

Aspire.  
Achieve.  
Ascend.



#### Forward looking statement

Certain statements in this Report concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these 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. The words "anticipate", "believe", "estimate", "expect", "intend" and similar expressions, as they relate to us, are intended to identify certain of such forward looking statements. The Company may, from time to time, make additional written and oral forward-looking statements, including statements contained in our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

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Find this report online at  
**[www.spicejet.com](http://www.spicejet.com)**

Back after near shutdown. Restoring confidence. Organisational restructuring. Rising crude prices. Stiff competition. Legacy issues.

**We were determined to transform.**

**By making customer-centricity our core objective and building strategies around it. Consolidating our strengths and improving products and services. Enhancing operational efficiency and leveraging our people spirit.**

Backed by the management's vision and determination of our team, today we have emerged as a completely rejuvenated airline brand.

From dwindling reputation to India's most preferred airline. From running on losses to clearing-off existing debts, generating excess cash flows, and regaining customer and consumer confidence. From inability to control costs to lowest-in-the-industry cost model. From unpredictable operations to industry defining operational parameters and customer satisfaction levels. From lacklustre stock performance to highest in the airline industry returns in the world. From investors shying away to investors bullish on us.

All this, in a matter of just two years.

**SPICEJET IS A STORY OF MIRACULOUS TURNAROUND**

**88%**

CAGR in EBITDAR  
during FY 2014-15 to  
FY 2016-17

**#1**

in on-time performance  
during FY 2016-17

**90%+**

load factor for  
30 successive months

**13%**

CAGR in the number  
of passengers during  
FY 2014-15 to FY 2016-17  
against a capacity  
growth of 7%

And this is just the beginning. Our initiatives towards enhancing customer-centricity, building relations with all stakeholders, strengthening internal competencies, expanding operations, and building a scalable and sustainable business model will enable SpiceJet to reach new heights. We are focussed on...

**Aspiring. Achieving. Ascending.**

# WE ARE REDDER, HOTTER AND SPICIER. WE ARE SPICEJET.

SpiceJet flying 50,200 passengers through its 380 flights across 52 destinations (45 domestic and 7 international) on a daily basis is one of India's most preferred low-cost airline.\*

Delivering highest standards in customer value at affordable fares, it facilitates in fulfilling flying dreams of millions thereby stimulating and sustaining passenger growth.

Recording nine consecutive quarters of profits, industry leading load factor of over 90% for 24 consecutive months and averaged the best on-time performance for FY 2016-17.

## THE SPICEJET PROMISE

### The promise to fly everyone

Operates efficiently to offer lowest fares facilitating more people to fly.

### The promise of performance

Each SpiceJet staff from aircraft crew to ground staff is focussed on performance.

### The promise of safety

SpiceJet invests heavily in safety, impeccable maintenance and high level of expertise.

### The power behind the promise to fly

Strong management team who have expertise in managing low-cost aviation, being pioneers of the field.

## OPERATIONS AT A GLANCE

### Business areas

#### Primary

Passenger air travel

#### Ancillary

Preferred Seating, Spice Max, Insurance, Meals, Spice Vacations, Lounge, Visa, Cab, Cargo, Onboard Merchandise

## TWO-PRONGED FLEET STRATEGY

### Mainline – Boeing fleet

This is the primary fleet that operates in key destinations, predominantly among tier I and II cities having high aviation demand and high frequency passenger traffic.

### Regional connectivity – Bombardier fleet

This fleet is for connecting regional routes among tier II and tier III cities.

