month. Both base and supplemental lease rentals have been charged to the statement of profit and loss. The lease terms vary between 4 and 10 years. There are no significant restrictions imposed by lease arrangements.

The Group has also taken aircraft on wet lease. In a wet lease lease arrangement, the lessor provides an aircraft, complete crew, maintenance, and insurance (ACMI) to the lessee. The Group pays monthly lease rentals containing fixed and variable consideration. The lease period for a wet lease are generally between 3 to 5 months.

The future minimum lease rentals payable under non-cancellable leases (except supplementary rental which are based on aircraft utilisation and calculated on number of hours flown or cycle operated) are as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Aircraft</b>		
Not later than one year	9,169.92	7,091.49
Later than one year but not later than five years	37,879.13	17,413.35
Later than five years	29,541.81	2,865.66
<b>Aircraft engines</b>		
Not later than one year	376.27	292.97
Later than one year but not later than five years	993.78	469.35
Later than five years	278.24	284.55
<b>Wet Lease aircraft</b>		
Not later than one year	236.84	68.42
Later than one year but not later than five years	-	-
Later than five years	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 42. CAPITAL AND OTHER COMMITMENTS

- a. At March 31, 2018, the Group has commitments of ₹ 529,250.32 million (March 31, 2017 - ₹ 496,134.73 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 41.
- c. Under certain long-term maintenance contracts for the management, maintenance, repair and overhaul of aircraft components and spares, the Group incurs an agreed power-by-the-hour cost based on aircraft / component utilization. In addition, some contracts provide for compensation upon pre-mature termination, as applicable.

### 43. LITIGATION 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 25.
- ii) Matters wherein management has concluded the Group's liability to be possible have accordingly been disclosed under Note 2 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, 2018	Year ended March 31, 2017
Liability arising out of legal cases filed against the Group in various Courts/ Consumer Redressal Forums, Consumer Courts, disputed by the Group.	148.96	128.13
Liability arising out of Arbitration proceedings on account of cancellation of leased premises. Refer note (iv) below	33.32	33.32
Liability towards Penalty levied by customs department on late payments which is disputed and is pending in the Hon'ble High Court of Delhi. Refer note (ix) below	-	-
Demand in respect of provident fund dues for international workers as explained in note (iii) below.	142.37	142.37
Demand in respect of service tax (including interest and penalty) as explained in note (v) below.	170.70	170.70
Liability arising out of other legal cases filed against the Group.	60.61	11.83
Liability arising out of other Arbitration proceedings Refer (vi) below	-	196.51
Show cause notice received in respect of service tax as explained in note (vii) below	4,639.23	3,815.74
Liability arising out of Intergated Goods and Services Tax (IGST), on overseas repairs and replacement of various aircraft equipment as explained in note (xi) below	561.47	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
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The Group has various demands arising from Income-Tax assessments pertaining to Assessment year 2006-07 to 2014-15. The litigations are currently pending at various forums and such sum contested after adjusting the brought forward losses and depreciation was computed to be Nil. Consequently, without prejudice to its legal defence on these matters, the Group have not disclosed the same as a contingent liability.

- i. Under a suit filed by Leela Capital (petitioner) for recovery of the Inter Corporate Deposit ('ICD') aggregating ₹ 50 million, the Group had deposited the amount of ₹ 50 million on November 30, 2001 with the Hon'ble Bombay High Court and the Hon'ble Bombay High Court later allowed the petitioner to withdraw the said amount, upon furnishing an undertaking that the petitioner will reconstitute the said sum or such part thereof, with 9% interest, to the Group, if and as directed by the Hon'ble Court at the time of the final decision of the suit filed by the petitioner. Accordingly, pending finality of the matter, both the ICD and deposit with Hon'ble High Court have been disclosed under Short-term borrowings and Other non-current assets, respectively. The parties have entered into a settlement agreement in the current year and have agreed to 10 million as a full and final settlement towards interest. Accordingly, the Group has written back interest payable of ₹ 64.71 million up to the date of deposit in its financial statements.
- ii. 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.
- iii. 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, during the current year, a report has been filed by the Department's Representatives before the Regional Provident Fund Commissioner on March 22, 2017 pursuant to which there is an additional claim against the Group aggregating ₹ 64.42 million for the period from March 2011 till January 2012. The aggregate demand on account of this matter from the period November 2008 to January 2012 is ₹ 144.43 million. Pending disposal of the petition, the Group has not accrued for any additional liability in respect of provident fund contributions to international workers.
- iv. A vendor has filed an arbitration claim against the Group for ₹ 33.32 million including an interest of ₹ 10.58 million for termination of a lease agreement for accommodation of the Group's crew. The

