



28th Annual Report
2011-2012

SpiceJet Limited



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPLIANCE OFFICER

Chandan Sand	General Manager (Legal) & Company Secretary
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MANAGEMENT

Neil Raymond Mills	Chief Executive Officer
R. Neelakantan	Chief Financial Officer
Harish Kutty	Chief Commercial Officer

REGISTRAR & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited,
Plot Nos. 17-24, Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081 Andhra Pradesh

BANKERS

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

STATUTORY AUDITORS

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

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SpiceJet Limited

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

NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of SpiceJet Limited will be held on Wednesday, the 26th day of September, 2012 at 10.00 a.m. at The Kalaingar Arangam, Anna Arivalayam, 367/369, Anna Salai, Teynampet, Chennai – 600 018 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at March 31, 2012, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. M. K. Harinarayanan who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. J. Ravindran who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s S. R. Batliboi & Associates, Chartered Accountants (Firm Registration No: 101049W), retiring auditors, as the Statutory Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“Resolved that Mr. S. Natrajhen who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 260 of the Companies Act, 1956 w.e.f. November 11, 2011 and in respect of whom the Company has received a notice pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation.”

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“Resolved that Mr. R. Ravivenkatesh who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 260 of the Companies Act, 1956 w.e.f. April 19, 2012 and in respect of whom the Company has received a notice pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation.”

By order of the Board of Director

Sd/-

Place: Chennai
Date: July 30, 2012

Chandan Sand
GM (Legal) & Company Secretary

Notes:

1. Explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of business under item no. 5 and 6 is annexed hereto.
2. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself 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 Annual General Meeting.**
3. The Register of Shareholder and Transfer Books of the Company will remain closed from September 21, 2012 to September 26, 2012 (both days inclusive).
4. Shareholders who hold shares in dematerialised form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
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 1:00 p.m. and 3:00 p.m. upto the date of Annual General Meeting.
6. Corporate shareholders/ Trusts/ Societies are requested to send a duly certified copy of the Board/ Managing Committee Resolution authorising their representative to attend and vote at the Meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Shareholders desiring any information as regards the Accounts are requested to write to the Company in advance so as to enable the Management to keep the information ready at the Annual General Meeting.
9. Shareholders are requested to carry their copy of Annual Report in the Meeting as the Annual Report will not be distributed at the venue of AGM.
10. Resumes of directors proposed to be appointed at the ensuing Annual General Meeting are provided separately under the explanatory statement.
11. As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21 and 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and will allow shareholders to contribute towards a Greener Environment. Further, it will ensure instant and definite receipt of the all notices/documents by shareholders.

Recognizing the spirit of the circular issued by MCA, the Securities and Exchange Board of India (SEBI) vide its Circular no. CIR/CFD/DIL/7/2011 dated October 5, 2011; has decided that instead of supplying complete and full annual reports to all the shareholders, listed entities shall supply soft copies of full annual reports to all those shareholders who have registered their email addresses for the purpose and accordingly SEBI has amended the Equity Listing Agreement.

Following the government directives, we are sending annual report in electronic form, to the email address provided by you and made available to us by the Depositories. The full annual report will also be made available in an easily navigable format on the website of the Company, www.spicejet.com. Hard copies of full annual reports may be obtained by any shareholders, who request for the same in writing to the Company at its Registered Office.

To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with Karvy Computershare Private Limited, if shares are held in physical mode or with their Depository Participants, if the holding is in electronic mode.

THE EXPLANATORY STATEMENT FOR ITEM NOS. 5 AND 6 SET OUT IN THE ACCOMPANYING NOTICE HEREINABOVE IS AS UNDER:

ITEM NO. 5

Mr. S. Natrajhen was appointed as an Additional Director and Whole- time Director of the Company with effect from November 11, 2011. A special resolution was also passed by members of the Company through postal ballot on April 4, 2012 for his appointment as a Whole-time Director to be designated as "Executive Director". Since his appointment was as an Additional Director under Section 260 of the Companies Act, 1956 read with Article 100 of Article of Association of the Company; he holds office of Director only up to the date of ensuing Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member proposing the candidature of Mr. S. Natrajhen for the office of Director of the Company.

Your Directors recommend the resolution for your approval. None of the Directors of the Company, except Mr. Natrajhen is, in any way, concerned or interested in the said resolution.

ITEM NO. 6

Mr. R. Ravivenkatesh was appointed by the Board of Directors of the Company as an Additional Director with effect from April 19, 2012 and he holds office upto the date of ensuing Annual General Meeting, pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 100 of the Articles of Association of the Company.

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member proposing the candidature of Mr. R. Ravivenkatesh for the office of Director of the Company.

Your Directors recommend the resolution for your approval. None of the Directors of the Company, except Mr. Ravivenkatesh is, in any way, concerned or interested in the said resolution.

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

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

Mr. M. K. Harinarayanan

Mr. M. K. Harinarayanan, aged about 49 years hails from a traditional family who pioneered the brick industry in 1941. He is a developer of residential layouts in the western part of Chennai and owns and operates Service Apartments to cater to the present influx of entertainment, communication and IT industries.

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

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

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

Mr. J. Ravindran

Mr. J. Ravindran aged about 37 years holds a bachelor's degree in Arts and law degree from the University of Madras. Mr. J. Ravindran is an advocate by profession and was former Assistant Solicitor General of India, Madras High Court.

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

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

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

Mr. S. Natrajhen

Mr. S. Natrajhen aged about 54 years holds a Bachelor's degree in Commerce from the University of Madras with distinction. He has been Chief Operating Officer of the Company from November 2010 upto November 2011. Prior to joining SpiceJet Limited, Mr. Natrajhen was the Chief Financial Officer of Sun TV Network Limited and was responsible for the accounting and financial functions as well as execution of strategic initiatives of Sun TV Network Ltd. Mr. Natrajhen brings with him over 32 years of rich and successful experience in Finance, Governmental liaison and General Management.

