



Stronger Wings

Higher Skies

ANNUAL REPORT 2020-21



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Forward-looking statements

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.



Though the past year has been challenging, our vision is firmly rooted on the long-term and preparing for a stronger and better tomorrow. The fundamentals of our business model: low cost, on-time performance, vast expertise, innovative offerings and customer service have remained intact and robust. It has enabled us to overcome several setbacks and look beyond with courage and determination.

While we acknowledge the challenges ahead, we anticipate unprecedented opportunities for the Indian aviation industry as things return to normalcy. We continue to implement measures such as enhancing customer experience by reinduction

of Boeing 737 MAX aircraft better revenue management, fleet rationalisation, optimising aircraft utilisation, redeployment of capacity in key markets, renegotiation of contracts and other cost control measures to achieve consistent positive cash flows in the future.

As the aviation industry is steadily recovering from the slump caused by the pandemic, we prepare to reintroduce our Boeing 737 MAX aircraft and cater to the demand for passenger traffic in the near future. We are ready to spread our wings and soar higher.

At SpiceJet, we aim for -

**Higher Skies with
Stronger Wings**

SpiceJet: India's Most Preferred and Fastest Growing Airline

SpiceJet is amongst India's leading and most preferred low-cost airline, making flying an affordable and memorable experience for all with our pioneering offerings and services. We are constantly adding more destinations, expanding our fleet, and enhancing our services to reach out to millions of flyers across the world. Our dedicated logistics and technology platform, SpiceXpress, is providing innovative modular supply chain solutions.



Key Strengths



Wide network

- 66 mainline Boeing fleet for key destinations
- 32 Q400 for regional connectivity
- 16 freighter for cargo services
- 139,486 tonnes of cargo carried



Robust business model Stable and diversified revenue streams

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



Low-cost model

- 77% load factor
- 9.09 hours average aircraft utilisation



Expert management team

- CMD Mr. Ajay Singh, a pioneer of low-cost aviation in India
- Over 23 years of senior management experience led by Mr. Ajay Singh, CMD



Seamless connectivity

- 41 daily UDAN flights as on March 2021
- 57 operational regional destinations during FY 2020-21



Supporting employees during the pandemic

- No retrenchment during Covid times
- Subsistence allowance for each employee

98

Fleet Size

250

Route operated
(212 India and 38 international)

214

Daily passenger flights

145

Cargo destinations
(52 Domestic & 93 International)

Message from the Chairman and Managing Director

Dear Shareholders,

More than a year later, India and indeed the rest of the world are still experiencing the depressing consequences of the pandemic on lives and livelihoods as well as on businesses and economies. On the positive side, the viral scourge has galvanised industries and companies into action – adapting to the changes, developing new strategic business plans and preparing for future shocks.



The challenges of the pandemic have propelled us to reshape our core business and explore uncharted territories like never before. In the past one-and-a-half years, SpiceJet has grown in strength, resilience, and endurance, mainly due to the sheer hard work and dedication of our employees, partners and stakeholders.

Taking the fight to the pandemic

As a brand, we have been at the forefront of the fight against Covid-19. Our cargo and logistics platform, SpiceXpress, coordinated the global emergency response to deliver record supplies of life-saving vaccines, oxygen concentrators, relief material, medicines and medical equipment to all corners of India and the world. We played a crucial role in ensuring that vital trade routes between India and other countries remained intact. We operated over 10,564 dedicated cargo flights, including 3,622 international flights in FY 2020-21 and transported over 1,39,000 tonnes of cargo. In addition, we developed capabilities to provide door-to-door deliveries to over 87 pin codes across India.

As the world prepared to embark on its biggest-ever vaccination drive, SpiceJet worked relentlessly to provide an efficient, speedy and reliable solution for vaccine delivery. We created a sustainable cold-chain network through a specialised service called Spice Pharma Pro. We partnered with global leaders to offer both active and passive packaging with dedicated equipment to execute seamless cold chain operations. Today, SpiceXpress has the capability to transport extremely sensitive drugs and vaccines in controlled temperatures ranging from -40°C to +25°C.

Throughout the pandemic, we airlifted medicines, medical equipment and relief materials, mostly from the US, Singapore and China and delivered them to cities with acute shortage of relief materials. Among other medical essentials, we also carried cancer medicines for kids free of cost on four freighter flights from Delhi to Mumbai,

Chennai, Bengaluru and Kolkata.

