

Spice Club Private Limited
Balance Sheet as at March 31, 2020
(All amounts are in Indian Rupees, unless otherwise stated)

| | Notes | As at March 31, 2020 | As at March 31, 2019 |
|--|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Current assets | | | |
| Financial assets | | | |
| (i) Cash and cash equivalents | 4 | 100,000 | - |
| Total current assets | | 100,000 | - |
| Total Assets | | 100,000 | - |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 5 | 100,000 | - |
| Other equity | | | |
| (i) Retained earnings | 6 | (33,625) | - |
| Total Equity | | 66,375 | - |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Trade payables | 7 | | |
| - total outstanding dues of micro enterprises and small enterprises | | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 21,625 | - |
| Short-term provisions | 8 | 12,000 | - |
| Total current liabilities | | 33,625 | - |
| TOTAL EQUITY AND LIABILITIES | | 100,000 | - |

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 ACHIN JAIN & Co.
Chartered Accountants
ICAI Firm Registration No.: 029799N

For and on behalf of the Board of Directors

Sd/-
Achin Jain
Proprietor
Membership No: 507426

Sd/-
Ajay Singh
Director
DIN No: 01360684

Sd/-
Shiwani Singh
Director
DIN No: 05229788

Place: Gurugram
Date: July 29, 2020

Place: Gurugram
Date: July 29, 2020

Place: Gurugram
Date: July 29, 2020

Spice Club Private Limited**Statement of Profit and Loss for the period ended March 31, 2020***(All amounts are in Indian Rupees, unless otherwise stated)*

| | Notes | Year Ended March 31, 2020 | Period Ended March 31, 2019 |
|--|-------|------------------------------|--------------------------------|
| Revenue from contracts with customers | | | |
| Service income | | - | - |
| Total revenue | | - | - |
| Expenses | | | |
| Other expenses | 9 | 33,625 | - |
| Total expenses | | 33,625 | - |
| Earnings before interest, tax, depreciation and amortization (EBITDA) | | (33,625) | - |
| Finance costs | | - | - |
| (Loss) before tax | | (33,625) | - |
| Income tax expense | | | |
| Current period | 10 | - | - |
| Deferred Tax | | - | - |
| (Loss) after tax for the period | | (33,625) | - |
| Other comprehensive income: | | - | - |
| Other comprehensive loss for the year | | - | - |
| Total comprehensive income for the year | | (33,625) | - |
| Earnings per equity share of INR 10 each | | | |
| Basic | 11 | (3.36) | - |
| Diluted | | (3.36) | - |

The accounting notes are an integral part of the financial statements

As per our report of even date.

For ACHIN JAIN & Co.

Chartered Accountants

ICAI Firm Registration No.: 029799N

For and on behalf of the Board of Directors

Sd/-

Achin Jain

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Membership No: 507426

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DIN No: 05229788

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Date: July 29, 2020

Spice Club Private Limited
Cash flow statement for the period ended March 31, 2020
(All amounts are in Indian Rupees, unless otherwise stated)

| | March 31, 2020 | March 31, 2019 |
|---|-----------------|----------------|
| A. Cash flow from operating activities | | |
| (Loss) before tax and exceptional items | (33,625) | - |
| Operating loss before working capital changes | (33,625) | - |
| Movements in working capital: | | |
| Increase / (decrease) in trade payables | 21,625 | - |
| Increase / (decrease) in short term provisions | 12,000 | - |
| Cash generated from operations | - | - |
| Income tax paid | - | - |
| Net cash flow from / (used in) operating activities | - | - |
| B. Cash flow from investing activities | | |
| C. Cash flow from financing activities | | |
| Issue of share capital (Refer Note 6) | 100,000 | - |
| Net cash flow from / (used in) financing activities | 100,000 | - |
| Net increase / (decrease) in cash and cash equivalents | 100,000 | - |
| Cash and cash equivalents at the beginning of the period | - | - |
| Cash and cash equivalents at the end of the period | 100,000 | - |
| Notes : | | |
| Components of cash and cash equivalents | | |
| On current accounts | 100,000 | - |
| Cash on hand | - | - |
| Total cash and cash equivalents (Note 4) | 100,000 | - |

As per our report of even date.