 12

Years of operations

 49

Fleet size

 6,902

Employees

 13.2%

Market share

 ₹60,964mn

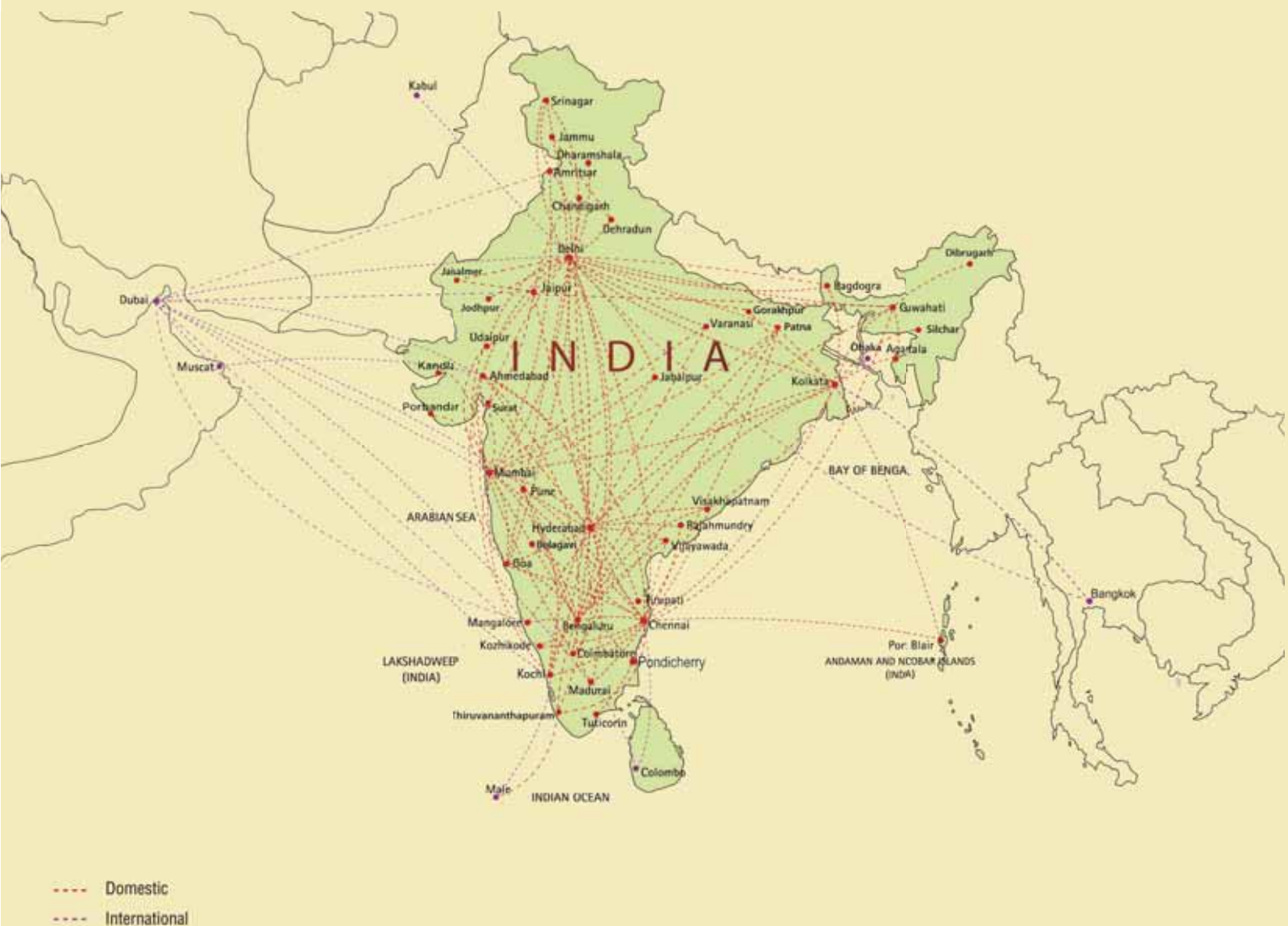
Market capitalisation

\*All data pertains to October 30, 2017

All data above pertains to March 31, 2017



# ROUTE MAP



## Flight destinations

### Domestic

• Agartala • Ahmedabad • Amritsar • Bagdogra • Belgaum • Bengaluru • Calicut • Chandigarh • Chennai • Coimbatore • Dehradun • Delhi • Dharamshala • Dibrugarh • Goa • Gorakhpur • Guwahati • Hyderabad • Jabalpur • Jaipur • Jaisalmer • Jammu • Jodhpur • Kandla • Kochi • Kolkata • Madurai • Mangalore • Mumbai • Patna • Pondicherry • Porbandar • Port Blair • Pune • Rajahmundry • Silchar • Srinagar • Surat • Tirupati • Trivandrum • Tuticorin • Udaipur • Varanasi • Vijayawada • Visakhapatnam

### International

• Bangkok • Colombo • Dakha • Dubai • Kabul • Male • Muscat

### India connects with SpiceJet

Flight schedules are subject to regulatory approvals and change. Map not to scale, graphic representation only. Content as on October 30, 2017.

