



SPICEJET LIMITED

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Part I - Statement of Unaudited Financial Results for the Quarter ended September 30, 2014

(Rupees in Lakhs except EPS and Shareholding data)

S.No.	Particulars	Quarter ended			Half-year ended		Year ended
		Unaudited 30-Sep-14	Unaudited 30-Jun-14	Unaudited 30-Sep-13	Unaudited 30-Sep-14	Unaudited 30-Sep-13	Audited 31-Mar-14
1	<b>Income from operations</b>						
	a) Net Sales / Income from Operations	143,585.5	167,858.9	124,608.3	311,444.4	293,456.2	630,423.3
	b) Other Operating Income	1,408.4	1,245.3	1,113.7	2,653.7	2,420.1	5,187.4
	<b>Total Income from operations</b>	<b>144,993.9</b>	<b>169,104.2</b>	<b>125,722.0</b>	<b>314,098.1</b>	<b>295,876.3</b>	<b>635,610.7</b>
2	<b>Expenses</b>						
	a) Operating Expenses						
	- Aircraft Fuel	78,771.4	77,331.3	71,113.9	156,102.7	145,097.4	325,266.0
	- Aircraft Lease Rentals	25,961.3	27,427.5	26,881.1	53,388.8	48,860.1	105,317.4
	- Airport Charges	11,017.2	10,825.1	11,069.4	21,842.3	22,526.6	47,401.0
	- Aircraft Maintenance	21,025.5	19,005.6	32,494.4	40,031.1	52,404.0	99,325.3
	- Aircraft Redelivery Expenses	2,241.2	4,167.6	1,030.6	6,408.8	1,030.6	2,914.8
	- Other Operating Costs	5,092.2	4,767.4	5,066.6	9,859.6	10,231.4	20,595.3
	b) Employee Benefits Expense	14,790.3	13,867.2	14,004.8	28,657.5	29,406.9	57,569.5
	c) Depreciation and Amortisation Expense	3,177.7	3,227.9	4,316.6	6,405.6	7,418.2	14,826.0
	d) Other Expenses	12,830.2	17,673.1	13,658.4	30,503.3	26,380.4	57,152.9
	<b>Total expenses</b>	<b>174,907.0</b>	<b>178,292.7</b>	<b>179,635.8</b>	<b>353,199.7</b>	<b>343,355.6</b>	<b>730,368.2</b>
3	<b>Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(29,913.1)</b>	<b>(9,188.5)</b>	<b>(53,913.8)</b>	<b>(39,101.6)</b>	<b>(47,479.3)</b>	<b>(94,757.5)</b>
4	Other Income	2,809.1	1,648.1	1,237.2	4,457.2	2,715.9	8,094.6
5	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>(27,104.0)</b>	<b>(7,540.4)</b>	<b>(52,676.6)</b>	<b>(34,644.4)</b>	<b>(44,763.4)</b>	<b>(86,662.9)</b>
6	Finance Costs	3,940.7	4,870.0	3,272.8	8,810.7	6,130.3	13,661.5
7	<b>Profit / (Loss) before tax (5-6)</b>	<b>(31,044.7)</b>	<b>(12,410.4)</b>	<b>(55,949.4)</b>	<b>(43,455.1)</b>	<b>(50,893.7)</b>	<b>(100,324.4)</b>
8	Tax Expense	-	-	-	-	-	-
9	<b>Net Profit / (Loss) for the period (7-8)</b>	<b>(31,044.7)</b>	<b>(12,410.4)</b>	<b>(55,949.4)</b>	<b>(43,455.1)</b>	<b>(50,893.7)</b>	<b>(100,324.4)</b>
10	Paid-up Equity Share Capital (Face Value Rs.10/- per Equity Share)	53,528.1	53,528.1	52,028.1	53,528.1	52,028.1	53,528.1
11	Reserves excluding Revaluation reserves						(158,806.1)
12	<b>Earnings Per Share</b>						
	a) Basic (Rs) *	(5.80)	(2.32)	(10.75)	(8.41)	(9.85)	(19.16)
	b) Diluted (Rs) *	(5.80)	(2.32)	(10.75)	(8.41)	(9.85)	(19.16)

\* - Quarterly and half-yearly numbers are not annualised.