For ACHIN JAIN & Co.

Chartered Accountants

ICAI Firm Registration No.: 029799N

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Achin Jain

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Membership No: 507426

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Sd/-

Shiwani Singh

Director

DIN No: 05229788

Place: Gurugram

Date: July 29, 2020

Spice Club Private Limited
Statement of Changes in Equity for the period ended March 31, 2020
(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 23, 2019 | - | - |
| Equity shares of ₹ 10 each issued, subscribed and fully paid Issue of Share Capital | 10,000 | 100,000 |
| As at March 31, 2020 | 10,000 | 100,000 |

b. Other equity

For the year ended March 31, 2020

| Particulars | Retained earnings | Other comprehensive income | Total equity |
|---|-------------------|----------------------------|-----------------|
| As at October 23, 2019 | - | - | - |
| (Loss) for the year | (33,625) | - | (33,625) |
| Other comprehensive income for the year | - | - | - |
| As at March 31, 2020 | (33,625) | - | (33,625) |

For the period ended March 31, 2019

| Particulars | Retained earnings | Other comprehensive income | Total equity |
|---|-------------------|----------------------------|--------------|
| As at October 23, 2018 | - | - | - |
| (Loss) for the period | - | - | - |
| Other comprehensive income for the period | - | - | - |
| As at March 31, 2019 | - | - | - |

The accounting notes are an integral part of the financial statements

As per our report of even date.

For ACHIN JAIN & Co.

Chartered Accountants

ICAI Firm Registration No.: 029799N

For and on behalf of the Board of Directors

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Achin Jain

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Place: Gurugram

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Director

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Place: Gurugram

Date: July 29, 2020

Spice Club Private Limited

Notes to the Financial Statements for the period ended March 31, 2020

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

1 General Information of the Company

Spice Club Private Limited ("the Company") is a private company domiciled in India. The registered office of the Company is Khasra No. 419/420, Village Rangpuri, New Delhi 110037. The company was incorporated on October 23, 2019 (CIN - U74999DL2019PTC3565278) under the Companies Act, 2013. The objective of the Company is to be engaged in the business of own, operate and develop a loyalty and reward programme. The company has not commenced operations as at March 31, 2020.

2 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. The comparative period financials statements are the first post incorporation and are from the period from October 23, 2019 to March 31, 2020.

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. The comparative period financials statements are the first post incorporation and are from the period from October 23, 2019 to March 31, 2020.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest rupee, except when otherwise indicated

3.1 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.

3.2 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.

3.3 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.

Spice Club Private Limited
Notes to the Financial Statements for the period ended March 31, 2020
(All amounts are in Indian Rupees, unless otherwise stated)

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.

Spice Club Private Limited

Notes to the Financial Statements for the period ended March 31, 2020

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

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.

Spice Club Private Limited
Notes to the Financial Statements for the period ended March 31, 2020
(All amounts are in Indian Rupees, unless otherwise stated)

| | Year ended March 31, 2020 | Period ended March 31, 2019 |
|---|------------------------------|--------------------------------|
| 4 Cash and cash equivalents | | |
| Balances with banks: | | |
| - On current accounts | 100,000 | - |
| 5 Equity share capital | | |
| Authorised share capital (10,000 equity shares of Rs.10/- each) | | |
| As at October 23, 2019 | - | - |
| Increase during the year | 100,000 | - |
| As at March 31, 2020 | 100,000 | - |
| Issued, subscribed and paid-up capital (10,000 equity shares of Rs.10/- each) | | |
| As at October 23, 2019 | - | - |
| Increase during the year | 100,000 | - |
| As at March 31, 2020 | 100,000 | - |