We were honoured to be a part of the government's 'Lifeline UDAN' initiative and put our freighters to maximum use to transport medical supplies, medicines and medical devices for various states and pharma companies.

Airline with a difference

SpiceJet acted swiftly and decisively to respond to the changing needs of its customers. We became the most trusted airline of the country. Both Central and State governments relied on us and supported us to keep the supply chain intact. We operated every single day during the lockdown, carrying thousands of tonnes of medicines and medical equipment and fruits and vegetables to all parts of India and across the world.

SpiceJet remained committed to offering its services and helping both Indian and foreign nationals when they needed us the most. We were a crucial part of the Vande Bharat Mission (VBM), a laudable initiative by the Government of India to unite our fellow citizens with their families. In addition to VBM, our employees put in a herculean effort to operate over 1,616 charter flights (including VBM), repatriating 2.48 lac people.

We left no stone unturned in our efforts to secure global supply chains. On April 7, 2020, we operated India's first cargo-on-seat flight where we used a passenger aircraft to transport cargo. In addition to the belly space, the passenger cabin was used to safely carry essential supplies.

Under the government's Krishi UDAN scheme, we launched dedicated freighter services from Chennai and Visakhapatnam to Surat and Kolkata to help shrimp farmers. SpiceJet also transported a record number of fresh farm and shrimp produce through its dedicated fleet of freighters and passenger aircraft as well as special cargo flights to various domestic and international destinations.

Strong logistical support

Even in the midst of the crisis, we continued to grow and expand, as we put our resources to optimum use while mitigating revenue setbacks. To cater to the increasing demand for vital goods and medical supplies on long-haul routes, we inducted wide-body jets – Boeing 767, Airbus A330 and Airbus A340 – to our cargo fleet. Today, we have a fleet of 16 cargo planes including 5 wide-body aircraft.

We also became inventive whenever the situation demanded. Many of our Q400 passenger aircraft were converted into freighters to be primarily used for operations in smaller towns and cities, including remote and hilly areas in the North-East, Jammu and Kashmir, and Himachal Pradesh.

By the time the world's largest vaccination drive kicked off in January 2021, we were ready to provide the much-needed logistical support in terms of transport, storage and distribution. During FY 2020-21, SpiceJet also introduced wide-body cargo planes for long-haul operations to Europe, Africa and the CIS countries, while also launching scheduled freighter services to Bangkok and Singapore.

On the passenger side of operations, SpiceJet expanded its footprint across all markets. We introduced new flights to global hotspots including Ras Al Khaimah and Muscat. We became the first and only airline to operate non-stop flights on several routes, Pune-Darbhanga, Pune-Durgapur, Pune-Gwalior, Pune-Jabalpur, Pune-Varanasi, Kolkata-Darbhanga, Chennai-Jharsuguda and Nashik-Kolkata. We added Chattogram in Bangladesh to our international network, Ranchi to our domestic network, and Nashik and Darbhanga as UDAN destinations. We were also designated as an Indian scheduled carrier to operate flights to the US and UK.

Back home, we have been actively involved in enhancing regional connectivity and feel proud to have played a significant role in fulfilling the Prime Minister's vision of connecting the remotest parts of the country. We also launched seaplane services between the Sabarmati Riverfront in

Ahmedabad and the Statue of Unity in Kevadia. This will be remembered as one of the most notable events in the history of Indian aviation.

Resilient performance

Amidst the pandemic, when our passenger business witnessed extreme setback, we strategically banked on cargo operations as our mainstay. Revenue from the latter increased by 518% aggregating to ₹ 1,117.5 crore for FY 2020-21 with a profit of ₹ 131 crore as against a loss of ₹ 134 crore in the previous year. Following the second wave and the emergence of new variants, we continue to monitor the impact of Covid-19 even as we implement various mitigation strategies to enhance long-term sustainability.

With vaccination touching record numbers and travel demand slowly picking up, we hope that the worst is behind us. We will continue to reduce our costs through restructuring our contracts, which will have a positive impact in the long term. In terms of operational parameters, SpiceJet had the best passenger load factor among all the airlines in the country with an average domestic load factor of 77% for fiscal 2021.

People taking centre stage

The airlines across the globe have experienced challenging times and that has been the case with SpiceJet as well. Even during these distress times, there was zero retrenchment exercised by SpiceJet, unlike many airlines around the world which had to unfortunately terminate large numbers of their employees. We ensured that even during the complete lockdown period with no revenues, we provided sustenance across our workforce with employees in the lowest pay grades remaining unaffected and junior staff being paid subsistence allowance.