# FY 2016-17: A YEAR OF CONSOLIDATION AND SUSTAINED PERFORMANCE

**“SpiceJet shares are the best performers on a Bloomberg Intelligence index of airline stocks this year. The stock is up 124 percent in 2017 and has gained more than 800 percent since the company’s near-demise in December 2014,” - Bloomberg**



## #1

In on-time performance with average of 81% during FY 2016-17

## 2<sup>nd</sup>

Successive year of profitability

## 9<sup>th</sup>

Consecutive profitable quarter

## 24

New routes added in FY 2016-17

## 21%

Increase in daily flights

## 90%+

Record load factor for 24 consecutive months

## 24%

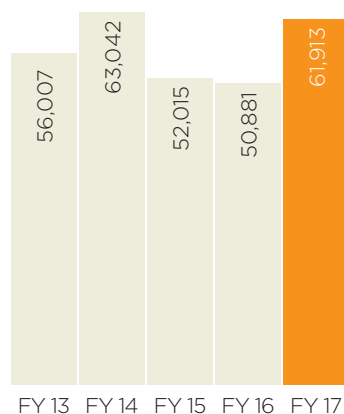
Growth in domestic passengers, higher than industry growth of 22%

## 35%

Growth in international passengers, higher than industry growth of 12%

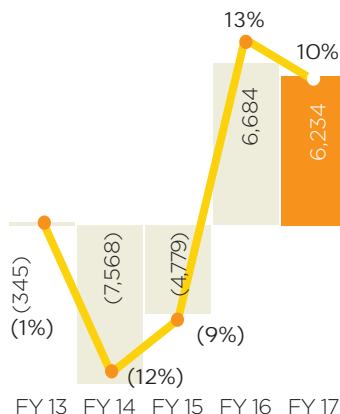
## Revenue from operations

(₹ million)



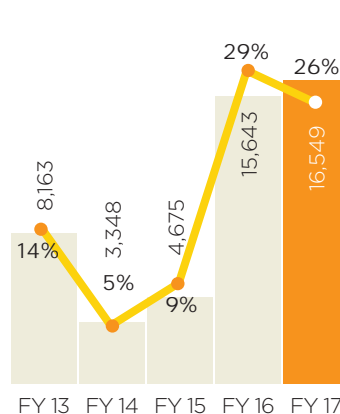
## EBITDA & EBITDA margin

(₹ million)



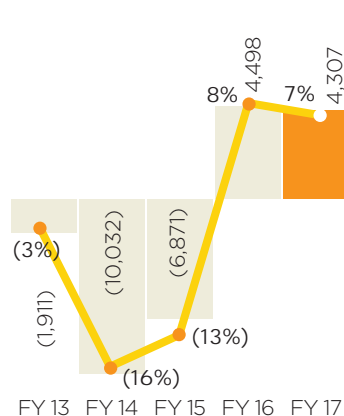
## EBITDAR & EBITDAR margin

(₹ million)



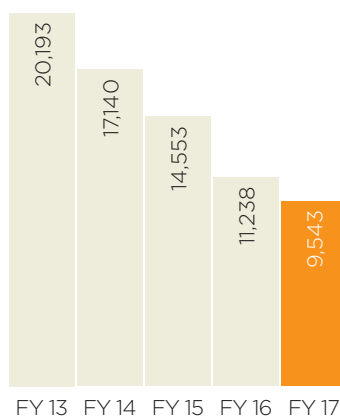
## EAT & EAT margin

(₹ million)



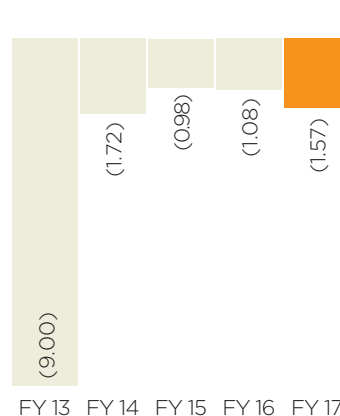
## Net debt

(₹ million)



