

An orange circle graphic is positioned on the left side of the cover, containing the text "2021-22 ANNUAL REPORT".

**2021-22**  
ANNUAL REPORT

# SUSTAINING MOMENTUM

## 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.



To download or to read this report online, please log on to [www.spicejet.com](http://www.spicejet.com)

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THE YEAR UNDER REVIEW SAW THE AVIATION INDUSTRY WITNESSING MULTIPLE CHALLENGES IN THE OPERATING ENVIRONMENT; THE MAJOR ONES BEING RECORD HIGH ATF PRICES AND DEPRECIATING RUPEE. ALL OF THIS HAD A SIGNIFICANT IMPACT ON OUR PROGRESS AND PERFORMANCE. DESPITE THAT, WE HAVE BEEN ABLE TO SUSTAIN OPERATIONS WITH RENEWED STRENGTH AND CONFIDENCE DEMONSTRATED BY OUR PARTNERS AND PASSENGERS.

The fundamentals of our business which include low cost, on-time performance, vast expertise, innovative offerings, and customer service remain intact. It galvanises us to overcome severe setbacks and move ahead with courage and perseverance.

FY 2021-22 has been a period of restructuring and settlements and we successfully completed settlements with major manufacturers and lessors. This has set the stage for seamless

growth and expansion. We are optimistic about the future and are encouraged by the strong bounce back in travel demand. Our focus is on inducting more fuel-efficient Boeing 737 MAX aircraft and expanding capacity across both domestic and international routes.

## SUSTAINING MOMENTUM



# SPICEJET: AMONGST INDIA'S LEADING AND FAST-GROWING AIRLINE



SpiceJet is amongst India's leading and most preferred low-cost airline. Our continued investments in differentiated products and services aim to make the travel experience safer, easier, and more memorable. We are constantly adding more destinations, expanding fleet, and enhancing services to reach out to millions of flyers across the world. Our dedicated cargo service business SpiceXpress is India's largest cargo operating airline.

## #1

Air Cargo company  
in India

## #1

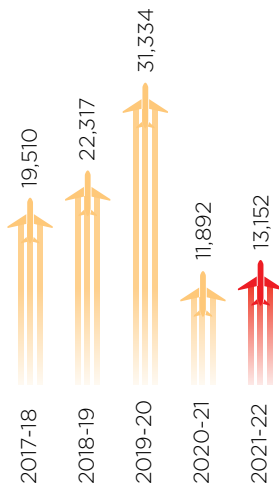
Air Charter company  
in India

India's largest airline in terms of  
regional connectivity

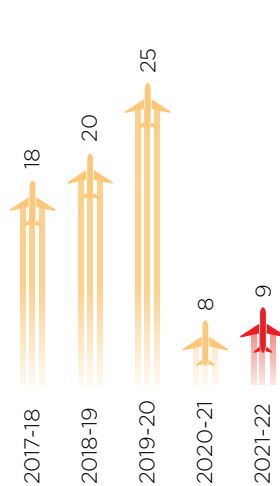
# PERFORMANCE HIGHLIGHTS

## Operational Highlights

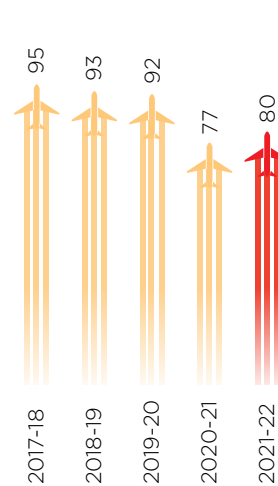
**Available Seat Kilometres**  
(million)



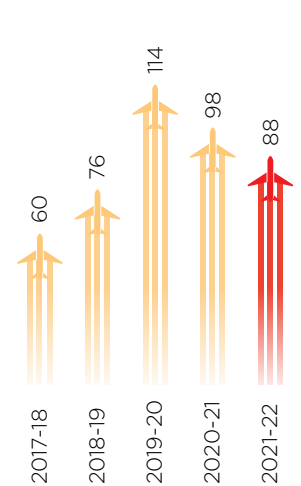
**Passengers carried**  
(million)