Part II - Select information for the Quarter ended September 30, 2014

S.No.	Particulars	Quarter ended			Half Year ended		Year ended
		Unaudited 30-Sep-14	Unaudited 30-Jun-14	Unaudited 30-Sep-13	Unaudited 30-Sep-14	Unaudited 30-Sep-13	Audited 31-Mar-14
A	<b>PARTICULARS OF SHAREHOLDING</b>						
1	Public Shareholding						
	- Number of Shares	249,021,425	249,021,425	249,021,425	249,021,425	249,021,425	249,021,425
	- Percentage of holding	46.52%	46.52%	47.86%	46.52%	47.86%	46.52%
2	Promoters and promoter group shareholding						
	a) Pledged / Encumbered						
	- Number of shares	83,057,932	83,057,932	52,345,626	83,057,932	52,345,626	83,057,932
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	29.01%	29.01%	19.30%	29.01%	19.30%	29.01%
	- Percentage of shares (as a % of the total share capital of the company)	15.52%	15.52%	10.06%	15.52%	10.06%	15.52%
	b) Non-encumbered						
	- Number of Shares	203,201,826	203,201,826	218,914,132	203,201,826	218,914,132	203,201,826
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	70.99%	70.99%	80.70%	70.99%	80.70%	70.99%
	- Percentage of shares (as a % of the total share capital of the company)	37.96%	37.96%	42.08%	37.96%	42.08%	37.96%



	Particulars	Quarter ended September 30, 2014
<b>B</b>	<b>INVESTOR COMPLAINTS</b>	
	Pending as at the beginning of the quarter	-
	Received during the quarter	212
	Disposed of during the quarter	212
	Remaining unresolved as at the end of the quarter	-

Notes

1 Statement of Assets and Liabilities

(Rupees in lakhs)

Particulars	Unaudited As at 30-Sep-14	Audited As at 31-Mar-14
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' Funds</b>		
(a) Share capital	53,528.1	53,528.1
(b) Reserve and surplus	(202,831.6)	(158,806.1)
(c) Money received against share warrants	3,330.4	3,330.4
Sub-total: Shareholders' funds	<b>(145,973.1)</b>	<b>(101,947.6)</b>
<b>2 Non-current liabilities</b>		
(a) Long-term borrowings	118,339.1	123,628.3
(b) Trade payables	24,604.4	11,035.5
(c) Other long-term liabilities	2,813.8	2,911.8
(d) Long-term provisions	1,753.1	1,602.2
Sub-total: Non-current liabilities	<b>147,510.4</b>	<b>139,177.8</b>
<b>3 Current liabilities</b>		
(a) Short-term borrowings	32,337.9	28,000.0
(b) Trade payables	105,976.1	104,037.6
(c) Other current liabilities	159,218.1	123,613.8
(d) Short-term provisions	705.9	565.1
Sub-total: Current liabilities	<b>298,238.0</b>	<b>256,216.5</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>299,775.3</b>	<b>293,446.7</b>
<b>B ASSETS</b>		
<b>1 Non-current Assets</b>		
(a) Fixed assets	185,478.1	187,743.7
(b) Long-term loans and advances	30,822.3	32,855.6
(c) Other non-current assets	16,176.3	26,645.0
Sub-total: Non-current assets	<b>232,476.7</b>	<b>247,244.3</b>
<b>2 CURRENT ASSETS, LOANS AND ADVANCES</b>		
(a) Inventories	4,763.3	4,515.2
(b) Trade receivables	22,219.1	15,573.5
(c) Cash and bank balances	906.7	505.6
(d) Short-term loans and advances	27,289.9	9,818.0
(e) Other current assets	12,119.6	15,790.1
Sub-total: Current assets	<b>67,298.6</b>	<b>46,202.4</b>
<b>TOTAL - ASSETS</b>	<b>299,775.3</b>	<b>293,446.7</b>