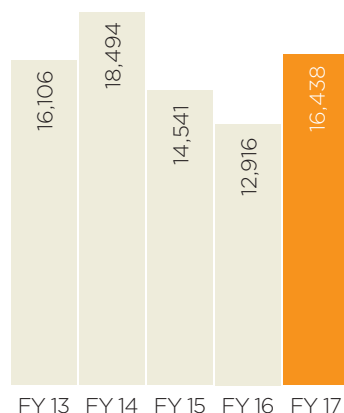
## Debt:equity

(₹ million)



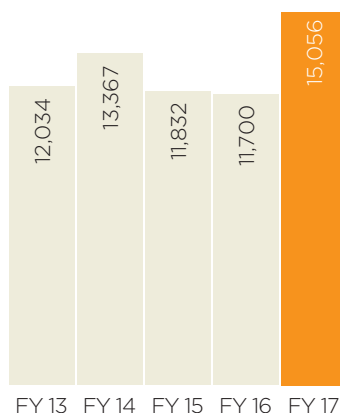
## Available Seat Kilometre

(million)



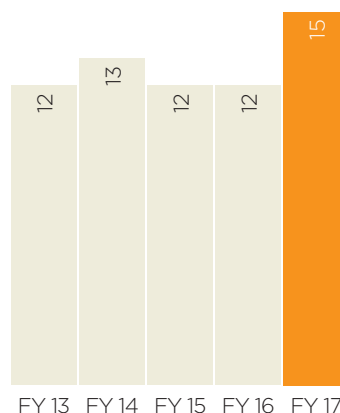
## Revenue Passenger Kilometre

(million)



## Passengers

(million)



OVERVIEW

GOVERNANCE

FINANCIAL STATEMENTS



## CHAIRMAN'S MESSAGE

SpiceJet's remarkable turnaround story has become a global bestseller that has made the aviation world sit up and take notice. The airline was on the verge of shutting down in December 2014, having cancelled hundreds of flights, when the new management took over. To understand the importance of an airline turnaround, one need not look too far – there had been none so far in India and globally too, airline turnarounds are few and far between.

The pride and satisfaction of helping turnaround my airline and the fortunes of those who are connected with it is something that cannot be described in words. And what an impressive turnaround it has been! Reams of newsprint have been dedicated the world over to what many have described as the most "spectacular" airline turnaround in recent times.

In such a short span, SpiceJet has emerged as the second-most valued Indian airline and its stock has emerged as world's best-performing aviation stock. "SpiceJet shares are the best performers on a Bloomberg Intelligence index of airline stocks this year. The stock is up 124 percent in 2017 and has gained more than 800 percent since the company's near-demise in December 2014," Bloomberg said in a report.

FY 2016-17 marks 12 years of our existence and 2 years under the new management and control. As we successfully turned around operations, we have focused on consolidating operations, strengthening competencies and improving financials. During the past two years, we have been profitable, repaid significant debts and reduced our accumulated losses from ₹ 26,317 million to ₹ 22,031 million.



SpiceJet is one of the most efficient airlines operating in the fastest growing aviation market in the world having excelled on all operational parameters. From staring at an imminent closure in year 2014, we have now had ten successive profitable quarters.

For the last 30 months in a row, we have had load factors in excess of 90% – a feat unparalleled in global aviation history. This is combined with the fact that we were the most punctual airline having the best on-time performance of 87% across the industry in FY 2016-17 and had amongst the least cancellations in the industry.

SpiceJet has been a firm believer and supporter of Prime Minister Narendra Modi's nationalistic vision of strengthening Regional Connectivity under the UDAN (*Ude Desh Ka Aam Naagrik*) scheme.

Today, SpiceJet operates India's largest regional fleet and is the only organized operator in this space. We have worked hard over the years to put smaller towns like Kandla, Porbandar, Dibrugarh on the country's aviation map and will strive do the same in the times to come.

With the objective of further enhancing connectivity to smaller towns and cities, SpiceJet placed an order for up to 50 Bombardier Q400 turboprop airliners valued at USD 1.7 billion, making it the largest single order ever for the Q400 turboprop aircraft program.

In our quest to revolutionise the country's regional connectivity, we are exploring exciting last-mile connectivity options for amphibious plane operations to provide air connectivity to the remotest parts of the country. This is a first-of-its-kind initiative by an Indian carrier.

Amphibious planes have the ability to take off and land from places that do not have landing strips and where no runway exist thus reaching areas where there is no other mode of transport available. These smaller fixed wing aircraft can land on water bodies, gravel and grass.

