**SpiceJet Technic Private Limited**
**Balance Sheet as at March 31, 2018**
*(All amounts are in Indian Rupees, unless otherwise stated)*

| | Notes | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | | |
| Financial Assets | | | |
| (i) Cash and Cash Equivalents | 3 | 2,819,431 | 76,190 |
| Other current assets | 4 | 736,536 | - |
| **Total Current Assets** | | **3,555,967** | **76,190** |
| **TOTAL ASSETS** | | **3,555,967** | **76,190** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | 5 | 100,000 | 100,000 |
| Other Equity | 6 | (9,769,670) | (26,060) |
| **Total Equity** | | **(9,669,670)** | **73,940** |
| **Non-Current Liabilities** | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 7 | 12,200,000 | - |
| (ii) Other financial liabilities | 8 | 391,722 | - |
| **Total Non-Current Liabilities** | | **12,591,722** | **-** |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| (i) Trade Payables | 9 | 50,920 | - |
| (ii) Other financial liabilities | 10 | 15,664 | - |
| Other Current Liabilities | 11 | 567,331 | 2,250 |
| **Total Current Liabilities** | | **633,915** | **2,250** |
| **Total Liabilities** | | **13,225,637** | **2,250** |
| **TOTAL EQUITY AND LIABILITIES** | | **3,555,967** | **76,190** |
| Summary of Significant Accounting Policies | 3 | | |

The accounting notes are an integral part of the financial statements

As per our report of even date.
**For S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

**For and on behalf of the Board of Directors**

**Sd/-**
**per Aniruddh Sankaran**
Partner
Membership No: 211107

Place: Gurugram
Date: May 11, 2018

**Sd/-**
**Ajay Singh**
Director

Place: Gurugram
Date: May 11, 2018

**Sd/-**
**Shiwani Singh**
Director

Place: Gurugram
Date: May 11, 2018

**SpiceJet Technic Private Limited**
**Statement of Profit and Loss for the year ended March 31, 2018**
*(All amounts are in Indian Rupees, unless otherwise stated)*

| | Notes | Year Ended March 31, 2018 | Period ended March 31, 2017 |
|---|---|---|---|
| **Revenue from Operations** | | | |
| Service Income | | - | - |
| **Total Revenue** | | **-** | **-** |
| **Expenses** | | | |
| Employee benefit expenses | 12 | 5,140,331 | - |
| Sales and Marketing Expenses | 13 | 304,200 | - |
| Other expenses | 14 | 3,905,763 | 26,060 |
| **Total Expenses** | | **9,350,294** | **26,060** |
| **Earnings before interest, tax, depreciation and amortization (EBITDA)** | | **(9,350,294)** | **(26,060)** |
| Finance costs | 15 | (393,316) | - |
| **(Loss) Before Tax** | | **(9,743,610)** | **(26,060)** |
| **Income Tax Expense** | 16 | | |
| Current period | | - | - |
| Deferred Tax | | - | - |
| | | - | - |
| **(Loss) after tax for the period (A)** | | **(9,743,610)** | **(26,060)** |
| **Other Comprehensive Income / (Loss) for the period, Net of Tax (B)** | | - | - |
| **Total Comprehensive Income / (Loss) for the period, Net of Tax (A) + (B)** | | **(9,743,610)** | **(26,060)** |
| Earnings per equity share of INR 10 each | | | |
| Basic | | (974.36) | (5.34) |
| Diluted | | (974.36) | (5.34) |

The accounting notes are an integral part of the financial statements

As per our report of even date.
**For S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