- 2 The above unaudited financial results for the quarter ended September 30, 2014, have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 14, 2014.
- 3 Accounting Standard (AS) 17 on 'Segment Reporting' requires the Company to disclose certain information about operating segments. The Company is managed as a single operating unit that provides air transportation only and has no other segment operation.
- 4 The Company has not accrued for interest amounting to Rs. 747.10 lakhs, on inter corporate deposits of Rs. 500 lakhs under litigation at Bombay High Court since November 30, 2001. The Company's management believes that pending finality of the suit filed against the Company in the Bombay High Court, no interest needs to be accrued on the deposit at this point in time on account of its defence in the Court proceedings. The auditors have qualified their audit report for the year ended March 31, 2014 and limited review reports for the quarters ended June 30, 2014, and September 30, 2013, for the above matter. This may be treated as our response to the observations in the review report.
- 5 During the quarter, the Company has proposed to issue 189,091,378 warrants having a nominal value of Rs. 10 each to the promoters of the Company for consideration aggregating Rs.30,821.89 lakhs, with an 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.6.30 each. The promoters of the Company have paid an advance of Rs. 10,000 lakhs against such proposed warrants. The Company has utilised the entire proceeds towards meeting its working capital requirements, in accordance with the objects of the said issue.
- 6 With effect from April 1, 2014, in respect of assets other than aircraft, and rotables & tools, the Company has adopted the useful lives and residual values indicated in Schedule II of the Companies Act 2013 ('the Act'). Consistent with technical practices in the aviation industry, the Company has adopted (i) useful life of 17.56 years in respect of depreciation of aircraft, and rotables & tools (which are entirely relatable to aircraft), and (ii) residual value of 10% in respect of aircraft, which are different from the corresponding requirements of Schedule II of the Act of 20 years and 5% respectively. Had the Company applied the specific requirements of Schedule II of the Act as above, the depreciation for the half year ended September 30, 2014, and accumulated losses at that date, would have been higher by Rs. 893.5 lakhs. The impact of the above for the quarter ended September 30, 2014 is not expected to be material.
- 7 (a) The Company has incurred losses of Rs. 31,044.7 lakhs for the quarter ended September 30, 2014, and has accumulated losses of Rs. 295,829.8 lakhs as at that date against shareholders' funds of Rs. 149,856.7 lakhs. As of this date, the Company's total liabilities exceeded its total assets by Rs. 145,973.1 lakhs. The Company's operating results continue to be materially affected by various factors, particularly high aircraft fuel costs, significant depreciation in the value of the currency, pricing pressures from competition and general economic slowdown. The Company continues to implement various measures to improve its product offering and enhancing customer experience, along with simultaneous investments to improve selling and distribution channels, revenue management and marketing functions. The Company has also terminated certain aircraft leases ahead of schedule in the current and previous quarters in order to rationalize its fleet size and capacity in the near term while it implements its turnaround plan. These measures, along with consistent improvement in aircraft loads and RASK, as well as enhancement in ancillary revenues, are expected to drive growth in revenues in the future. The Company also continues to implement various measures to optimize aircraft utilization, redeployment of capacity in key focus markets, improving operational efficiencies, renegotiation of contracts and other cost control measures to improve its operating results and cash flows. In addition, the Company continues to explore various options, both operating and strategic, to raise financing in order to meet its short term and long term obligations. The Company believes that these measures will not only result in sustainable cash flows, but also enhance its plans for expansion in the future.
- (b) On account of its operational and financial position, the Company has delayed payments to various parties, including vendors and its dues to statutory authorities. The Company has accrued for any known and determinable amounts of interest on such delays in accordance with contractual terms / applicable laws and regulations. However, it is not practically possible to determine the amount of any other dues, including penalties, consequent to such delays or other non-compliances of contracts or laws and regulations. Further, in view of the proposed plans of management to continue the Company as a going concern as discussed in note 7(a) above, management is confident that it will be able to negotiate settlements with parties to whom monies are owed, to avoid any penalties. In view of the foregoing, no amounts of penalties have been recorded in these financial results.
- 8 Previous periods' / year's figures have been regrouped / reclassified wherever considered necessary to conform to current periods' / year's classification.