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agreement was terminated by the Group citing poor quality of services. The arbitration proceedings in the matter have been completed and the suit has been dismissed in favour of the Group. The vendor has subsequently, filed an appeal before the High Court of Delhi and the matter is currently sub-judice. Pending disposal of the appeal, the Group has not accrued for any additional liability in respect of the dispute.

- v. The Group has received a demand order for a sum of ₹ 77.28 million, and applicable interest, as well as penalty of ₹ 77.28 million from the service tax department for non-remittance of service tax on reverse charge mechanism on certain payments made during the period April 18, 2006 to March 31, 2012. The Group is contesting the order on the grounds that the services obtained by the Group were not liable to service tax under the categories determined by the authorities and are hence not taxable services. Effective July 2012, pursuant to the enactment of the negative list of taxable services, the Group has been paying service tax on these services received on reverse charge basis under the relevant provisions of the Finance Act, 1994. Based on advice by its tax consultants and internal evaluation, the Group has provided an amount of ₹ 67.09 million (including a portion of applicable interest) on a conservative basis (also refer note 26). However, the Group continues to contest the entire demand and has filed an appeal against the adverse order with the CESTAT and is confident of its success. The balance amount of the matter under litigation, (including interest and penalty) of ₹ 170.70 million, has not been accrued pending final outcome of this matter and has been disclosed as a contingent liability.
- vi. One of the Group's vendors filed an arbitration claim against the Group before the International Court of Arbitration of the International Chamber of Commerce claiming payment of overdue amounts with applicable interest. The Group has also served a counter-claim against the vendor during the arbitration proceedings, and without prejudice to its defence, has accrued for the amounts claimed by the vendor which were considered probable in its financial statements as at March 31, 2017. During the previous year, based on the current status of such proceedings and submissions thereat, and legal advice obtained, certain previously recognised provisions are not likely to subsist. Accordingly, the Group has written back provisions made in this regard, of ₹ 385.54 million in previous financial year as an exceptional item. The Group has not made any adjustments to the financial statements in respect of its counter-claim. The Group has received the final arbitral award in the current year against its favour directing refund of the amounts which form the subject matter of the claims made by the Vendor along with interest and legal costs incurred in connection with the arbitration. Based on the final arbitral award, the Group has accounted for the damages claimed by the Vendor.
- vii. 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.
- viii. 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

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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 is in the process of filing its 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.

- ix. The Group had previously defaulted in remittance of the Inland Air Travel Tax ("IATT") dues for the period of March 1996 to August, 1996. The Revisionary Authority, Government of India had confirmed the orders of the Commissioner (Appeals), Department of Customs directing the Group to pay ₹ 86.50 million together with a penalty of ₹ 100.00 million. The Group remitted the entire dues towards IATT and a minimum penalty @ 20% amounting to ₹ 17.30 million. The Group filed a Civil Writ Petition challenging the orders passed by the Revisionary Authority against the penal dues levied. The Hon'ble Delhi High Court dismissed the Group's writ petition. Subsequently, the Group has challenged the same through a Special Leave to Petition (SLP) before the Hon'ble Supreme Court and the SLP has been dismissed in the current year pursuant to which the Group has remitted ₹ 82.69 million against this obligation to the Department of Customs.
- x. 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.
- xi. The Group has received certain orders from the customs authorities, levying IGST, on overseas repairs and replacement of various aircraft equipment, which in the opinion of management and based on expert advice obtained, is not subject to such levy. Accordingly no further adjustment have been made in this regard as at March 31, 2018.

