



SPICEJET LIMITED

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

CIN: L51909DL1984PLC288239

E-mail: investors@spicejet.com | Website: www.spicejet.com

Telephone: +91 124 391 3939 | Facsimile: +91 124 391 3888

Statement of Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2019

(Rupees in millions, except EPS information and unless otherwise stated)

S.No.	Particulars	Standalone				Consolidated			
		Quarter ended		Year ended		Quarter ended		Year ended	
		Unaudited 30-Jun-19	Audited 31-Mar-19 (Note 1)	Unaudited 30-Jun-18	Audited 31-Mar-19	Unaudited 30-Jun-19	Unaudited 31-Mar-19 (Note 1)	Unaudited 30-Jun-18 (Note 1)	Audited 31-Mar-19
1	Revenue from contracts with customers								
	a) Revenue from operations	29,217.9	24,775.7	21,842.8	88,862.8	29,225.4	24,809.7	21,854.7	88,945.0
	b) Other operating revenues	802.8	536.8	361.2	2,269.7	803.1	537.3	361.2	2,269.7
	Total revenue from operations	30,020.7	25,312.5	22,204.0	91,132.5	30,028.5	25,347.0	22,215.9	91,214.7
	Other income (refer note 7)	1,431.9	405.8	328.9	1,447.8	1,432.0	405.8	328.9	1,447.8
	Total income	31,452.6	25,718.3	22,532.9	92,580.3	31,460.5	25,752.8	22,544.8	92,662.5
2	Expenses								
	a) Operating expenses								
	- Aircraft fuel	10,284.3	8,194.0	8,124.4	34,452.5	10,284.3	8,194.0	8,124.4	34,452.5
	- Aircraft lease rentals	645.8	4,004.9	2,775.7	12,967.2	645.8	4,004.9	2,775.7	12,967.2
	- Airport charges	2,424.6	2,063.1	1,769.4	7,520.5	2,424.7	2,063.4	1,769.4	7,520.9
	- Aircraft maintenance costs	4,555.7	4,182.1	3,427.9	15,042.6	4,529.0	4,130.1	3,427.9	14,990.6
	- Purchase of stock-in-trade	-	-	-	-	4.6	(3.9)	3.0	3.9
	- Changes in inventory of stock-in-trade	-	-	-	-	(0.1)	119.1	32.6	135.0
	- Other operating costs	991.3	901.5	656.8	3,017.7	991.4	901.5	656.8	3,017.6
	b) Employee benefits expense	3,536.4	2,860.0	2,478.2	10,570.1	3,540.8	2,866.4	2,487.0	10,584.2
	c) Depreciation and amortisation expenses	3,772.8	668.9	630.9	2,562.3	3,773.5	669.3	561.2	2,563.5
	d) Other expenses	1,666.1	1,927.4	1,604.0	6,914.4	1,678.5	1,729.0	1,616.4	6,756.8
	e) Finance costs	1,238.4	278.5	302.4	1,312.8	1,238.6	278.7	302.4	1,313.0
	f) Foreign exchange (gain)/loss	(279.5)	75.0	509.1	746.3	(279.5)	75.0	509.1	746.3
	Total expenses	28,835.9	25,155.4	22,278.8	95,106.4	28,831.6	25,027.5	22,265.9	95,051.5
3	Profit / (loss) before exceptional items and taxes (1-2)	2,616.7	562.9	254.1	(2,526.1)	2,628.9	725.3	278.9	(2,389.0)
4	Exceptional items, net (Refer Note 6)	-	-	(634.7)	(634.7)	-	-	(634.7)	(634.7)
5	Profit / (loss) before tax (3+4)	2,616.7	562.9	(380.6)	(3,160.8)	2,628.9	725.3	(355.8)	(3,023.7)
6	Tax expense	-	-	-	-	-	(0.3)	-	(0.3)
7	Net Profit / (loss) for the period / year (5-6)	2,616.7	562.9	(380.6)	(3,160.8)	2,628.9	725.0	(355.8)	(3,024.0)
8	Other comprehensive income (net of tax)								
	Items that will not be reclassified to profit or loss in subsequent periods								
	Remeasurement gains and (losses) on defined benefit obligations (net)	(13.6)	(8.7)	1.5	(14.5)	(13.6)	(9.1)	1.5	(14.5)
	Income tax impact	-	-	-	-	-	-	-	-
9	Total comprehensive income (7+8)	2,603.1	554.2	(379.1)	(3,175.3)	2,615.3	715.9	(354.3)	(3,038.5)
10	Net profit for the year attributable to:								
	- Owners of the Company	2,616.7	562.9	(380.6)	(3,160.8)	2,628.9	725.0	(355.8)	(3,024.0)
	- Non-controlling interests	-	-	-	-	-	-	-	-
11	Other comprehensive income for the year attributable to:								
	- Owners of the Company	(13.6)	(8.7)	1.5	(14.5)	(13.6)	(9.1)	1.5	(14.5)
	- Non-controlling interests	-	-	-	-	-	-	-	-
12	Total comprehensive income for the year attributable to:								
	- Owners of the Company	2,603.1	554.2	(379.1)	(3,175.3)	2,615.3	715.9	(354.3)	(3,038.5)
	- Non-controlling interests	-	-	-	-	-	-	-	-
13	Paid-up Equity Share Capital (Face Value Rs.10/- per Equity Share)	5,997.2	5,997.2	5,994.5	5,997.2	5,997.2	5,997.2	5,994.5	5,997.2
14	Other equity				(9,504.1)				(9,496.8)
15	Earnings per share								
	a) Basic (Rs)	4.36	0.94	-0.63	-5.27	4.39	1.21	-0.59	-5.04
	b) Diluted (Rs)	4.36	0.94	-0.63	-5.27	4.38	1.21	-0.59	-5.04
	See accompanying notes to the Financial Results	Not Annualised				Not Annualised			