**Sd/-**
**per Aniruddh Sankaran**
Partner
Membership No: 211107

Place: Gurugram
Date: May 11, 2018

**For and on behalf of the Board of Directors**

**Sd/-**
**Ajay Singh**
Director

Place: Gurugram
Date: May 11, 2018

**Sd/-**
**Shiwani Singh**
Director

Place: Gurugram
Date: May 11, 2018

**SpiceJet Technic Private Limited**
**Cash flow statement for the year ended March 31, 2018**
*(All amounts are in Indian Rupees, unless otherwise stated)*

| | March 31, 2018 | March 31, 2017 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| (Loss) before tax and exceptional items | (9,743,610) | (26,060) |
| Finance costs | - | - |
| Operating loss before working capital changes | **(9,743,610)** | **(26,060)** |
| Movements in working capital: | | |
| (Increase) / Decrease in trade payables | (736,536) | - |
| Increase / (Decrease) in trade payables | 50,920 | - |
| Increase / (Decrease) in other financial liabilities | 407,386 | - |
| Increase / (Decrease) in other liabilities | 565,081 | 2,250 |
| Cash generated from Operations | **(9,456,759)** | **(23,810)** |
| Income Tax Paid | - | - |
| **Net Cash Flow from Operating Activity** | **(9,456,759)** | **(23,810)** |
| **B. Net Cash used in Investing Activity** | | **-** |
| **C. Cash flow from financing activities** | | |
| Issue of Share Capital (Refer Note 5) | - | 100,000 |
| Term Loan from Related Parties | 12,200,000 | - |
| **Net Cash from Financing Activity** | **12,200,000** | **100,000** |
| **Net increase / (decrease) in cash and cash equivalents** | **2,743,241** | **76,190** |
| **Cash and cash equivalents at the beginning of the period** | 76,190 | - |
| **Cash and cash equivalents at the end of the period** | **2,819,431** | **76,190** |
| **Notes :** | | |
| Components of cash and cash equivalents | | |
| On current accounts | 2,819,431 | 76,190 |
| Cash on hand | - | - |
| **Total cash and cash equivalents (Note 3)** | **2,819,431** | **76,190** |

As per our report of even date.
**For S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

**Sd/-**
**per Aniruddh Sankaran**
Partner
Membership No: 211107

Place: Gurugram
Date: May 11, 2018

**For and on behalf of the Board of Directors**

**Sd/-**
**Ajay Singh**
Director

Place: Gurugram
Date: May 11, 2018

**Sd/-**
**Shiwani Singh**
Director

Place: Gurugram
Date: May 11, 2018

## 1. Corporate Information

SpiceJet Technic Private Limited ("the Company") was incorporated on October 05, 2016 (CIN - U74999DL2016PTC306819) as a private limited Company under the Companies Act, 2013. The Company is principally engaged in the business of providing Technological Services relating to the Aviation, Aero Space and Defence Industry. The registered office of the Company is B-1, Kalindi Colony, New Delhi, South Delhi - 110 065.

The financial statements were approved for issue by the board of directors on May 11, 2018.

## 2. Summary of significant accounting policies

### a) Basis of preparation of financial statements

*i. Compliance with Ind-AS*

The financial statements of the Company for the year ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, read with Companies (Indian Accounting Standards) as amended.

The financial statements are presented in Indian Rupees (Rs.) (its functional currency) and all values are rounded off to the nearest rupee, except where otherwise indicated.

*ii. Historical Cost convention*

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:
- Derivative financial instruments
- Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments)

*iii. Going concern assumption*

The Company is in its initial phase of operations and in view of the foregoing, and having regard to industry outlook in the markets in which the Company operates, management is of the view that the Company will be able to maintain profitable operations and raise funds as necessary, in order to meet its liabilities as they fall due. In view of the foregoing, the accompanying financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future.

### b) Current vs Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
• Expected to be realised or consumed in normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period, or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
• It is expected to be settled in normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period, or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**c) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**d) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The revenue is recognized net of Goods and Service Tax (if any).

The specific recognition criteria described below must also be met before revenue is recognised.

***Interest***

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**e) Employee Benefits**

*i. Short-term benefits*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

*ii. Other long-term employee benefit*

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

### f) Earnings Per Share (“EPS”)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating Diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimated. The expense relating to a provision is presented in the statement of profit and loss.