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

### 44. STATUS OF ADVANCE MONEY RECEIVED AGAINST SECURITIES PROPOSED TO BE ISSUED

The Group, had in earlier financial years, received amounts aggregating ₹ 5,790.89 Million from Mr. Kalanithi Maran and M/S KAL Airways Private Limited ("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 Court, in its order dated July 29, 2016, without expressing anything on the merits of the dispute, ordered the Group to deposit the amount of ₹ 5,790 Million as security with the Court, in 5 equal monthly instalments, and directed the parties to take necessary steps for the purpose of constitution of an Arbitral Tribunal.

During the current year, the Group's appeal against this order was dismissed by Hon'ble Division Bench of the Court ("Division Bench"). As a consequence, the Group was required to secure an amount of ₹ 3,290 Million through a bank guarantee in favour of the Registrar General of the Delhi High Court ("Registrar")

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and to deposit the balance amount of ₹ 2,500 Million with the Registrar. The Group has complied with these requirements during the year.

The parties to the aforementioned litigation have concurrently initiated arbitration proceedings which are ongoing before a 3 member arbitral tribunal. The erstwhile promoters have made various claims against the Group and the present promoter, citing various purported breaches / non-compliances with the terms of the Share Sale & Purchase Agreement ("SSPA") dated January 29, 2015. The Group and the current promoter have disputed all such claims citing various grounds including non-compliances with the terms of the SSPA by the erstwhile promoters themselves. The arbitration is currently in progress, and the final outcome of the matter is currently not ascertainable.

In view of the uncertainties involved as explained above, management believes that the manner, timing and other related aspects of adjustment of these amounts, are currently not determinable. The effects of this matter may attract the consequent non-compliance provisions (including penal provisions) of applicable 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, will not 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.

### 45. SEGMENT REPORTING

For management purposes, the Group's operations are organised into major segments – Airline transport services and other services which comprise the primary basis of segmental information.

The Management Committee headed by Managing Director (CODM) also consisting of the Chief Financial Officer and Leaders of Strategic Business Units have identified the above two reportable business segments. It reviews and monitors the operating results of the business segments for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole and are not allocable to any segment. Expenses that are directly identifiable to segments are considered for determining the segment results. Expenses which relate to the Group as a whole and are not allocable to segments are included under unallocated corporate expenses.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year ended 31 March 2018

Particulars	Air Transport	Others	Total Segments	Adjustments and eliminations	Consolidated
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	77,950.93	44.43	77,995.36	-	77,995.36
Inter-segment	-	29.85	29.85	(29.85)	-
<b>Total Revenue</b>	<b>77,950.93</b>	<b>74.28</b>	<b>78,025.21</b>	<b>(29.85)</b>	<b>77,995.36</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

Particulars	Air Transport	Others	Total Segments	Adjustments and eliminations	Consolidated
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
<b>Income / (Expenses)</b>					
Revenue from operations	77,950.93	74.28	78,025.21	(29.85)	77,995.36
Other income	842.73	-	842.73	-	842.73
Finance Income	530.42	-	530.42	(33.20)	497.22
Operating expenses	(55,565.55)	-	(55,565.55)	-	(55,565.55)
Cost of inventory consumed	-	-31.93	(31.93)	(0.18)	(32.11)
Employee benefits expense	(8,625.67)	-21.11	(8,646.78)	29.86	(8,616.92)
Selling expenses	(2,216.60)	-9.76	(2,226.36)	0.00	(2,226.36)
Other expenses	(4,015.84)	-71.05	(4,086.89)	1.06	(4,085.83)
Depreciation and amortization	(2,312.00)	-1.18	(2,313.18)	(0.00)	(2,313.18)
Finance costs	(921.90)	-34.61	(956.51)	33.21	(923.30)
<b>Segment profit/(loss)</b>	<b>5,666.52</b>	<b>(95.36)</b>	<b>5,571.16</b>	<b>0.90</b>	<b>5,572.06</b>
<b>Total assets</b>	<b>41,095.71</b>	<b>438.97</b>	<b>41,534.68</b>	<b>(439.03)</b>	<b>41,095.65</b>
<b>Total liabilities</b>	<b>41,654.67</b>	<b>569.29</b>	<b>42,223.96</b>	<b>(569.12)</b>	<b>41,654.84</b>