Demo flights of the aircraft have been held in Nagpur and Guwahati and we head to Varanasi next for seaplane trials.

With the ability to land in a small or confined space, amphibious aircraft are the perfect flying machines

that can effectively connect the country's remote cities and airstrips which can in turn revolutionise the regional connectivity scheme.

To ensure that our long term growth strategy remains on track, SpiceJet has also placed an order for up to 205 Boeing 737MAX and wide bodied aircraft – the biggest single order placed by an Indian airline in Boeing's history valued at over USD 22 billion. The new planes start to join the fleet in the middle of 2018. These Aircraft provide us significant advantages on operating cost, specifically fuel and maintenance, in addition to opening up new markets.

Our Boeing order found a rare mention by US President Donald Trump during Prime Minister Narendra Modi's visit to the US earlier this year. President Trump thanked SpiceJet for the aircraft order that would help create tens of thousands of jobs in the US.

We have continuously improved upon our yields and our fares and this is what we will do going forward. At SpiceJet, our objective is very clear. We want to be the most profitable airline in the country. We want to be the best airline in terms of on-time performance and we want to have the least cancellations. This is critical for us. We want to continuously delight our customers and make them happier and make their journey easier and smoother.

## PERFORMANCE FY 2016-17

FY 2016-17 has been a phenomenal year for SpiceJet. Total revenues during the year increased 20% to ₹ 62,714 million compared to ₹ 52,190 million in FY 2015-16. Earnings before interest, taxes, depreciation, amortization, and restructuring or rent costs (EBITDAR) for the year witnessed a nearly flat growth of 5.79% to ₹ 16,549 million. Profit after Tax (PAT) declined by 4.25% to ₹ 4,307 million against ₹ 4,498 million in 2015-16. As a result of slowdown in absolute profitability, the EBITDAR and PAT margins for the year declined to 26% and 7% respectively compared to 29% and 8% respectively in FY 2016-17. However, considering the headwinds faced by the Company in the form of steep rise in fuel prices and short-term effect of demonetisation, we believe the performance of the Company has been reasonably good.

In addition to this, we increased capacities by 27% (in terms of 'Available Seat Kilometer'). The new routes added under the UDAN scheme come with a three-year exclusivity period and provides a strategic advantage and a strong foothold in these markets. We also witnessed a growth in demand by 24% and passenger revenue by 22%. I believe all these indicate that we are moving in the right direction and with concentrated efforts we can sustain profitable operation and thereby gain disproportionate share in this high growth environment.

Besides expanding our primary aviation business, we are also focused on growing our ancillary businesses. This shall not only generate additional revenues, it shall also facilitate us in enhancing our brand by offering value based services to our customers. Recently, we have also ventured into the world of fashion with SpiceStyle.

SpiceStyle promises to provide customers with the same brand experience as the parent airline enabling them to travel in comfort and style. In this new exciting journey, we shall be partnering with leading e-commerce marketplaces to distribute our exclusive range of products, which would also be available on retail outlets and can also be ordered on-board our flights as well as on SpiceStyle.com

Apart from this, we are also working in the areas of reducing costs through undertaking significant automation, manpower optimisation for maximizing utilisation and increasing productivity, hedging and importing fuel, better negotiation of service and maintenance contracts, optimising route and dynamic fleet to address seasonal fluctuations.

## **MESSAGE TO THE SHAREHOLDERS**

SpiceJet's success has been possible only because of the faith reposed by each and every one of you who firmly stood by the Company during the various ups and downs.

Success brings with it even more responsibility - towards the company and all stakeholders and I would like to assure you that each and every one of us at SpiceJet will continue to work with the same passion to create one of the world's most reputed airline brands.

I would like to thank all our stakeholders for their continued support in us despite going through tough times. This support has reinforced our confidence and we now prepare to fly to newer heights. I hereby would also like to acknowledge the patience shown by the customers over the years and believing in our services.

Finally, I think all this would not have been possible without the commitment of our employees who stayed with us and helped us tide through challenging times. Their continuous efforts towards improving customer services and delivering consistent on-time performance have enabled us to become India's most preferred airline. Our employees truly deserve the credit of SpiceJet's transformation and the Board is truly grateful to each of them.

We welcome every one on-board SpiceJet.

Sincerely,

**Ajay Singh**

Chairman and Managing Director  
October 30, 2017