**Load factor**  
(%)

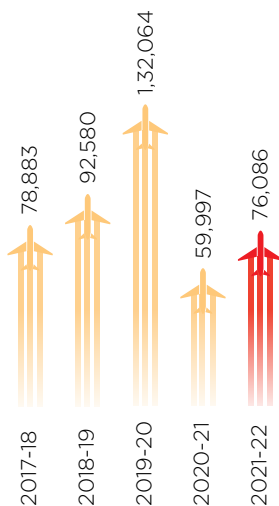


**Aircraft at end**  
(nos)

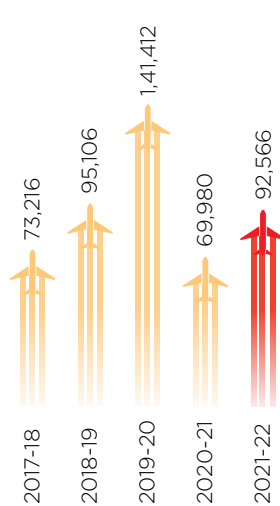


## Financial Highlights

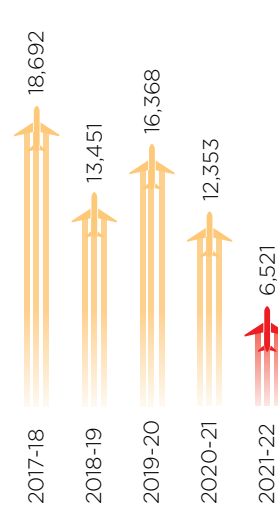
**Total Income**  
(₹ million)



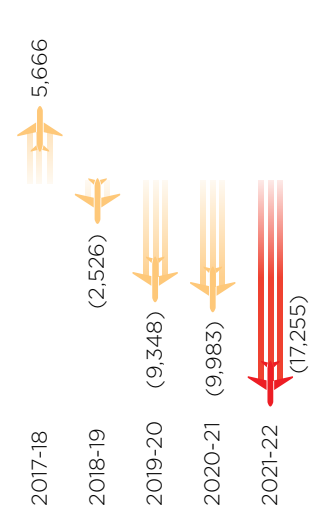
**Total Expenses**  
(₹ million)



**EBITDAR**  
(₹ million)



**Net Earnings**  
(₹ million)





# MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR



## Dear Shareholders,

The journey to growth and value creation is one of taking challenges head-on and emerging victorious. At SpiceJet, this belief system has helped us since inception, in emerging stronger with every flight of ambition that we embarked upon. And in doing so, we didn't solely rely on hope or optimism, but have continuously invested, built, and evolved our capabilities, processes, talent pool, technology, and our fleet.

As you read this, the world is passing through a dark cloud. The discomfort is visible in recessionary pressures, layoffs, rate hikes, galloping inflation, and geopolitical confrontations. China's sustained delinking from the world has led to supply chain issues too. However, amidst this, it's safe to say that the pandemic era is largely behind us.

The impact is visible in terms of higher demand for revenge travel and other luxury spends from the old, the young, and aspirational citizens globally.

In airlines lingo, India benefited from having its seat belts on at the right time. The cautious approach of the government leading to fortifying interest rates and stemming inflation, made it weather the global storm to a large extent. The large demographic dividend coupled with festive season have led to huge demand for realty, travel, and electronics. In the process, India too emerged as the fourth largest economy, now set towards the USD 5 trillion mark in the coming years.

However, amidst this optimism, the airline industry worldwide continues to undergo a transformation. The sky-high fuel prices, depreciating rupee, erratic passenger demand and disrupted supply chains have deferred growth plans and expanded losses.

The Indian skies have also witnessed a consolidation and refresh of sorts. The emergence of new players is a healthy sign of the still massive unexplored potential of the aviation industry in India. Going forward, I am confident, under the vision of our Hon'ble Prime Minister, Shri Narendra Modi, the Make in India and tourism sectors would have positive synergies for the industry.

The tailwinds from the domestic economy have been much more

impactful for us at SpiceJet, for both our passenger business and logistics business. We are in motion – scaling the altitudes, while focussing on efficiency, profitability, and higher asset utilisation. In doing so, we have embarked on a fund-raising program, which will ease our operational burden.

We have received the shareholders' approval for the transfer of our logistics business to SpiceXpress and the process of hiving off the cargo and logistics platform will be completed soon. Our logistics business has been valued at ₹25,557.7 million and the transfer of business under this process will help us significantly strengthen our balance sheet and wipe out the negative net worth of our business. We expect to see improvement in operations and restructuring benefits will be visible starting Q3 FY2023. We are well placed to enter a new phase of accelerated growth to meet resurgent demand from passenger and cargo customers.