- 1 The standalone and consolidated financial results for the quarter ended June 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 9, 2019 and subject to the limited review by the statutory auditors. The consolidated financial results include the results of the four subsidiaries, SpiceJet Merchandise Private Limited, SpiceJet Technic Private Limited, Canvin Real Estate Private Limited and SpiceJet Interactive Private Limited.

The standalone figures of the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and the published unaudited year-to-date figures up to December 31, 2018 which were subjected to limited review. The consolidated figures of the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and the unaudited year-to-date figures up to December 31, 2018. The consolidated financial results for the quarters ended March 31, 2019 and June 30, 2018 as reported above, and year-to-date December 31, 2018 referred to above, have been approved by the Board of Directors and have not been subjected to limited review by the auditors (pursuant to option exercised as per Regulation 33 (3) (b) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

- 2 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). As a consequence:
- On April 1, 2019 (transition date), the Company has recognised lease liability measured at the present value of the remaining lease payments, and Right-of-Use (ROU) asset at its carrying amount net of any incentives (including sale-and-lease back gains) received as if the standard had been applied since the lease commencement date, and discounted using the lessee's incremental borrowing rate as at April 1, 2019.
 - As permitted by Ind AS 116, comparatives for the year ended March 31, 2019 and quarters ended March 31, 2019 and June 30, 2018 have not been restated, and the Company has elected not to apply the requirements of that standard to leases that are either short-term or for which the underlying asset is determined to be low value.
 - In the statement of profit and loss, the nature of expenses in respect of leases has changed from lease rent in the earlier periods to depreciation cost on the ROU asset and finance cost on lease liability as per Ind AS 116.