### Year ended 31 March 2017

Particulars	Air Transport	Others	Total Segments	Adjustments and eliminations	Consolidated
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	61,912.66	0.96	61,913.62	-	61,913.62
Inter-segment	-	0.61	0.61	(0.61)	-
<b>Total Revenue</b>	<b>61,912.66</b>	<b>1.57</b>	<b>61,914.23</b>	<b>(0.61)</b>	<b>61,913.62</b>
<b>Income / (Expenses)</b>					
Revenue from operations	61,912.66	1.57	61,914.23	(0.61)	61,913.62
Other income	801.34	-	801.34	-	801.34
Finance Income	324.04	0.01	324.05	(7.09)	316.96
Operating expenses	(44,325.13)	-	(44,325.13)	-	(44,325.13)
Cost of inventory consumed	-	(0.43)	(0.43)	0.18	(0.25)
Employee benefits expense	(6,735.40)	(2.84)	(6,738.24)	0.02	(6,738.22)
Selling expenses	(2,092.90)	(4.88)	(2,097.78)	(0.02)	(2,097.80)
Other expenses	(3,326.42)	(21.47)	(3,347.89)	0.58	(3,347.31)
Depreciation and amortization	(1,986.05)	(0.09)	(1,986.14)	0.00	(1,986.14)
Finance costs	(650.40)	(7.09)	(657.49)	7.09	(650.40)
<b>Segment profit/(loss)</b>	<b>3,921.74</b>	<b>(35.24)</b>	<b>3,886.50</b>	<b>0.17</b>	<b>3,886.67</b>
<b>Total assets</b>	<b>29,906.05</b>	<b>191.18</b>	<b>30,097.23</b>	<b>(191.08)</b>	<b>29,906.15</b>
<b>Total liabilities</b>	<b>36,032.10</b>	<b>226.25</b>	<b>36,258.35</b>	<b>(226.19)</b>	<b>36,032.16</b>

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for the year ended March 31, 2018

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### Revenue from external customers

	Year ended March 31, 2018	Year ended March 31, 2017
India	73,156.84	56,943.20
Outside India	4,838.52	4,970.42
<b>Total revenue as per statement of profit or loss</b>	<b>77,995.36</b>	<b>61,913.62</b>

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

### Non-current operating assets

India	16,274.27	18,328.71
Outside India	-	-
<b>Total</b>	<b>16,274.27</b>	<b>18,328.71</b>

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

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

## 46. INCOME TAX EXPENSE

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

### Profit or loss section

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

### Other Comprehensive Income(OCI) section

Deferred tax related to items recognised in OCI during in the year:

Net loss/(gain) on remeasurement of defined benefit plan	(2.34)	21.22
Income Tax charged to OCI	(2.34)	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2018 :



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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 (34.608%) as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
<b>Accounting Profit before income tax</b>	5,572.06	4,272.20
Profit before income tax multiplied by standard rate of corporate tax in India of 34.608% (2016: 34.608%)	1,928.38	1,478.52
<b>Effects of:</b>		
Income exempted from tax	(22.48)	(71.19)
Non-deductible expenses for tax purposes	263.79	122.56
Set-off of brought forward losses/ un-absorbed tax depreciation	(2,169.69)	(1,529.89)
<b>Net effective income tax</b>	-	-

### Deferred Tax

The Group has recognized deferred tax assets arising on account of carried forward tax losses and unabsorbed depreciation to the extent of the deferred tax liability arising on account of the temporary difference on depreciation of ₹ 4,059.93 million as at March 31, 2018 (₹ 4,276.97 million as at March 31, 2017) since it is not probable that future taxable profit will be available against which the complete unused tax losses and unused tax credits will be utilised.

	As at March 31, 2018	As at March 31, 2017
Deferred Tax liability	(4,276.32)	(4,470.24)
Deferred Tax asset	4,276.32	4,470.24
<b>Net Deferred Tax asset/ (liability)</b>	-	-

	Opening	Recognised in profit or loss	Recognised in OCI	Closing Balance
<b>Year ended March 2018</b>				
Property, plant & equipment	(4,470.24)	193.92	-	(4,276.32)
Tax losses	4,470.24	(193.92)	-	4,276.32
<b>Total</b>	-	-	-	-
<b>Year ended March 2017</b>				
Property, plant & equipment	(4,706.09)	235.85	-	(4,470.24)
Tax losses	4,706.09	(235.85)	-	4,470.24
<b>Total</b>	-	-	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