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|--|----------------------|----------------|----------------------|-------------|
| | Number | Value (Rs.) | Number | Value (Rs.) |
| Shares outstanding at the beginning of the year | - | - | - | - |
| Issued during the year | 10,000 | 100,000 | - | - |
| Shares outstanding at the end of the year | 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, 2020 | | As at March 31, 2019 | |
|------------------------------------|----------------------|-------------|----------------------|-------------|
| | Number | Value (Rs.) | Number | Value (Rs.) |
| SpiceJet Limited (Holding Company) | 9,999 | 99,990 | - | - |

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

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|------------------------------------|----------------------|------------------------------|----------------------|------------------------------|
| | No of Shares | % against total No of Shares | No of Shares | % against total No of Shares |
| SpiceJet Limited (Holding Company) | 9,999 | 99.99% | - | 0% |

6 Other equity

Surplus / (deficit) in the statement of profit and loss

Balance as per last financial statements

(Loss) for the year

Net surplus / (deficit) in the statement of profit and loss

| Year ended March 31, 2020 | Period ended March 31, 2019 |
|------------------------------|--------------------------------|
| - | - |
| (33,625) | - |
| (33,625) | - |

7 Trade payables

Trade payables

- total outstanding dues of micro enterprises and small enterprises

- total outstanding dues of creditors other than micro enterprises and small enterprises

| | |
|---------------|----------|
| - | - |
| 21,625 | - |
| 21,625 | - |

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 year.

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

Spice Club Private Limited**Notes to the Financial Statements for the period ended March 31, 2020***(All amounts are in Indian Rupees, unless otherwise stated)***8 Short-term provisions**

Provision for Audit Fees

| | |
|---------------|----------|
| 12,000 | - |
| 12,000 | - |

9 Other expenses

Legal, and professional fees (Refer note below for details of payment to auditor)

| | |
|---------------|----------|
| 33,625 | - |
| 33,625 | - |

Payment to auditorAs auditor

Audit fees

12,000

12,000

10 Income tax expense

Current tax

-

-

Deferred tax

-

-

-

-

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.

11 Earnings per Share ('EPS')

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

| | | |
|-----------------------------------|----------|---|
| Loss after tax | (33,625) | - |
| Weighted average number of shares | | |
| - Basic | 10,000 | - |
| - Diluted | 10,000 | - |
| Earnings per share of INR 10 each | | |
| - Basic | (3.36) | - |
| - Diluted | (3.36) | - |

12 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.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

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)(a)(iii) for management's assessment regarding going concern, including related judgments involved).

13 Income Tax Expense

The major components of income tax expense for the year ended March 31, 2020 and period ended March 31, 2019 are:

Profit or loss section

| Particulars | Year ended March 31, 2020 | Period ended March 31, 2019 |
|--|---------------------------|-----------------------------|
| Current Tax: | | |
| Current income tax charge | - | - |
| 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.

14 Related party transactions

a. List of Related Party

| Relationship | Name of the Party |
|--|--|
| Holding Company | SpiceJet Limited |
| Fellow Subsidiary | SpiceJet Merchandise Private Limited SpiceJet Technic Private Limited Canvin Real Estate Private Limited SpiceJet Interactive Private Limited Spice Shuttle Private Limited Spicexpress and Logistics Private Limited |
| Key Managerial Personnel | Ajay Singh, Director 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 |
| | Indiverse Broadband Private Limited |
| | Starbus Services Private Limited |
| | Argentum Electric Vehicles Private Limited |
| | i2n Technologies Private Limited |
| | Greenline Communication Private Limited |
| | Pan India Motors Private Limited |
| | Spice Fresh Private Limited |
| | Spice Wecare Private Limited |
| | SpiceJet Innovate Private Limited |
| Multipurpose Trading and Agencies Limited | |

b. Transactions with Related Party

| Particulars | March 31, 2020 | March 31, 2019 |
|--------------------------------------|----------------|----------------|
| <i>SpiceJet Limited</i> | | |
| <i>Transactions during the year:</i> | | |
| Contribution towards Share Capital | 99,990 | - |

15 Segment Information

Based on internal reporting provided to the chief operating decision maker, business of purchase, construction, development and sale of land or buildings is the only reportable segment for the Company.