He holds one share in SpiceJet Limited.

Mr. Natrajhen also holds directorship in Sun Distribution Services Pvt. Ltd. and Kal Airways Pvt. Ltd.

Mr. R. Ravivenkatesh

Mr. R. Ravivenkatesh aged about 46 years holds a Bachelor's degree in Arts. He has rich experience of eighteen years in Textile Industry which includes garment export, handling of textile mill and manufacturing of textile machineries. Mr. Ravivenkatesh brings with him experience in general business management. He was appointed as director on the board of the company with effect from April 19, 2012.

He holds 16,000 shares in SpiceJet Limited.

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

DIRECTORS' REPORT

Dear Shareholders,

The Directors hereby present the Twenty Eighth Annual Report and the Audited Accounts for the year ended March 31, 2012.

1. Financial Results

(Amount in Rs. Million)

Particulars	March 31, 2012	March 31, 2011
Gross Income	40,191.14	29,639.15
Operating Expenses	37,079.00	22,546.60
Employee Benefit Expenses	4,028.72	2,439.26
Selling Expenses	2,704.20	2,094.67
Other Expenses	1,604.35	1,083.41
Finance Cost	522.57	104.42
Depreciation and Amortisation Expenses	309.98	89.10
Profit/ (Loss) before taxation and prior period items	(6,057.68)	1,281.69
Tax Expenses	-	(247.37)
Prior Period items	-	(22.77)
Profit/ (Loss) for the year	(6,057.68)	1,011.55

Explanations to various comments made by the Auditors in their Report to the shareholders are mentioned in the Notes to the Financial Statements, which form part of the Balance Sheet for the year ended March 31, 2012.

2. Business

The Company completed its seventh year of operations on May 23, 2012. In its seventh year of operations, the Company focused on consolidating its operations on key routes and maintained its fleet size to 47 aircraft covering 39 destinations and operating 281 flights per day, as on the date of this report.

During the year ended March 2012, the Company carried 10.89 million passengers. Further, the average load factor of 75% was recorded, with a market share of over 17.10% for the month of March 2012. The Company also improved its average deployed fleet to 34.74 aircraft versus 22.50 aircraft for previous year.

During the year under review, the Company also inducted Bombardier Q400 aircraft to its fleet to connect to Tier II and III cities in order to have wide market penetration and better connectivity.

Your company also focused on processes to generate ancillary revenues which effectively offset cost of operations. The Company has managed to improve the operating revenue per ASKM to Rs.2.92 from Rs. 2.75 in previous year.

3. Share Capital

▪ ESOP allotment:

During the year under review, 171,665 equity shares were allotted consequent upon exercise of stock options under the Employee Stock Option Scheme 2007.

▪ Preferential allotment:

During the year under review, 35,900,000 equity shares of Rs.10 each at a premium of Rs.26.48 per share were allotted to Mr. Kalanithi Maran, Promoter of the Company on preferential basis.

The Company has further allotted 42,900,000 equity shares of Rs.10 each at a premium of Rs.13.18 per share on preferential basis to Mr. Kalanithi Maran, Promoter of the Company on April 10, 2012.

- **Authorised Capital:**

During the year under review, the authorised Capital of the Company was increased to Rs.5,650,000,000 (Rupees Five Thousand Six Hundred Fifty Million) divided into 565,000,000 (Five Hundred Sixty Five Million) equity shares of Rs.10 (Rupees Ten) each.

4. Postal Ballot

In April, 2012 the Members of the Company approved the following proposals by way of postal ballot:

- Allotment of equity shares not exceeding 42,900,000 to Mr. Kalanithi Maran, Promoter of the Company on preferential basis.
- Appointment of Mr. S. Natrajhen as a Whole-time Director of the Company to be designated as “Executive Director”

5. Material Developments

- **Acquisition of Q400 Aircraft:**

The Company had placed an order for fifteen Bombardier Q400 NextGen turboprop aircraft and out of said order the Company has taken delivery of twelve such aircraft. SpiceJet is the first airline to launch this aircraft in India.

- **International Operation:**

The Company is expanding its wings in international skies and apart from Kathmandu and Colombo; SpiceJet is now connected to Dubai with its daily flights from Delhi and Mumbai and will shortly commence flights to other Asian destinations.

6. Dividend

In view of loss during the fiscal year, Directors do not recommend any dividend.

7. Directors & Company Secretary

- On August 12, 2011, Mr. S. Sridharan resigned from the Board of Directors of the Company.
- Mr. S. Natrajhen was appointed as an Additional Director and Executive Director of the Company with effect from November 11, 2011 for a period of three years. His office as an Additional Director will expire at ensuing Annual General Meeting of the Company.

Further, Mr. R. Ravivenkatesh was also appointed as an Additional Director on the Board of the Company on April 19, 2012 and he shall hold office upto the date of ensuing Annual General Meeting.

The Company has received notice under Section 257 of the Companies Act, 1956 proposing their candidature and you are requested to consider the same.

- In terms of the provision of Section 256 of the Companies Act, 1956, Mr. M. K. Harinarayanan and Mr. J. Ravindaran are liable to retire by rotation at the forthcoming Annual General Meeting of the Company. Mr. M. K. Harinarayanan and Mr. J. Ravindaran being eligible, offer themselves for re-appointment.
- Mr. A. K. Maheshwary, Vice President (Legal) & Company Secretary has resigned from the Company effective January 1, 2012 and Mr. Chandan Sand has been appointed as GM (Legal) & Company Secretary of the Company.

8. Personnel

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