For SpiceJet Limited



S Natrajhen  
Managing Director

Place : Chennai, Tamil Nadu

Date : November 14, 2014





**Limited Review Report****Review Report to  
The Board of Directors  
SpiceJet Limited**

1. We have reviewed the accompanying statement of unaudited financial results of SpiceJet Limited ('the Company') for the quarter ended September 30, 2014 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *As discussed in note 4 of the Statement, no provision has been made for interest of Rs. 747.1 lakhs, relating to earlier years on the outstanding inter-corporate deposits taken by the Company. Had the same been accounted for, the net loss for the quarter ended September 30, 2014, would have been higher by Rs 747.1 lakhs, and the accumulated losses as at that date would have been higher by the same amount. Our audit opinion on the financial statements for the year ended March 31, 2014, and the limited review reports for the quarters ended June 30, 2014, and September 30, 2013, were also qualified in respect of this matter.*
4. Based on our review conducted as above, *except for the effect of the matter stated in paragraph 3 above*, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. Without qualifying our conclusion, we draw attention to Note 7 of the Statement which indicates that the Company has incurred a net loss of Rs. 31,044.6 lakhs during the



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

quarter ended September 30, 2014, and as of that date, the Company's total liabilities exceed its total assets by Rs 145,973.0 lakhs. These conditions, along with other matters as set forth in Note 7, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W



**per Aniruddh Sankaran**

Partner

Membership No.: 211107

Place: Chennai

Date: November 14, 2014





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## **SpiceJet announces Q2FY15 results:**

### **Year-on-year capacity up 7%, revenues up 15%, and expenses down 2% as turnaround efforts gain ground**

SpiceJet is pleased to report significant year-over-year improvement in operating performance and reduction in losses in Q2FY15 relative to Q2FY14 in what is traditionally the weakest quarter of the year in India.

*On a same quarter year-on-year basis:*

1. Capacity (Available seat kilometres) up 7% and RPK (revenue passenger kilometres) up 28%
2. Total revenues up 15% (passenger revenues up 18%, ancillary revenues up 31%), and Expenses down 2%
3. Load Factor up 19%, RASK (Revenue per Available Seat Km) up 12%, and CASK (Cost per Available Seat Km) down 7%
4. Year-over-Year net loss reduced by 45% in Q2FY15, from Rs 559.5cr in FY14 to 310.4cr in FY15 (an improvement of Rs 249cr)
5. There were Rs 75cr of one-off & restructuring expenses in the quarter. Excluding these expenses, Year-on-Year loss reduced by 57% ( or 313.9cr); EBITDAR margin improved from -19% to +4% YoY (an improvement of Rs 283.6cr)
6. Positive impact of YoY improvement in exchange rate and fuel price was Rs 29cr. Q2FY15 did not have the benefit of recently introduced ATF price reductions that came into effect in October and November.

Note: There were **no significant one-time / extraordinary revenues from financing and other non-operating activities in the quarter; the loss reduction therefore reflects actual operating performance improvement of the company.**

#### **MANAGEMENT COMMENT:**

The results for Q2FY15 clearly demonstrates the positive impact of SpiceJet's strategy, which is focused on maximizing asset and capacity utilization thereby maximizing revenues and absorbing fixed costs at a faster rate. Management believes that there is still further significant potential on both improving revenues

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and reducing costs. The improved performance further demonstrates that the turnaround effort, which is still work-in-progress, has gained momentum during the quarter.

The revenue results above clearly indicate that our market stimulation efforts are driving not just higher loads, but higher unit revenue (RASK) as well; additionally our continued focus on ancillary revenues are showing substantial results with an increase 31% YoY. **As a result, SpiceJet's revenue increased 15% year-over-year, well ahead of capacity increase of 7%.**

We believe that SpiceJet's market stimulation efforts have had a positive impact on the travel industry as a whole by helping increase demand to fill seats that would otherwise go empty. This has benefitting not just the airline through incremental revenue, but also customers who are getting much more affordable fares if they are willing to book early, and for all other players in the travel value chain due to the increased volume of travel. SpiceJet is the airline that has made flying truly affordable on a pan-India basis for those who are willing to book early. Spicejet-led market stimulation is what resulted in 28% growth in domestic passenger traffic in India in the month of September, traditionally the weakest traffic month of the year.