### h) Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Company or present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

### i) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### j) Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### k) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as a deferred tax asset.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**l) Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Involvement of external valuer's is decided upon annually by the Company. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes (Refer Note 22).

**m) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

***Financial Assets***

*Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:
• Debt instruments at amortised cost

• Debt instruments at fair value through other comprehensive income (FVTOCI)
• Debt instruments and derivatives at fair value through profit or loss (FVTPL)
• Equity instruments at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVTOCI)

*Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

*Debt instrument at FVTOCI*

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Company does not have any debt instrument as at FVTOCI.

*Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Company does not have any debt instrument at FVTPL.

*Equity investments*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Company has classified its investments in mutual funds as Investments at FVTPL.

*Derecognition*

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

***Financial Liability***

*Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

*Subsequent measurement*

All financial liabilities except derivatives are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**n) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors of the Company who make strategic decisions and is responsible for allocating resources and assessing performances of the operating segments.

**o) Measurement of Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)**

The Company has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization, finance income, finance costs and tax expense.

**SpiceJet Technic Private Limited**
**Statement of Changes in Equity for the year ended March 31, 2018**
*(All amounts are in Indian Rupees, unless otherwise stated)*

**a. Equity Share Capital**

| Particulars | No of Shares | Amount |
|---|---|---|
| Equity shares of INR 10 each issued, subscribed and fully paid | | |
| As at October 5, 2016 | 10,000 | 100,000 |
| As at March 31, 2017 | 10,000 | 100,000 |
| **As at March 31, 2018** | **10,000** | **100,000** |

**b. Other Equity**

**For the period ended March 31, 2018**

| Particulars | Retained Earnings | Other Comprehensive Income | Total Equity |
|---|---|---|---|
| **As at April 01, 2017** | (26,060) | - | (26,060) |
| (Loss) for the period | (9,743,610) | - | (9,743,610) |
| Other Comprehensive Income for the period | - | | - |
| **As at March 31, 2018** | **(9,769,670)** | **-** | **(9,769,670)** |

**For the period ended March 31, 2017**

| Particulars | Retained Earnings | Other Comprehensive Income | Total Equity |
|---|---|---|---|
| **As at October 5, 2016** | - | - | - |
| (Loss) for the period | (26,060) | - | (26,060) |
| Other Comprehensive Income for the period | - | - | - |
| **As at March 31, 2017** | **(26,060)** | **-** | **(26,060)** |

The accounting notes are an integral part of the financial statements

As per our report of even date.
**For S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

**Sd/-**
**per Aniruddh Sankaran**
Partner
Membership No: 211107

Place: Gurugram
Date: May 11, 2018

**For and on behalf of the Board of Directors**

**Sd/-**
**Ajay Singh**
Director

Place: Gurugram
Date: May 11, 2018

**Sd/-**
**Shiwani Singh**
Director

Place: Gurugram
Date: May 11, 2018

| | | Year Ended March 31, 2018 | Period Ended March 31, 2017 |
|---|---|---|---|
| **3** | **Cash and Cash Equivalents** | | |
| | Balances with banks: | | |
| | - On current accounts | 2,819,431 | 76,190 |
| | | **2,819,431** | **76,190** |
| **4** | **Other Current Assets** | | |
| | (Unsecured, considered good unless stated otherwise) | | |
| | Balance with Government authorities | 736,536 | - |
| | | **736,536** | **-** |
| **5** | **Equity Share Capital** | | |
| | **Authorised Share Capital** | | |
| | (10,000 equity shares of Rs.10/- each) | | |
| | **As at October 05, 2016** | - | - |
| | Increase during the year | 100,000 | 100,000 |
| | **As at March 31, 2017** | 100,000 | 100,000 |
| | Increase during the year | - | - |
| | **As at March 31, 2018** | **100,000** | **100,000** |
| | **Issued, Subscribed and Paid-up Capital** | | |
| | (10,000 equity shares of Rs.10/- each) | | |
| | **As at October 05, 2016** | - | - |
| | Increase during the year | 100,000 | 100,000 |
| | **As at March 31, 2017** | 100,000 | 100,000 |
| | Increase during the year | - | - |
| | **As at March 31, 2018** | **100,000** | **100,000** |