### 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, 2018	As at March 31, 2017
Unused Tax losses *	11,767.27	16,187.45
Unabsorbed Tax depreciation #	13,749.69	12,013.36
<b>Net Deferred Tax asset/ (liability)</b>	<b>25,516.96</b>	<b>28,200.81</b>

# Unabsorbed depreciation does not have any expiry period under the Income Tax Act, 1961

\*The following table details the expiry of the unused tax losses

Particulars	As at March 31, 2018	As at March 31, 2017
< 4 years	-	2,328.69
< 5 years	6,060.89	-
< 6 years	5,670.85	8,187.92
< 7 years	35.52	5,670.84
<b>Total</b>	<b>11,767.26</b>	<b>16,187.45</b>

The unused tax losses and unabsorbed depreciation considered above are based in the tax records and returns of the Group and does not consider the potential effect of matters under dispute/litigation with the tax authorities which are currently sub-judice at various levels. Also refer note 43.

## 47. RELATED PARTY TRANSACTIONS

Relationship	Name of the party
Party exercising control  Enterprises over which parties above or their relatives have control / significant influence ('Affiliates')	Mr. Ajay Singh
	Crosslink Finlease Private Limited
	Greenline Transit System Private Limited
	Intel Constructions Private Limited
	One City, Promoters Private Limited
	Indiverse Broadband Private Limited
	Smartnagar Digital Ventures Private Limited
	Smartnagar Broadband Networks Private Limited
	Starbus Services Private Limited
	Argentum Engineering Design Private Limited
	Argentum Electric Vehicles Private Limited
	i2n Technologies Private Limited
	Greenline Communication Private Limited
	Pan India Motors Private Limited
	Multipurpose Trading and Agencies Limited

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Relationship	Name of the party
Key management personnel	Mr. Ajay Singh, Chairman and Managing Director (from May 31, 2015)
	Mrs. Shiwani Singh, Non-Executive Promoter Director (from May 31, 2015)
	Mr. Kiran Koteswar, Chief Financial Officer (from May 28, 2015)
	Mr. Chandan Sand, Group Secretary
	Dr. HarshaVardhana Singh, Independent Director (from November 25, 2016)
	Mr. R. Sasiprabhu, Independent Director (from November 25, 2016)
	Mr. Anurag Bhargava, Independent Director (from November 25, 2016)

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, 2018	Year ended March 31, 2017
I2N Technologies Private Limited		
<b>Transactions during the year</b>		
Advance given to suppliers	1.25	-
Balances outstanding as at the period end		
Advance given to suppliers	1.25	-

### Terms and conditions of transactions with related parties

For the year ended March 31, 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Nil).

### Compensation of Key management personnel of the Group

Short-term employee benefits	209.50	167.62
Provident Fund Contribution	1.40	1.30
<b>Total</b>	<b>210.90</b>	<b>168.92</b>
Sitting fees		
Mr. Anurag Bhargava	0.26	0.01
Mr. R. Sasiprabhu	0.34	0.04
Dr. Harsha Vardhana Singh	0.35	0.02
Ms. Shiwani Singh	0.10	-
<b>Total</b>	<b>1.05</b>	<b>0.07</b>
<b>Total compensation paid to key management personnel</b>	<b>211.95</b>	<b>168.99</b>

\* Includes employee stock option compensation cost of ₹ 9.45 million (March 31, 2017 :Nil) towards ESOPS issued under the Group's plan. For details of the plan and options granted, refer note 39.

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

As the liabilities for gratuity and compensated absences are provided on actuarial basis for the Group as a whole, the amounts pertaining to the key management personnel are not included above.

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### 48. FAIR VALUES

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.

Particulars	Carrying value		Fair value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Financial Assets (Non-current and Current)</b>				
Investments	1,012.86	1,397.75	1,012.86	1,397.75
<b>Financial Liabilities (Non-current and Current)</b>				
Derivative Liability	-	15.39	-	15.39
Fixed rate loans	1,649.68	1,934.66	1,668.29	1,995.99

### 49. 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, 2018		
	Level 1	Level 2	Level 3
Investments in mutual funds	1,012.63	-	-
Derivative Liability	-	-	-
Equity Investments	-	-	0.23

Particulars	Fair value hierarchy as at March 31, 2017		
	Level 1	Level 2	Level 3
Investments in mutual funds	1,397.52	-	-
Derivative Liability	-	15.39	-
Equity Investments	-	-	0.23

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.

