spiceJet

29th Annual Report
2012-2013

SpiceJet Limited

SUN GROUP

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPLIANCE OFFICER

Chandan Sand	General Manager (Legal) & Company Secretary

REGISTRAR & SHARE TRANSFER AGENTS

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

BANKERS

Allahabad Bank	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 LLP, Chartered Accountants
Tidel Park, 6th & 7th Floor-A Block (Module 601, 701-702) No.4,
Rajiv Gandhi Salai, Taramani, Chennai-600 113, Tamil Nadu

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

CONTENTS

Particulars	Page No.
Notice	1
Directors' Report	4
Corporate Governance Report	11
Management Discussion and Analysis	22
Independent Auditors' Report	30
Balance Sheet	35
Statement of Profit and Loss	36
Cash Flow Statement	37
Notes to the Financial Statements	39

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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 Ninth Annual General Meeting of the Members of SpiceJet Limited will be held on Wednesday, the 25th day of September, 2013 at 10.00 a.m. at The Kalaignar 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, 2013, Statement of Profit and Loss 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. Nicholas Martin Paul who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a Director in place of Mr. R. Ravivenkatesh who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint M/s S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI 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.

By order of the Board of Directors

Sd/-
Chandan Sand
GM (Legal) & Company Secretary

Place: Chennai
Date : August 5, 2013

Notes:

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") 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 Meeting**

2. The Register of Members and Share Transfer Books will remain closed from September 21, 2013 to September 25, 2013 (both days inclusive).

3. 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.

4. Members are requested to bring their attendance slip along with their copy of Annual Report 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 the 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 Meeting.

9. Resumes of directors proposed to be re-appointed at the Meeting are provided separately hereunder.

10. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17 / 2011 and 18 / 2011, dated April 21, 2011 and April 29, 2011 respectively, permitted companies to send official documents to their shareholders electronically as part of its Green Initiatives in corporate governance. The Company is also concerned about the environment and utilizes natural resources in a sustainable way.

    Recognizing the spirit of the circular issued by the MCA, we are sending documents like the Notice convening the Meeting, Financial Statements, Directors' Report, Auditors' Report, etc., to the e-mail address provided by you with your 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 Report may be obtained by any member, who requests for the same in writing to the Company.

    To support the 'Green Initiative' in the Corporate Governance taken by the MCA, to contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, members should register their e-mail 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.

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

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

Mr. Nicholas Martin Paul

Mr. Nicholas Martin Paul aged about 46 years holds a Bachelor's Degree in History from University of Madras. Mr. Paul was inducted as a Member of the Board of SpiceJet in November 2010. He brings with him experience in general business management.

Mr. Paul is Director in Sun TV Network Limited, Tan Business Ventures Private Limited, Tan Retail Ventures Private Limited, Splendid Fine Foods Private Limited, P & N Business Ventures Private Limited and Sol Ventures Private Limited. He also holds committee memberships of Audit Committee, Remuneration Committee and Investor Grievance Committee of Sun TV Network Limited and Audit Committee, Investors Relation Committee and Compensation Committee of SpiceJet Limited.

Mr. Paul does not hold any share in SpiceJet Limited.

Mr. R. Ravivenkatesh

Mr. R. Ravivenkatesh aged about 47 years holds a Bachelor's degree in Arts. He has rich experience in Textile Industry which includes garment export, handling of textile mill and manufacturing of textile machineries. Mr. Ravivenkatesh was appointed as Director on Board of SpiceJet with effect from April 19, 2012.

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.

He holds 16,000 shares in SpiceJet Limited.

DIRECTORS' REPORT

Dear Shareholder,

The Directors hereby present the Twenty Ninth Annual Report and the Audited Accounts for the year ended March 31, 2013.

1. Financial Results

(Amount in Rs. Million)

Particulars	March 31, 2013	March 31, 2012
Gross Income	**58,051.41**	**40,191.14**
Operating Expenses	48,104.77	37,079.00
Employee Benefit Expenses	5,267.99	4,028.72
Selling Expenses	2,791.45	2,704.20
Other Expenses	1,805.33	1,604.35
Finance Cost	1,157.18	522.57
Depreciation and Amortisation Expenses	835.45	309.98
Profit/ (Loss) before taxation and prior period items	(1,910.76)	(6,057.68)
Tax Expenses	-	-
Prior Period items	-	-
Profit/ (Loss) after taxation	**(1,910.76)**	**(6,057.68)**

Explanations to various comments made by the Auditors in their Report to the shareholders are mentioned in the Notes to the Accounts, which forms part of the Balance Sheet for the year ended March 31, 2013.

2. Business

The Company completed its eighth year of operations on May 23, 2013. In its eighth year of operations, the Company focused on consolidating its operations on key routes and maintained its fleet size to 55 aircraft covering 54 destinations and operating 370 flights per day, as on the date of this report.