**a) Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period**

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | Number | Value (Rs.) | Number | Value (Rs.) |
| Shares outstanding at the beginning of the period | 10,000 | 100,000 | - | - |
| Issued during the period | - | - | 10,000 | 100,000 |
| **Shares outstanding at the end of the period** | **10,000** | **100,000** | **10,000** | **100,000** |

**b) Terms/Rights attached to class of Shares**

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates**

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | Number | Value (Rs.) | Number | Value (Rs.) |
| SpiceJet (Holding Company) | 10,000 | 100,000 | 10,000 | 100,000 |

**d) Details of shareholders holding more than 5 percent of Equity Share Capital**

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | No of Shares | % against total No of Shares | No of Shares | % against total No of Shares |
| SpiceJet (Holding Company) | 10,000 | 100% | 10,000 | 100% |

| | | Year Ended March 31, 2018 | Period Ended March 31, 2017 |
|---|---|---|---|
| **6** | **Other Equity** | | |
| | **Surplus / (deficit) in the statement of profit and loss** | | |
| | Balance as per last financial statements | (26,060) | - |
| | (Loss) for the period | (9,743,610) | (26,060) |
| | **Net surplus / (deficit) in the statement of profit and loss** | **(9,769,670)** | **(26,060)** |
| **7** | **Long Term Borrowings** | | |
| | *(Unsecured - At Amortised Cost)* | | |
| | Term Loan from Related Parties | 12,200,000 | - |
| | | **12,200,000** | **-** |

Loan from Holding Company is repayable 3 years from the date of borrowing and carries an interest of 12.75%.

*(All amounts are in Indian Rupees, unless otherwise stated)*

| | | Year Ended March 31, 2018 | Period Ended March 31, 2017 |
|---|---|---|---|
| **8** | **Other Non-Current Financial Liabilities** | | |
| | *(At Amortised Cost)* | | |
| | Interest accrued but not due on borrowings | 391,722 | - |
| | | **391,722** | **-** |
| **9** | **Trade Payables** | | |
| | *(Unsecured, At Amortised Cost)* | | |
| | Trade Payables | 50,920 | - |
| | | **50,920** | **-** |

There are no overdue amounts payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not paid any interest to any Micro and Small Enterprises during the current period.

**Terms and conditions of the above financial liabilities:**
Trade payables are non interest bearing and carry a credit period generally between 30 and 90 days

| | | Year Ended March 31, 2018 | Period Ended March 31, 2017 |
|---|---|---|---|
| **10** | **Other current financial liabilities** | | |
| | *(At Amortised Cost)* | | |
| | Employee compensation payable | 15,664 | - |
| | | **15,664** | **-** |
| **11** | **Other Current Liabilities** | | |
| | Statutory dues (including interest thereon) | 567,331 | 2,250 |
| | | **567,331** | **2,250** |
| **12** | **Employee benefit expenses** | | |
| | Salaries, wages and bonus | 4,882,563 | - |
| | Contribution to provident and other funds | 257,768 | - |
| | | **5,140,331** | **-** |
| **13** | **Sales and marketing expenses** | | |
| | Business promotion and advertisement | 304,200 | - |
| | | **304,200** | **-** |
| **14** | **Other Expenses** | | |
| | Repairs and maintenance | | |
| | - others | 4,512 | - |
| | Communications | 6,986 | - |
| | Printing and stationery | 16,296 | - |
| | Travelling and conveyance | 8,994 | - |
| | Legal, and professional fees (Refer note below for details of payment to auditor) | 3,904,975 | - |
| | Insurance | (36,000) | - |
| | Miscellaneous expenses | - | 26,060 |
| | | **3,905,763** | **26,060** |
| | **Payment to auditor** | | |
| | As auditor | | |
| | Audit fees | 10,000 | 10,000 |
| **15** | **Finance Costs** | | |
| | Interest on Borrowings | 393,316 | - |
| | | **393,316** | **-** |