### 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, comprise of loans and borrowings, trade and other payables and derivatives. The main purpose of these financial liabilities is to finance the Group's operations. The Group's

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principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a treasury team. The treasury team provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. Market risk comprises three types of risk: interest rate risk, currency risk and foreign currency risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

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, 2018.

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The majority of the Group's investments are in the shares of subsidiaries, which are carried at cost. The investments in other equity instruments as at the reporting date are not material.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because it borrow funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. As at March 31, 2018 approximately 53.95% of the Group's borrowings are at a variable rate of interest (March 31, 2017 - 61.58%)

#### *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, 2018 would decrease/increase by ₹ 30.98 million (March 31, 2017: decrease/increase by ₹ 37.30 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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, 2018 would decrease/increase by ₹ 275.06 million (March 31, 2017: decrease/increase by 291.70 million).

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### **Credit risk management**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Trade receivables are typically unsecured and are primarily derived from cargo and other revenue streams. Majority of the Group's passenger revenue is made against deposits made by agents. Trade receivables primarily comprise of domestic customers, which are fragmented and are not concentrated to individual customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored. At March 31, 2018, the Group had 11 customers (March 31, 2017: 11 customers) that owed the Group more than ₹ 10 million each and accounted for approximately 61% (March 31, 2017: 64%) 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

### 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

	On demand	Upto 1 year	1 to 5 years	> 5 years	Total
<b>Year ended March 2018</b>					
<b>Financial Liabilities (Non-current and Current)</b>					
Borrowings	2,162.61	1,416.89	5,083.92	1,420.50	10,083.91
Trade Payables	4,141.90	2,712.77	181.25	-	7,035.93
Other current financial liabilities	63.57	3,100.63	14.32	-	3,178.52
<b>Total</b>	<b>6,368.08</b>	<b>7,230.29</b>	<b>5,279.49</b>	<b>1,420.50</b>	<b>20,298.36</b>
<b>Year ended March 2017</b>					
<b>Financial Liabilities (Non-current and Current)</b>					
Borrowings	1,050.00	1,472.45	4,788.94	2,970.90	10,282.29
Trade Payables	2,378.23	3,461.63	191.19	51.87	6,082.92
Other current financial liabilities	14.43	1,510.38	13.80	-	1,538.61
<b>Total</b>	<b>3,442.66</b>	<b>6,444.46</b>	<b>4,993.92</b>	<b>3,022.78</b>	<b>17,903.82</b>

### 51. 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).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

Particulars	As at March 31, 2018	As at March 31, 2017
Long term borrowings	6,509.53	7,759.84
Short term borrowings	3,574.38	2,522.45
Other current liabilities (Current maturities of Long term borrowing)	2,943.01	1,272.26
Cash and cash equivalents	(1,199.51)	(196.31)
Bank balances other than above	(271.00)	(485.74)
Net debt	11,556.41	10,872.50
Total equity	(559.19)	(6,126.01)
<b>Net debt to total equity ratio</b>	<b>(20.67)</b>	<b>(1.77)</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017

### 52. PRIOR PERIOD COMPARATIVES

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

### 53. STANDARDS ISSUED BUT NOT EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

#### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Group plans to adopt the new standard on the required effective date using the modified method.

#### Sale of Services

For passenger revenues and cargo revenues in which the provision of transportation services are generally expected to be the only performance obligation, adoption of Ind AS 115 is not expected to have any impact on the Group's revenue and profit or loss. The Group expects the revenue recognition to occur at a point in time when performance obligation is met.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the year ended March 31, 2018

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

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

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

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

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Group as the Group has significant tax losses and consequently there are no assets that are in the scope of the amendments.

### **54. EVENTS AFTER THE REPORTING PERIOD**

The financials have been approved by the Board of Directors on May 11, 2018 and there have been no significant events after the reporting period till such date.