**On the cost side**, in addition to ongoing cost reduction and productivity-improvement efforts, the recent welcome reductions in **ATF rates** is welcome and will be positive for the industry, though further relief in terms of ATF tax reduction will be very welcome with ATF rates in India still 30-50% higher than in other countries. **Airport costs** reduction is also much needed, especially given the overall financial stress the airline industry is under while some of the airport entities are reporting record profits.

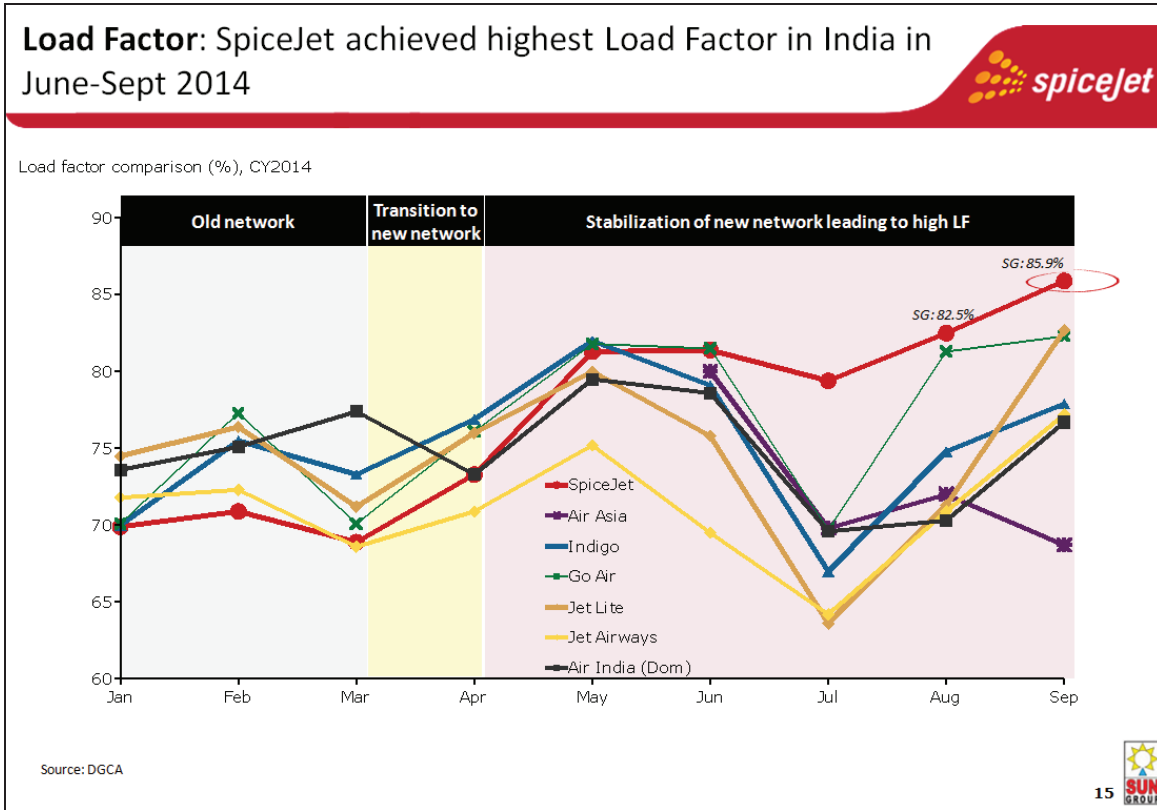
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**Supplementary statistics below:**



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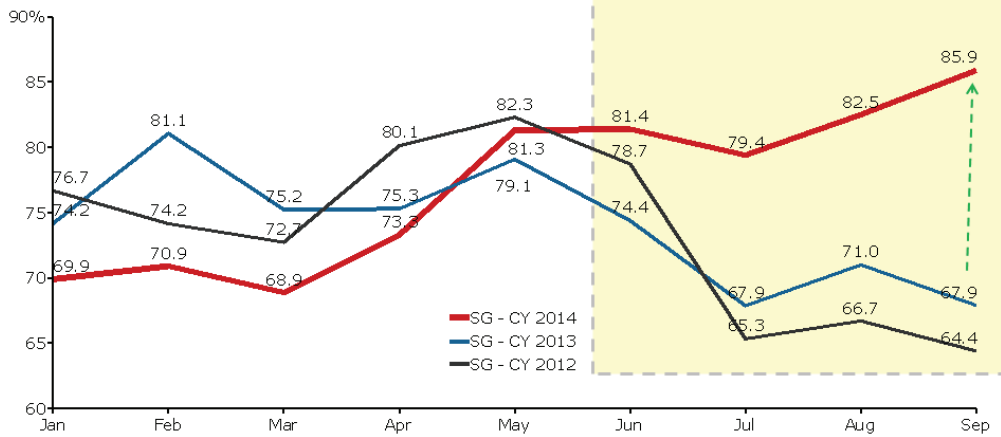
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## SpiceJet's June-Sept load factors significantly higher than previous years