*(All amounts are in Indian Rupees, unless otherwise stated)*

**16. Earnings per share ('EPS')**

a. Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

b. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| Particulars | Year ended March 31, 2018 | Period ended March 31, 2017 |
|---|---|---|
| Profit after Tax | (9,743,610) | (26,060) |
| Weighted Average Number of Shares | | |
| - Basic | 10,000 | 4,877 |
| - Diluted | 10,000 | 4,877 |
| Earnings per Share of INR 10 each | | |
| - Basic | (974.36) | (5.34) |
| - Diluted | (974.36) | (5.34) |

**17. Significant Accounting Judgements, Estimates and Assumptions**

The preparation of financial statements in conformity with Ind AS requires the Company's management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Taxation**

Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the management to estimate the level of tax that will be payable based upon the Company's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

In respect of other taxes which are in disputes, the management estimates the level of tax that will be payable based upon the Company's / expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

**Fair Value Measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, Credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**Going concern assumption**

These financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future. (refer note 2(a)(iii) for management's assessment regarding going concern, including related judgments involved).

*(All amounts are in Indian Rupees, unless otherwise stated)*

## 18. Employee benefits obligation

### a. Contributions to defined contribution plan

During the year, the company recognized Rs. 222,647 (Previous year- Nil) to Provident Fund under defined contribution plan and Rs. 35,121 (Previous year - Nil) for contributions to Employee State Insurance scheme in the Statement of profit & loss.

## 19. Segment Information

Based on internal reporting provided to the chief operating decision maker, business of providing Technological Services relating to the Aviation, Aero Space and Defence Industry is the only reportable segment for the Company accordingly reporting under the Ind AS 108 is not applicable.There are no reportable Geographical segments under Ind AS 108.

## 20. Income Tax Expense

The major components of income tax expense for the year ended March 31, 2018 and period ended March 31, 2017 are:

| Particulars | Year ended March 31, 2018 | Period ended March 31, 2017 |
|---|---|---|
| Current Tax | - | - |
| Deferred Tax | - | - |
| **Income Tax expense reported in the statement of profit and loss** | - | - |

The Company does not have taxable profits per the provisions of the Income Tax Act 1961, accordingly there are no income tax expenses accounted for in the current year.

## 21. Related party transactions

| Relationship | Name of the Related Party |
|---|---|
| Holding Company | SpiceJet Limited |
| Fellow Subsidiary | SpiceJet Merchandise Private Limited<br>Canvin Real Estate Private Limited |
| Key Managerial Personnel | Ajay Singh, Director<br>Shiwani Singh, Director |
| Enterprises over which Key Managerial personnel or their relatives have control / significant influence (‘Affiliates’) | Crosslink Finlease Private Limited |
| | Greenline Transit System Private Limited |
| | Intel Constructions Private Limited |
| | One City, Promoters Private Limited |
| | Indiverse Broadband Private Limited |
| | Smartnagar Digital Ventures Private Limited |
| | Smartnagar Broadband Networks Private Limited |
| | Starbus Services Private Limited |
| | Argentum Engineering Design Private Limited |
| | Argentum Electric Vehicles Private Limited |
| | i2n Technologies Private Limited |
| | Greenline Communication Private Limited |
| | Pan India Motors Private Limited |
| | Multipurpose Trading and Agencies Limited |