SpiceJet has engaged with investment bankers to raise up to \$200 million in order to achieve our future plans. Additionally, the enhancement of ECLGS limit to ₹15,000 million by the Government will go a long way in providing the much-needed stability to the sector. The infusion of additional funds will help SpiceJet normalise its obligations, unground its fleet and induct new planes into our fleet. This will go a long way in rejuvenating the airline as the

induction of new planes and operation of a younger fleet will increase operational efficiency and support cash-positive operations.

We have also completed a series of settlements with most of our major partners including manufacturers and lessors setting the stage for our seamless growth and expansion. We have added new planes to provide our passengers with the finest flying experience. The new MAX aircraft joining our fleet have received rave reviews from passengers and we are all geared up to meet the year-end travel demand and ensure seamless connections for our passengers.

SpiceJet has always remained committed to offering its services and helping Indian nationals whenever they have needed our services. We played a key role in the repatriation exercise under 'Operation Ganga' to evacuate Indians stranded in Ukraine. A large number of Indian students who were stranded in Ukraine when the war started were evacuated in special evacuation flights operated from Košice in Slovakia, Bucharest in Romania and Budapest in Hungary in March 2022 by SpiceJet.

Connecting the unconnected parts of India and making flying affordable for the masses has always been our top priority. The airline, to its credit, has put several Indian cities on the country's aviation map like Kandla, Kanpur, Jaisalmer, Kushinagar



**SpiceJet has engaged with investment bankers to raise up to \$200 million in order to achieve our future plans.**

and Darbhanga which had no air connectivity in the past.

More recently, SpiceJet launched exclusive non-stop international flight connecting Pune with Bangkok and Amritsar with Rome and Bergamo in Italy making it the first Indian airline to connect a non-metro city with central Europe.

And finally your airline made it to the prestigious Skytrax "World Top 20 LCC" rankings, known as the Oscars of the aviation industry. The awards based on airline customer satisfaction survey conducted by Skytrax is a deserving recognition of the resilience of our people and our commitment to excellence in customer service.

We are proudly committed to sustaining momentum for scaling new altitudes.

Warm regards,

**Ajay Singh**

Chairman & Managing Director

# SUSTAINING MOMENTUM



Despite the massive disruptions in the operating environment, we have been able to sustain operations by leveraging our robust infrastructure and low-cost business model. We are well-placed to strengthen our operations and enter a new phase of accelerated growth to meet the resurgent travel demand.



## **Strengthening cargo business**

Our cargo network spans over 53 domestic and 12 international destinations, and our aim is to ramp up capacity and network. Our excellent cargo operations have provided the much-required impetus and we will soon conclude the hive-off of cargo business into a separate independent company to unlock its true value.

Our logistics business is valued at ₹25,557.7 million and the transfer of business under this process will help us strengthen our balance sheet and significantly erode negative net worth.



## **Fund raising for expansion**

We are optimistic about our future and our continued recovery. We are scaling the altitudes while focusing on efficiency, profitability, and higher asset utilisation.

In doing so, we have embarked on a fundraising program, which will ease the operational burden and strengthen the balance sheet. We have engaged with investment bankers to raise up to USD 200 million in order to achieve our future plans. The infusion of additional funds will help SpiceJet to normalise its obligations, unground its fleet and induct new planes to our fleet.

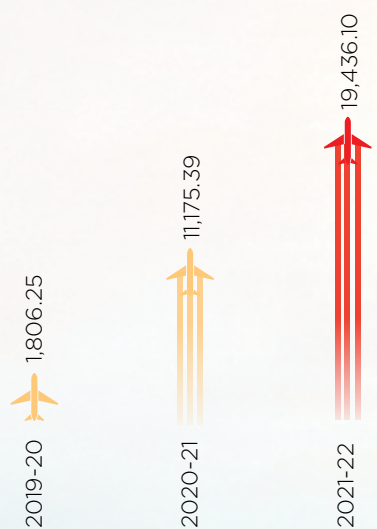
# SpiceXpress – Cargo and Logistics Platform

The Company is also engaged in cargo business and operates on both domestic and international routes and is powered by fully integrated transportation network including air cargo, ground transportation and warehousing facilities across the country. The Company continues to remain leading air cargo operator in India. The Company was awarded as best Cargo Carrier by the Associated Chambers of Commerce & Industry of India in February 2022 and best Cargo Air Carrier by the Ministry of Civil Aviation in March 2022.

## SpiceXpress Segment Highlights

### Revenue

(₹ million)



### Profit

(₹ million)

