



SpiceJet Limited
319 Udyog Vihar, Phase-IV,
Gurugram 122016, Haryana, India.
Tel: + 91 124 3913939
Fax: + 91 124 3913844

Through Courier

March 20, 2023

Chief General Manager,
Corporate Finance Department,
The Securities and Exchange Board of India,
Plot No.C4-A, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051

Reference: Regulation 163(3) and 167(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

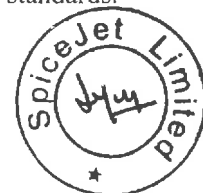
Subject: Request for informal guidance by way of interpretive letter under the SEBI (Informal Guidance) Scheme, 2003

Dear Sir,

We submit this request letter for an informal guidance by way of interpretive letter under the SEBI (Informal Guidance) Scheme, 2003 (“**Informal Guidance Scheme**”) in connection with Regulation 163(3) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “**SEBI ICDR Regulations**”) substituted by the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022 with effect from January 14, 2022.

1. Background of the Applicant:

- 1.1 SpiceJet Limited (“**SpiceJet**” or the “**Company**”) is a public limited company incorporated under the erstwhile Companies Act, 1956 [Corporate Identity No. L51909DL1984PLC288239] with its registered office at India Gandhi International Airport, Terminal 1D, New Delhi 110037. Presently, the equity shares of the Company are listed on BSE Limited.
- 1.2 The Company is a scheduled airline, engaged in the business of civil aviation in India and abroad. It also operates a dedicated air cargo service under the brand name SpiceXpress offering safe, on-time, efficient and seamless cargo connectivity across India and on international routes.
- 1.3 The airline industry has been one of the most affected sector due to unprecedented Covid-19 pandemic and is taking longer time to recoup considering the present economic condition and geo-political factors. Though the Government of India has taken various revival measures for the economy and industry, the continuing impact of Covid-19 pandemic has not only negatively affected the Company’s operations but also deteriorated its financial position severely.
- 1.4 Due to cascading effect of Covid-19 pandemic and other factors, the Company’s outstanding dues towards its vendors, aircraft lessors, creditors etc. has increased enormously in last few years. These deferred and outstanding payments to various parties, including aircraft lessors and other vendors are also recorded in the books of accounts of the Company maintained as per applicable accounting standards.





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2. Proposed transaction and related provisions:

- 2.1 In order to restructure outstanding lease liabilities towards certain aircraft lessors under/affiliated entities of the Carlyle Aero Group, the Board of Directors of the Company in its meeting held on February 27, 2023 has proposed to issue equity shares on preferential basis to these aircraft lessors consequent upon conversion of their existing outstanding lease payment liabilities equivalent to an amount not exceeding US\$29.5 million at price of Rs.48.00 per equity share or such price as may be determined in accordance with SEBI ICDR Regulations, whichever is higher, in accordance with the relevant provisions of the Companies Act, 2013 and other applicable laws and subject to approval of the shareholders of the Company and receipt of applicable regulatory approvals. as may be required (the “**Proposed Transaction**”).
- 2.2 The Proposed Transaction will involve the issue of new equity shares of the Company on preferential basis in consideration of the outstanding monies to be paid to the aircraft lessors, as reflected in the books of accounts/audited financial statements of the Company prepared in accordance with applicable laws. While the Proposed Transaction will not result in any new monies coming into the Company towards the new equity shares, it will reduce the monies to be repaid, thus effectively, the Proposed Transaction is a ‘for cash transaction’.
- 2.3 Shareholding structure of the Company before and after completion of the Proposed Transaction is as follows:

Category	Before Preferential Issue		New Allotment#	After Preferential Issue*	
	No. of Shares	%	No. of Shares	No. of Shares	%
Promoters and Promoter Group (A)	35,74,59,793	59.39%	-	35,74,59,793	54.80%
Public (B)	24,43,85,872	40.61%	5,03,95,833	29,47,81,705	45.20%
Total (A) + (B)	60,18,45,665	100.00%	5,03,95,833	65,22,41,498	100.00%
Custodian (C)	0	0.00%	-	-	0.00%
Grand Total (A) + (B) + (C)	60,18,45,665	100.00%	5,03,95,833	65,22,41,498	100.00%

tentative numbers considering allotment at Rs. 48.00 per equity share

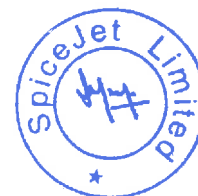
**without taking into consideration any potential dilutions by way of issuance of equity shares under the ESOP scheme of the Company.*