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

| Particulars | Year ended March 31, 2018 | Period ended March 31, 2017 |
|---|---|---|
| **SpiceJet Limited** | | |
| *Transactions during the year:* | | |
| Contribution towards Share Capital | - | 100,000 |
| Long Term Borrowings | 12,200,000 | - |
| Interest paid on Borrowings | 391,722 | - |
| *Balances outstanding as at the period end:* | | |
| Share Capital | 100,000 | 100,000 |
| Borrowings | 12,200,000 | - |
| Interest Accrued | 391,722 | - |

*(All amounts are in Indian Rupees, unless otherwise stated)*

**22. Fair Values**

The Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.The management assessed that the fair value of cash and cash equivalents and other current and non-current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these financial instruments.

| Particulars | Carrying Amount | | Fair Value | |
|---|---|---|---|---|
| | Year ended March 31, 2018 | Period ended March 31, 2017 | Year ended March 31, 2018 | Period ended March 31, 2017 |
| **Financial Liabilities (Non-current and Current)** | | | | |
| Borrowings | 12,200,000 | - | 12,200,000 | - |
| **Total** | **12,200,000** | **-** | **12,200,000** | **-** |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**23. Financial Risk Management Objectives and Policies**

The Company's principal financial liabilities, comprise of loans and borrowings, trade and other payables and derivatives. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a treasury team. The treasury team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**Market risk**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. Market risk comprises three types of risk: interest rate risk, currency risk and foreign currency risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2018.

**Credit risk management**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks.

**Liquidity Risks**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company constantly monitors funding options available in the debt markets with a view to maintaining financial flexibility.

The table below provides details regarding the contractual maturities of financial liabilities based on Contractual undiscounted payments

| Particulars | Year ended March 31, 2018 | | Period ended March 31, 2017 | |
|---|---|---|---|---|
| | Less than 1 Year | Above 1 Year | Less than 1 Year | Above 1 Year |
| **Financial Liabilities (Non-current and Current)** | | | | |
| Borrowings | - | 12,200,000 | - | - |
| Other financial liabilities | 15,664 | 391,722 | - | - |
| Trade Payables | 50,920 | - | - | - |
| **Total** | **66,584** | **12,591,722** | **-** | **-** |

*(All amounts are in Indian Rupees, unless otherwise stated)*

**24. Capital Management**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met throug internal accruals, nonconvertible debentures, external commercial borrowings and other long-term / short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors capital employed using a Debt equity ratio, which is total debt divided by total equity and maturity profile of the overall debt portfolio of the Company.

The following table summarizes the capital of the Company:

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Borrowings | | |
| - Long Term | 12,200,000 | - |
| **Total Debt** | **12,200,000** | **-** |
| Equity Share Capital | 100,000 | 100,000 |
| Other Equity | (9,769,670) | (26,060) |
| **Total Equity** | **(9,669,670)** | **73,940** |
| **Net debt to total equity ratio** | **(1.26)** | **-** |

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018 and period ended March 31, 2017.

**25. Previous year comparitives**

Prior year comparative amounts in these financial statements have been reclassified wherever applicable to conform to current year's presentation.

**26. Stanards issued but not effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

**Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company plans to adopt the new standard on the required effective date using the modified method.

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

**Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company as the Company has significant tax losses and consequently there are no assets that are in the scope of the amendments.

**Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112**

The amendments clarify that disclosure requirements for interests in other entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, Non-current Asset Held for Sale and Discontinued Operations.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendments when they become effective.

**Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or
(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. The Company is analysing the changes and impact as applicable from financial year 2018-19.

**27. Events after the reporting period**

The financials have been approved by the Board of Directors on May 11, 2018 and there have been no significant events after the reporting period till such date.

As per our report of even date.
**For S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

**Sd/-**
**per Aniruddh Sankaran**
Partner
Membership No: 211107

Place: Gurugram
Date: May 11, 2018

**For and on behalf of the Board of Directors**

**Sd/-**
**Ajay Singh**
Director

Place: Gurugram
Date: May 11, 2018

**Sd/-**
**Shiwani Singh**
Director

Place: Gurugram
Date: May 11, 2018