On transition, the impact of adopting Ind AS 116 on the Company's financial results for the quarter ended June 30, 2019 is as follows:

Particulars	Standalone financial	Consolidated financial results
Impact on profits:		
Depreciation is higher by	3,100.5	3,100.9
Finance cost is higher by	1,029.8	1,030.3
Foreign exchange gain on restatement of lease liability	(320.0)	(320.0)
Rent expense is lower by	(4,066.6)	(4,069.0)
Net impact of profit before tax for the quarter ended June 30, 2019	(256.3)	(257.8)

- 3 Based on internal reporting provided to the chief operating decision maker, the standalone financial results relate to "Air transport services" as the only segment of the Company. Consolidated segment information for the group is as follows:

Particulars	Quarter ended			Year ended
	(Unaudited) June 30, 2019	(Unaudited) March 31, 2019	(Unaudited) June 30, 2018	(Audited) March 31, 2019
Segment Revenue				
a. Air transport services	30,020.7	25,312.5	22,204.0	91,132.5
b. Others	7.8	34.5	11.9	82.2
Total	30,028.5	25,347.0	22,215.9	91,214.7
Segment Results				
a. Air transport services	2,616.7	882.0	(380.6)	(2,828.2)
b. Others	12.2	(157.0)	24.8	(195.8)
Total	2,628.9	725.0	(355.8)	(3,024.0)
Segment Assets				
a. Air transport services	119,405.2	47,627.9	43,447.2	47,627.9
b. Others	301.3	299.9	252.2	299.9
Total	119,706.5	47,927.8	43,699.4	47,927.8
Segment Liabilities				
a. Air transport services	123,586.5	51,403.7	43,196.6	51,403.7
b. Others	18.3	23.7	65.2	23.7
Total	123,604.8	51,427.4	43,261.8	51,427.4

Segment revenue and expenses, and segment assets and liabilities, represent relevant amounts that are either directly attributable to individual segments, or are attributable to individual segments on a reasonable basis of allocation.

- 4 The Company had, in earlier financial years, received amounts aggregating Rs.5,790.9 Million from Mr. Kalanithi Maran and M/s KAL Airways Private Limited together, ("Erstwhile Promoters") as advance money towards proposed allotment of certain securities (189,091,378 share warrants and 3,750,000 non-convertible cumulative redeemable preference shares, issuable based on approvals to be obtained), to be adjusted at the time those securities were to be issued. Pursuant to the legal proceedings in this regard before the Hon'ble High Court of Delhi ("Court") between the Erstwhile Promoters, the present promoter and the Company, the Company was required to secure an amount of Rs.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 Rs.2,500.0 Million with the Registrar. The Company has complied with these requirements as at March 31, 2018.

The parties to the aforementioned litigation concurrently initiated arbitration proceedings before a three-member arbitral tribunal (the "Tribunal"), which pronounced its award on July 20, 2018 (the "Award"). In terms of the Award, the Company was required to (a) refund an amount of approximately Rs.3,082.2 million to the counterparty, (b) explore the possibility of allotting preference shares in respect of approximately Rs.2,708.7 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be Rs.924.7 million (being interest on the amount stated under (a) above, in terms of the Award). The amounts referred to under (a) and (b) above, aggregating Rs.5,790.9 million, continue to be carried as current liabilities without prejudice to the rights of the Company under law. Further, the Company was entitled to receive from the counterparty, under the said Award, an amount of Rs.290.0 million of past interest/servicing charges. Also refer Note 5 below. During the quarter ended March 31, 2019, the Court has ordered release of Rs 2,500 million, out of the amount deposited by the Company, to the counterparty, subject to certain conditions as enumerated by the Court in its order.

The Company, its present promoter and the counterparties have challenged various aspects of the Award, including the above-mentioned interest obligations and rights, petitions for which have been admitted by the Court and notices issued, as a result of which the matter is currently sub-judice. In view of the foregoing, and pending outcome of the aforesaid challenges at the Court, management is of the view that it is not possible to determine the effects of any such obligations and rights (including any additional/consequential obligations and rights). Accordingly, no adjustments have been made in this regard, to these results.

In view of the uncertainties prevailing at the relevant time with regard to the proposed allotment of certain securities in the previous periods, it was not possible to determine the effect thereof, if any, on Diluted Earnings per share calculation for such periods. Considering the current status of the matter as described above, no further effect on this matter to the dilutive earnings per share calculations has been considered.