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: Gurugram

Date: May 11, 2018

#### **For and on behalf of the Board of Directors**

#### **Ajay Singh**

Chairman &  
Managing Director

Place: Gurugram

Date: May 11, 2018

#### **Kiran Koteswar**

Chief Financial  
Officer

Place: Gurugram

Date: May 11, 2018

#### **Chandan Sand**

Company Secretary

Place: Gurugram

Date: May 11, 2018

# SpiceJet Limited

CIN: L51909DL1984PLC288239

**Regd. Office:** Indira Gandhi International Airport, Terminal 1D, New Delhi – 110 037

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

## PROXY FORM

**34<sup>th</sup> Annual General Meeting – November 29, 2018**

**Form No. MGT-11**

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN: **L51909DL1984PLC288239**

Name of the Company: **SpiceJet Limited**

Registered Office: **Indira Gandhi International Airport, Terminal 1D, New Delhi – 110 037**

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

Registered address: .....

E-mail Id: .....

Folio No./DP & Client ID No.: .....

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

Name: ..... E-mail: .....

Address: .....

Signature: ..... or failing him/her .....

Name: ..... E-mail: .....

Address: .....

Signature: ..... or failing him/her .....

Name: ..... E-mail: .....

Address: .....

Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, the 29<sup>th</sup> day of November, 2018 at 10.00 a.m. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.		Description
Ordinary Business	1.	Adoption of audited standalone and consolidated financial statements and reports of Board of Directors and Auditors thereon
	2.	Appointment of Mr. Ajay Singh, who retires by rotation and being eligible, offers himself for re-appointment
Special Business	3.	Modification in remuneration of Mr. Ajay Singh, Managing Director of the Company, for financial year 2017-18
	4.	Re-appointment of Mr. Ajay Singh as Managing Director of the Company
	5.	Amendment of Articles of Association of the Company

Signed this ..... day of ....., 2018.

Signature of Member .....

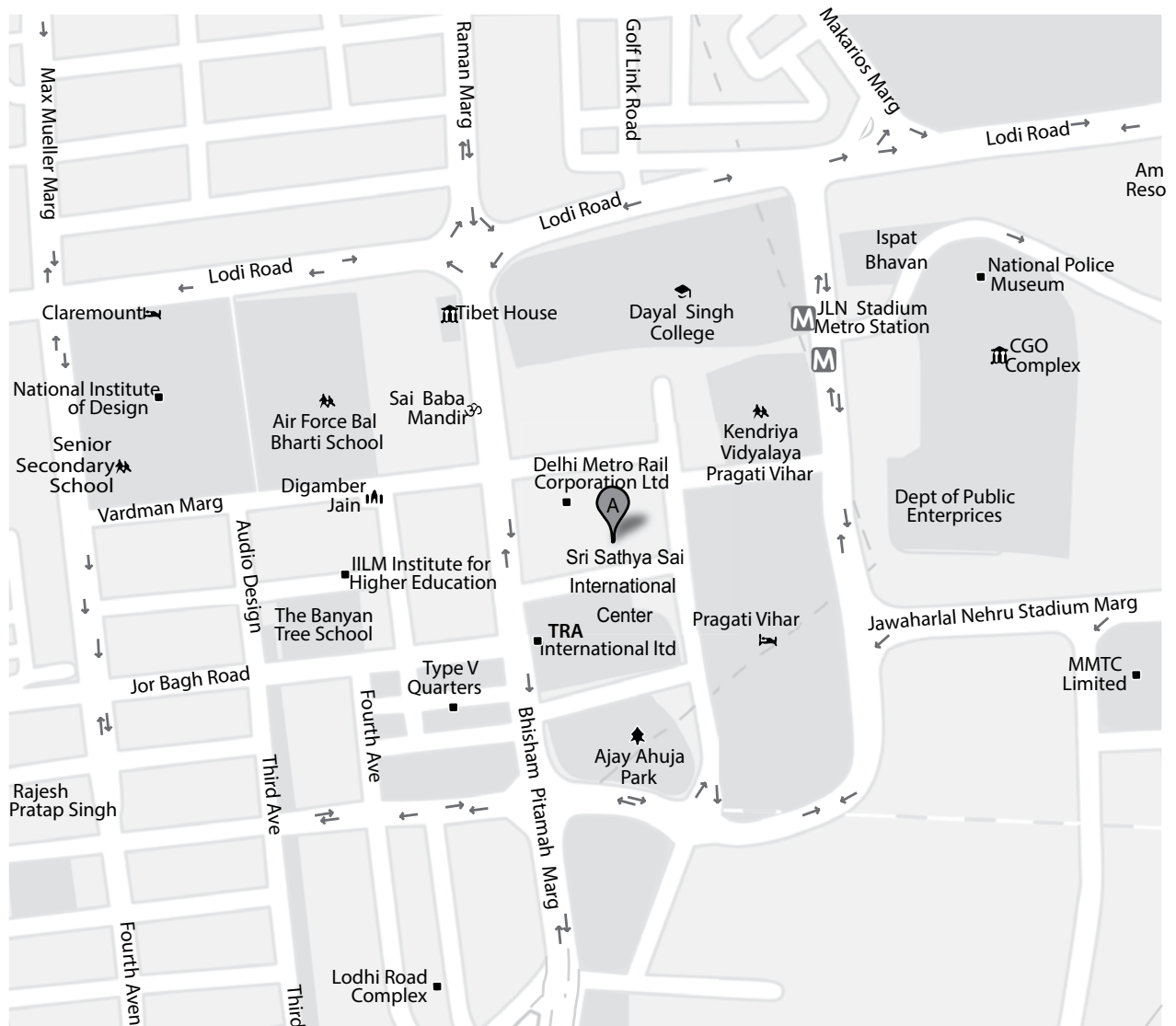
Signature of Proxy holder(s) .....