During the year ended March 2013, the Company carried 12.75 million passengers. Further, the average load factor of 74.31% was recorded, with a market share of over 20.40% for the month of March 2013. The Company also improved its average deployed fleet to 45.90 aircraft versus 32.50 aircraft for previous year.

During the year under review, the Company also inducted additional 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. 3.50 from Rs.2.88 in previous year.

3. Share Capital

- **Preferential allotment:**

  During the year under review, 42,900,000 equity shares of Rs.10 each at a premium of Rs.13.18 per share were allotted to Mr. Kalanithi Maran, Promoter of the Company on preferential issue.

Further the Company allotted 13,000,000 14% Unsecured Compulsorily Convertible Debentures ("CCDs") of the face value of Rs.100 each to Mr. Kalanithi Maran, Promoter of the Company on preferential basis which are convertible into equity shares at a conversion price of Rs.36.18 per share. These outstanding CCDs as on March 31, 2013 represent 35,931,453 equity shares of Rs.10 each which have been duly converted into equity shares on April 18, 2013 pursuant to exercise of option by the allottee.

The Company has also allotted 15,000,000 (Fifteen Million) Warrants, having option to apply for and be allotted equivalent number of equity shares of the face value of Rs.10 each at a premium of Rs.26.18 to Mr. Kalanithi Maran, Promoter of the Company on preferential basis.

♦ **Authorised Share Capital:**

During the year under review, the authorised share capital of the Company was increased to Rs.10,000,000,000 (Rupees Ten Thousand Million) divided into 1,000,000,000 (One Thousand Million) equity shares of Rs.10 (Rupees Ten) each.

4. Postal Ballot

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

- Increase in Authorised Share Capital of the Company to Rs.10,000,000,000 (Rupees Ten Thousand Million) divided into 1,000,000,000 (One Thousand Million) equity shares of Rs.10 (Rupees Ten).
- Issue and allotment of 13,000,000 (Thirteen Million) 14% Unsecured Compulsorily Convertible Debentures aggregating to Rs.1300,000,000 on preferential basis to Mr. Kalanithi Maran, Promoter of the Company.
- Allotment of 15,000,000 (Fifteen Million) Warrants with an option to apply for and be allotted equivalent number of equity shares on preferential basis to Mr. Kalanithi Maran, Promoter of the Company.
- Re-designation of Mr. S. Natrajhen as Managing Director.
- Election of Mr. Kalanithi Maran as director not liable to retire by rotation.
- Election of Mrs. Kavery Kalanithi as director not liable to retire by rotation.

5. Material Developments

♦ **Import of Aviation Turbine Fuel:**

The Company has received approval from the Director General of Foreign Trade (DGFT), under the Ministry of Commerce and Industry, Government of India, for importing aviation turbine fuel (ATF) directly from overseas market. SpiceJet Limited is the first airline in the country to apply for import of ATF and to get clearance for the same. The Company expects to import ATF in near future which will help to reduce its operating costs.

♦ **Acquisition of Q400 Aircraft:**

The Company has completed acquisition of fifteen Bombardier Q400 NextGen turboprop aircraft which have been deployed to connect Tier II and Tier III cities in India.

♦ **International Operation:**

The Company is expanding its operations to international destinations and now SpiceJet is

connected to Colombo, Dubai, Guangzhou, Kabul, Kathmandu, Male, Riyadh and Sharjah and will shorty commence flights to other Asian destinations. The Company has developed certain innovative sectors which include Delhi-Guangzhou, Ahmedabad-Dubai and Varanasi-Sharjah.

6. Dividend

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

7. Directors

- Mr. Kalanithi Maran and Mrs. Kavery Kalanithi were elected as director not liable to retire by rotation.
- Mr. S. Natrajhen was re-designated as Managing Director of the Company with effect from September 10, 2012 for the remainder period of his appointment i.e. upto November 10, 2014 without any change in the other terms and conditions including payment of remuneration.
- In terms of the provision of Section 256 of the Companies Act, 1956, Mr. Nicholas Martin Paul and Mr. R. Ravivenkatesh are liable to retire by rotation at the forthcoming Annual General Meeting of the Company. Mr. Nicholas Martin Paul and Mr. R. Ravivenkatesh being eligible, offer themselves for re-appointment.

8. Personnel

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, readwith 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.

9. Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the operating management, confirm:

i. that in the preparation of the accounts for the year ended March 31, 2013, except otherwise disclosed, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. that except otherwise disclosed in the Notes to the Accounts, they 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 or loss of the Company for that period;

iii. that, except otherwise disclosed in the Notes to the Accounts, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. that they have prepared the accounts for the year ended March 31, 2013 on a going concern basis.