- 2.4 Please note that Section 62 of the Companies Act, 2013 provides that:

“62. Further Issue of Share Capital

(1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered –

(a)





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(c) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of Chapter III and any other conditions as may be prescribed.

.....”

2.5 In our view the proposed new shares are to be issued in lieu of the cash /monies payments to be made to the aircraft lessors and therefore the issuance of such shares will not attract the provisions of Regulation 163(3) of the SEBI ICDR Regulations which provides that:

“163(3) Specified securities may be issued on a preferential basis for consideration other than cash:

Provided that consideration other than cash shall comprise only swap of shares pursuant to a valuation report by an independent registered valuer, which shall be submitted to the stock exchange(s) where the equity shares of the issuer are listed:

Provided further that if the stock exchange(s) is not satisfied with the appropriateness of the valuation, it may get the valuation done by any other valuer and for this purpose it may seek any information, as deemed necessary, from the issuer.”

2.6 Further, in our view, the proposed issuance of equity shares in lieu of the cash /monies payments to be made to the aircraft lessors, shall entail a lock-in for the aircraft lessors of six (6) months from the date of trading approval, pursuant to the Regulation 167(2) of the SEBI ICDR Regulations, which provides for lock-in requirements for non-promoters / promoter group, as follows:

“(2) The specified securities allotted on a preferential basis to persons other than the promoters and promoter group and the equity shares allotted pursuant to exercise of options attached to warrants issued on preferential basis to such persons shall be locked-in for a period of six months from the date of trading approval.

Provided that”

3. Guidance requested:

3.1 In terms of para 5(ii) of the Informal Guidance Scheme, we request your good office to kindly issue an interpretive letter with your guidance as to:

(a) that the proposed issue of equity shares adjusting the money payments to be made to the aircraft lessors who will be the allottees of these new equity shares, will not be covered by the provisions of Regulation 163(3) of the SEBI ICDR Regulations





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subject to other provisions of the SEBI ICDR Regulations relating to preferential issue and the relevant provisions of the Companies Act, 2013 are complied with;

- (b) that the provisions of Regulation 167(2) of the SEBI ICDR Regulation will be applicable to the proposed issue of equity shares adjusting the money payments to be made to the aircraft lessors who will be the allottees of these new equity shares, and the lock-in period for such aircraft lessors will be six (6) months from the date of trading approval only.

4. Compliance with the Informal Guidance Scheme:

- 4.1 To the best of our knowledge and belief, all material facts and legal provisions required for purpose of determination of this request, have been stated herein.
- 4.2 In terms of para 6(ii) of the Informal Guidance Scheme, a cheque of Rs.25,000 (Rupees Twenty Five Thousand) in favour of the Securities and Exchange Board of India dated March 20, 2023 bearing no. 590846 drawn on Yes Bank Limited is attached herewith towards fees.

In case of any queries / clarifications the under-mentioned official may be contacted:

Name & Designation of Contact Person	Chandan Sand Sr. VP (Legal) & Company Secretary
Telephone Nos. (landline & mobile)	+91 124 3913939 (Ext. No. 72401) +91 9810586715
Email - ID	chandan.sand@spicejet.com

Alternatively you may also contact under- mentioned official:

Name & Designation of Contact Person	Sunil Maurya AGM - Legal & Company Affairs
Telephone Nos. (landline & mobile)	+91 124 3913939 (Ext. No. 72423) +91 9873866401
Email - ID	sunil.maurya@spicejet.com

We would be pleased to furnish any additional information/documents as may be required in support of this letter seeking an informal guidance by way of interpretative letter.

Thanking you.

Yours truly,
For SpiceJet Limited

Sunil Maurya
AGM - Legal & Company Affairs



Encl.: As above