Load Factor (%)



Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
% increase in LF (CY 2014 vs. CY 2013)	-7.3%	-12.5%	-8.5%	-2.6%	2.8%	9.4%	17.0%	16.2%	26.5%

**More air travel helps overall economy due to "multiplier effect": It has been estimated that for every \$1 spent on air travel, \$12 is spent on the wider ecosystem and overall economy**

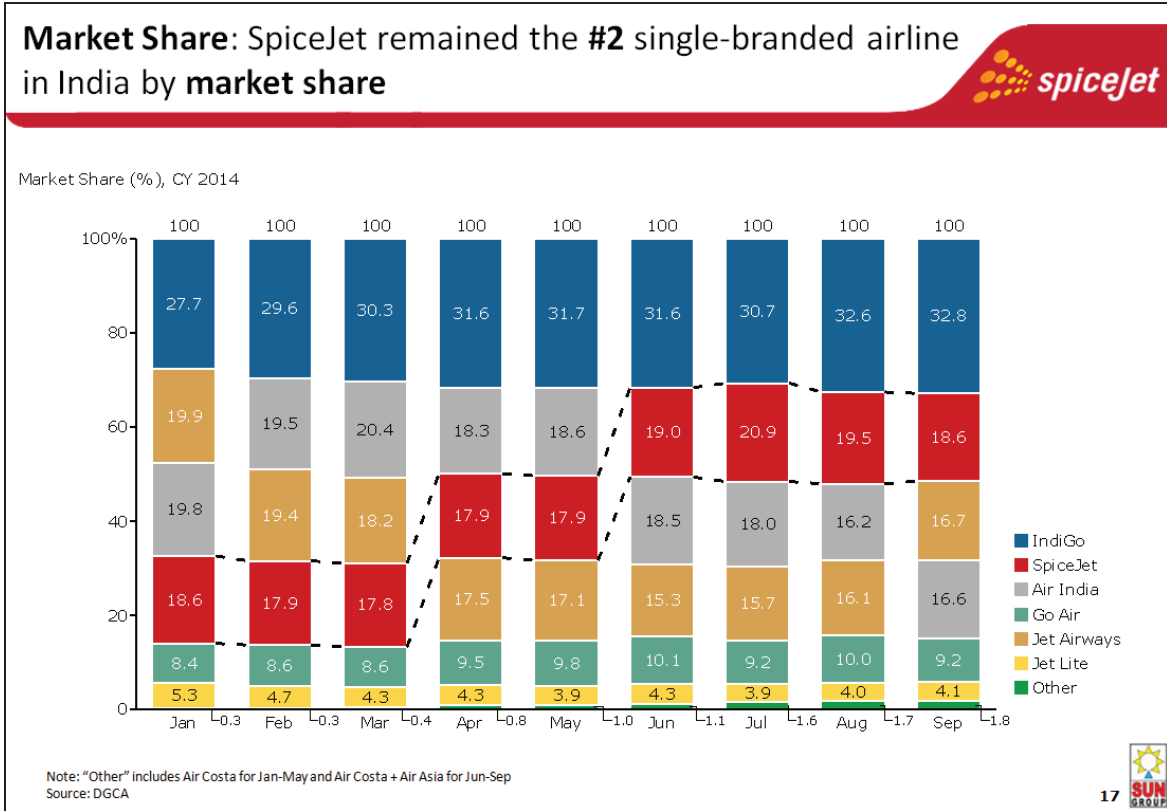


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For more information on the release, please contact:  
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**Disclaimer:**

Certain statements in this release 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

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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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