Even as we grow and expand, we place topmost priority on safeguarding the health and well-being of our employees and their families. We initiated an inoculation drive for all our employees and in just a month's time, our entire operating cabin crew received their first vaccine doses.

As part of our efforts to provide best-in-class customer experience, we introduced a range of innovative

offerings to enable passengers enjoy a safe and comfortable journey. We were the first airline to introduce Zero Change Fee in March 2021. The airline had earlier also introduced a Covid-19 insurance cover that included tests, medication, and consultation of Covid positive patients. We also introduced SpiceJet Extra seat, which allows passengers to book two or more seats to make their travel more comfortable and hassle-free.

As customer queries about cancellations and refunds doubled overnight during the lockdown, we launched a quick digital solution – Ms Pepper – a 24x7 automated customer service agent chatbot that was integrated across our website, mobile app and WhatsApp. Ms Pepper today automates and handles 65% of our customer queries across all channels.

Outlook

The global aviation industry is recovering slowly from the pandemic-induced downturn, even as the impact on demand for passenger traffic is expected to continue for some time. However, this does not imply a deterrent to our growth. In spite of the many challenges, SpiceJet, with its well-diversified operations, innovative product offerings and leaner cost structure is set to grow its business and emerge stronger in the months and years ahead. We look forward to resume operations of our Boeing 737 MAX aircraft which will enhance customer experience and bring efficiency in all operations.

I wish to thank you all for the continued trust and support that has enabled SpiceJet to endure these challenging times and emerge as a resilient airline aiming for stronger wings and higher skies.

Stay safe. Stay well.

Warm regards,

Ajay Singh

Chairman and Managing Director

Strengthening Fundamentals

We are a trusted name in the Indian aviation industry, having an impeccable record of rising persistently amidst challenges. In FY 2020-21, we continued to demonstrate resilience and operational excellence by leveraging our robust, low-cost business model. We undertook several efforts to strengthen business dynamics and prepare ourselves for the future.

Cost optimisation measures

During the year, we implemented several cost optimization measures including fleet rationalization, optimizing aircraft utilization, redeployment of capacity in key focus markets, management and employee compensation revision, renegotiation of contracts and other costs control measures, to help the Company establish positive cash flows in future. The most significant step taken has been the renegotiation of various aircraft leases (including 737 MAX aircraft) and reassessment of aircraft maintenance provisions based on the anticipated scale of operations in the immediate future. The Company has now started to re-introduce its most efficient 737 MAX aircraft which will enhance operational efficiencies and reduce costs.



Maximising cargo business

An important development during the year was the emergence of our dedicated freighter business SpiceXpress. While this business was operating at a good pace, the onset of the pandemic accelerated it as SpiceJet emerged as the most preferred airline for transportation of vaccines and medical equipment across the world. Since the lockdown began, we have operated 10,564 cargo flights and carried 139,486 tonnes of cargo. We also tied up with multiple partners including Brussels Airport, GMR Hyderabad Air Cargo (GHAC), Adani Ahmedabad International Airport, among others in offering cold chain packaging for extremely sensitive drugs and vaccines. Our cargo network now spans over 52 domestic and 93 international destinations, and our aim is to ramp up capacity and network.

Augmenting human resources and technology infrastructure



New technologies, apps, features introduced



Human resource measures undertaken

Corporate Information

Board of Directors

Ajay Singh

Chairman & Managing Director

Shiwani Singh

Non-Executive and Non-Independent Director

Anurag Bhargava

Independent Director

Ajay Aggarwal

Independent Director

Manoj Kumar

Independent Director

Key Managerial Personnel

Sanjeev Taneja

Chief Financial Officer

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;
E-mail: investors@spicejet.com
Phone: +91 124 3913939

Statutory Auditors

M/s Walker Chandiok & Co LLP
Chartered Accountants
L-41, Connaught Circus,
New Delhi - 110001

Registrar & Share Transfer Agents

KFin Technologies Private Limited
Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad - 500 032
E-mail: einward.ris@kfintech.com
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Bankers

Bank of Baroda
BNP Paribas Bank
Barclays Bank Plc City
City Union Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IDFC First Bank Limited
Indian Bank
Union Bank of India
Yes Bank Limited