- 5 The effects of the matter stated in Note 4 above may attract the consequent provisions (including penal provisions) of applicable provisions of law, including deeming provisions, relating to acceptance of deposits. Based on their assessment and legal advice obtained, management is of the view that any possible consequential effects (including penal consequences and any compounding thereof), of past events and actions in relation to the foregoing, are not likely to have a material impact on the financial results of the Company. Accordingly, no adjustments have been made for any such consequential penal effects in this regard. The auditors have drawn an emphasis of matter in their report, in respect of the matters stated in notes 4 and 5 above
- 6 Exceptional items (Net) in respect of the quarter ended June 30, 2018 and year ended March 31, 2019, of Rs.634.7 million in the statement of audited financial results represent the net effect of (a) the interest payable of Rs.924.7 million and (b) interest/servicing charges receivable, of Rs.290.0 million, mentioned in Note 4 above, arising from the Award discussed therein. The Company's accounting for the above-mentioned amount of Rs.634.7 million, net, is without prejudice to the rights and remedies the Company may have in the matter discussed in Note 4
- 7 Following the worldwide grounding during March 2019 of Boeing 737 MAX aircraft due to technical reasons, the Company's fleet of thirteen Boeing 737 MAX aircraft continues to be grounded. Despite its inability to undertake revenue operations, the Company continues to incur various costs with respect to these aircraft. As a result of the above, and the uncertainty in timing of return to operations of these aircraft, the Company has initiated the process of seeking reimbursements from the aircraft manufacturer, of ascertained costs and losses (including opportunity losses) incurred by the Company. While the Company continues to work with the aircraft manufacturer to address the above, based on its assessment and legal advice obtained by the Company, management is confident of a favourable outcome with regard to these reimbursements. Consequently, aircraft and supplemental lease rentals of Rs 1,141.4 Million incurred in the quarter ended June 30, 2019 relating to Boeing 737 MAX aircraft have been recognised as other income during the current quarter. The auditors have qualified their limited review report in this regard.
- 8 The Company has been consistently profitable for the previous three financial years up to the financial year 2017-18, and incurred net losses of Rs 3,160.8 million for the year ended March 31, 2019, as a result of which the negative net worth of Rs 14,852 million as at March 31, 2015 has reduced to Rs 3,506.9 million as at March 31, 2019 (without considering adjustments on account of Ind AS 116 implementation – Refer note 2 above). The earlier position of higher negative net worth and consequent net current liabilities was the result of historical factors. Further, the loss for the year ended March 31, 2019 was primarily driven by adverse foreign exchange rates and fuel prices, during the second quarter of that year. During the current quarter, the Company has earned a net profit of Rs. 2,616.7 million. As a result of various operational, commercial and financial measures implemented over the last four years, the Company has significantly improved its liquidity position, and generated operating cash flows during that period. Further, macroeconomic factors are expected to improve having regard to industry outlook in the markets in which the Company operates. Based on business plans and cash flow projections, which consider various recurring and other events including aircraft maintenance costs based on contractual obligations and current maintenance conditions, management is of the view that the Company will be able to maintain profitable operations and raise funds as necessary, in order to meet its liabilities as they fall due. Accordingly, these financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future.

9 Non-current assets include, Rs. 1,670.3 million paid under protest (including Rs 209.9 million paid during the current quarter) representing Integrated Goods and Services Tax and Basic Customs duty, on re-import of various aircraft equipment repaired abroad, which in the opinion of management and based on expert advice obtained, is not subject to such levy. Accordingly, these amounts have been considered as recoverable and no further adjustments have been made in this regard as at June 30, 2019.

10 Previous periods' / year's figures have been regrouped / reclassified wherever considered necessary to conform to current periods' presentation.

For SpiceJet Limited

Place: Gurugram, Haryana

Date: August 9, 2019

Ajay Singh
Chairman and Managing Director