16 Fair Values

| Particulars | Carrying value | | Fair Value | |
|------------------------------|----------------|----------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Financial assets | | | | |
| Cash and cash equivalents | 100,000 | - | 100,000 | - |
| Total | 100,000 | - | 100,000 | - |
| Financial liabilities | | | | |
| Trade payables | 21,625 | - | 21,625 | - |
| Short-term Provisions | 12,000 | - | - | - |
| Total | 33,625 | - | 21,625 | - |

The management assessed that cash and cash equivalents, long-term borrowings, trade payables and other current and non-current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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.

17 Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, other than derivatives, comprise of borrowings and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as cash which arise 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 Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that the 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.

Spice Club Private Limited**Notes to the Financial Statements for the period ended March 31, 2020***(All amounts are in Indian Rupees, unless otherwise stated)***Market Risks**

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. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Credit Risks

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

| Year ended March 2020 | On demand | Up to 1 year | 1 to 5 years | Total |
|-----------------------|---------------|--------------|--------------|---------------|
| Trade payables | 21,625 | - | - | 21,625 |
| Total | 21,625 | - | - | 21,625 |

| Year ended March 2019 | On demand | Up to 1 year | 1 to 5 years | Total |
|-----------------------|-----------|--------------|--------------|----------|
| Trade payables | - | - | - | - |
| Total | - | - | - | - |

18 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 through internal accruals, nonconvertible debentures, external commercial borrowings and other longterm / 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 | March 31, 2020 | March 31, 2019 |
|---------------------------|----------------|----------------|
| Borrowings - Long Term | - | - |
| Total Debt | - | - |
| Equity Share Capital | 100,000 | - |
| Other Equity | (33,625) | - |
| Total Equity | 66,375 | - |
| Debt Equity Ratio | - | - |

The Company has commenced operations only in the current year and has relied on the funds from holding company to conduct business in the current year. The Company expects the gearing ratio to be reduced over the coming years.

19 Standards issued but not yet 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:

1. Ind AS 116 : Leases

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

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Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from April 01, 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

The Company does not have significant impact in adopting Ind 116 w.e.f. 1st April, 2019.

2. Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- i) Whether an entity considers uncertain tax treatments separately
- ii) The assumptions an entity makes about the examination of tax treatments by taxation authorities
- iii) How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- iv) How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after April 01, 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date.

3. Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after April 01, 2019. These amendments have no impact on the financial statements of the Company.

4. Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- i) Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- ii) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after April 01, 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

5. Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after April 01, 2019. Since the Company does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its financial statements.

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Annual improvement to Ind AS (2018):

These improvements include:

1. Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation

The amendments clarify that, when an party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after April 01, 2019. These amendments are currently not applicable to the Company but may apply to future transactions.

2. Amendments to Ind AS 111: Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after April 01, 2019. These amendments are currently not applicable to the Company but may apply to future transactions.

3. Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

4. Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

20 Events after the reporting period

The financials have been approved by the Board of Directors on July 29, 2020 and there have been no significant events after the reporting period till such date.

As per our report of even date.

For ACHIN JAIN & Co.

Chartered Accountants

ICAI Firm Registration No.: 029799N

For and on behalf of the Board of Directors

Sd/-

Achin Jain

Proprietor

Membership No: 507426

Place: Gurugram

Date: July 29, 2020

Sd/-

Ajay Singh

Director

DIN No: 01360684

Place: Gurugram

Date: July 29, 2020

Sd/-

Shiwani Singh

Director

DIN No: 05229788

Place: Gurugram

Date: July 29, 2020