Affix  
revenue  
stamp of  
not less than  
₹ 1

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

## ROUTE MAP TO THE VENUE

of the 34<sup>th</sup> Annual General Meeting of SpiceJet Limited



Sri Sathya Sai International Centre,  
Pragati Vihar, Lodhi, Road, New Delhi- 110003

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## NOTES

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### SpiceJet Limited

CIN: L51909DL1984PLC288239

**Regd. Office:** Indira Gandhi International Airport, Terminal 1D, New Delhi - 110 037

Website: [www.spicejet.com](http://www.spicejet.com); email: [investors@spicejet.com](mailto:investors@spicejet.com); T: +91 124 3913939; F: +91 124 3913844

#### ATTENDANCE SLIP

#### 34<sup>th</sup> Annual General Meeting - November 29, 2018

I, hereby, record my presence at the 34<sup>th</sup> Annual General Meeting of SpiceJet Limited held on Thursday, the 29<sup>th</sup> day of November, 2018 at 10:00 a.m. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003

.....  
Member's Folio/ DP ID- Cleint ID

.....  
Name of Member/ Proxy  
(in BLOCK letters)

.....  
Signature of Member/ Proxy

**Note:** Please complete the Folio/ DP ID-Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

## DEDICATED TO DELIVER LIKE NEVER BEFORE.

SPICEJET PRESENTS ITS FIRST DEDICATED FREIGHTER AIRCRAFT.



Dedicated freight operations from  
**Delhi - Bengaluru - Delhi**



Capacity expansion from **15000 tonnes** to  
**27000 tonnes** per month by the end of 2018



Planned freighter induction to achieve  
**90000 tonnes** per month by the end of 2022



Destinations in the pipeline: **Dubai, Mumbai, Kabul, Dhaka, Hong Kong, Kolkata, Guwahati, Hanoi and Singapore**



VAL CARGO

Extra security for **Gold, Silver, Diamonds, Platinum** and other valuable cargo



Assured Delivery in **12 hours flat**. Last-in, first-out for urgent deliveries with Priority Cargo

### Our services cater to various industries

- Dangerous goods • Oversized goods • Automotive • Pharma • Perishable Goods
- Mobile Phones • E-commerce • Live Animals and much more



For more information:



[www.spicexpress.com](http://www.spicexpress.com)



+91 956 039 3333

E: [spicexpress@spicejet.com](mailto:spicexpress@spicejet.com)



If undelivered, please return to:

**SpiceJet Limited**

319, Udyog Vihar, Phase IV,

Gurugram - 122 016,

Haryana