

## **Independent Auditor's Report**

### **To the Members of SpiceJet Merchandise Private Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

1. We have audited the accompanying financial statements of SpiceJet Merchandise Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Information other than the Financial Statements and Auditor's Report thereon**

4. The Company's Board of Directors are responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## **Independent Auditor's Report to the members of SpiceJet Merchandise Private Limited on financial statements for the year ended March 31, 2023 (cont'd)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Directors' Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

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## Independent Auditor's Report to the members of SpiceJet Merchandise Private Limited on financial statements for the year ended March 31, 2023 (cont'd)

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on March 31, 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position as at March 31, 2023;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2023;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023;

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## Independent Auditor's Report to the members of SpiceJet Merchandise Private Limited on financial statements for the year ended March 31, 2023 (cont'd)

- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 40A to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 40B to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended March 31, 2023; and
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Sd/-**  
**Madhu Sudan Malpani**  
Partner  
Membership No.: 517440

**UDIN:** 23517440BGZUDD8178

**Place:** Gurugram  
**Date:** August 10, 2023

## **Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of SpiceJet Merchandise Private Limited on the financial statements for the year ended March 31, 2023**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment  
  
(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its property, plant and equipment during the year. Further, the Company does not hold any intangible assets.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

## **Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of SpiceJet Merchandise Private Limited on the financial statements for the year ended March 31, 2023**

- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
  - (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
  - (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
  - (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short-term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
  - (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
  - (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
  - (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.



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## **Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of SpiceJet Merchandise Private Limited on the financial statements for the year ended March 31, 2023**

- (xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.  
  
(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses in the current financial year but had incurred cash losses amounting to Rs. 10.37 millions in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Madhu Sudan Malpani**  
Partner  
Membership No.: 517440

**UDIN:** 23517440BGZUDD8178

**Place:** Gurugram  
**Date:** August 10, 2023

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## **Annexure B to the Independent Auditor's Report of the even date to the members of Spice Ground Handling Services Private Limited, on the financial statements for the year ended 31 March 2023**

### **Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of SpiceJet Merchandise Private Limited ('the Company') as at and for the year ended March 31, 2023 we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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**Annexure B to the Independent Auditor's Report of even date to the members of SpiceJet Merchandise Private Limited on the financial statements for the year ended March 31, 2023 (cont'd)**

## **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at March 31, 2023 based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker ChandioK & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-

**Madhu Sudan Malpani**  
Partner  
Membership No.: 517440

**UDIN:** 23517440BGZUDD8178

**Place:** Gurugam  
**Date:** August 10, 2023

**SpiceJet Merchandise Private Limited****Balance Sheet as at March 31, 2023***(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2.01	2.41
Income-tax assets (net)	4	-	0.05
<b>Total non-current assets</b>		<b>2.01</b>	<b>2.46</b>
<b>Current assets</b>			
Inventories	5	21.92	49.85
Financial assets			
Trade receivables	6	14.14	36.38
Cash and cash equivalents	7	1.67	4.30
Bank balances other than cash and cash equivalents	8	5.40	5.40
Other financial assets	9	0.44	6.26
Other current assets	10	46.44	76.48
<b>Total current assets</b>		<b>90.00</b>	<b>178.67</b>
<b>Total assets</b>		<b>92.01</b>	<b>181.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	0.10	0.10
Other equity	12	(204.71)	(272.44)
<b>Total equity</b>		<b>(204.61)</b>	<b>(272.34)</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13	106.78	103.28
Other financial liabilities	14	-	152.65
Provisions	15	0.10	0.09
<b>Total non-current liabilities</b>		<b>106.88</b>	<b>256.02</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	16	5.00	-
Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		0.35	0.33
Total outstanding dues of creditors other than micro enterprises and small enterprises		116.39	124.60
Other financial liabilities	18	0.52	0.80
Other current liabilities	19	67.40	71.57
Provisions	20	0.07	0.15
<b>Total current liabilities</b>		<b>189.73</b>	<b>197.45</b>
<b>Total liabilities</b>		<b>296.61</b>	<b>453.47</b>
<b>Total equity and liabilities</b>		<b>92.01</b>	<b>181.13</b>
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 001076N/N500013

Sd/-  
**Madhu Sudan Malpani**  
Partner  
Membership No: 517440

Place: Gurugram

For and on behalf of the Board of Directors  
**SpiceJet Merchandise Private Limited**

Sd/-  
**Ajay Singh**  
Director  
DIN No : 01360684

Place: Gurugram

Sd/-  
**Shiwani Singh**  
Director  
DIN No: 05229788

Place: Gurugram

**SpiceJet Merchandise Private Limited**

**Balance Sheet as at March 31, 2023**

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

**Date:** August 10, 2023

**Date:** August 10, 2023

**Date:** August 10, 2023

**SpiceJet Merchandise Private Limited**  
**Statement of Profit and Loss for the quarter ended March 31, 2023**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>INCOME</b>			
Revenue from operations	21	29.05	454.64
Other income	22	152.93	0.15
<b>Total income</b>		<b>181.98</b>	<b>454.79</b>
<b>EXPENSES</b>			
Purchases of stock-in-trade	23(a)	-	350.42
Changes in inventories of stock-in-trade	23(b)	27.93	47.87
Employee benefits expense	24	4.15	4.09
Finance costs	25	0.21	18.27
Depreciation expense	26	0.41	0.79
Impairment losses on financial assets	27	5.17	21.72
Other expenses	28	76.38	43.72
<b>Total expenses</b>		<b>114.25</b>	<b>486.88</b>
<b>Profit/(loss) before tax</b>		<b>67.72</b>	<b>(32.09)</b>
Tax expense	28	-	-
<b>Profit/(loss) after tax</b>		<b>67.72</b>	<b>(32.09)</b>
<b>Other comprehensive income:</b>			
Items that will not be reclassified to statement of profit and loss:			
Remeasurement gains on defined benefit obligations (net)		0.01	0.10
Income-tax impact		-	-
<b>Other comprehensive income for the year</b>		<b>0.01</b>	<b>0.10</b>
<b>Total comprehensive income for the year</b>		<b>67.73</b>	<b>(31.99)</b>
Earnings per equity share	30		
Basic		677.34	6,772.31
Diluted		677.34	6,772.31
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.

This is the statement of profit and loss referred to in our report of even date.

**For Walker Chandio & Co LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors  
**SpiceJet Merchandise Private Limited**

Sd/-  
**Madhu Sudan Malpani**  
Partner  
Membership No: 517440

Sd/-  
**Ajay Singh**  
Director  
DIN No : 01360684

Sd/-  
**Shiwani Singh**  
Director  
DIN No: 05229788

**Place:** Gurugram  
**Date:** August 10, 2023

**Place:** Gurugram  
**Date:** August 10, 2023

**Place:** Gurugram  
**Date:** August 10, 2023

**SpiceJet Merchandise Private Limited**  
**Statement of Cash Flow for the year ended March 31, 2023**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Cash flows from operating activities</b>		
<b>Profit/(loss) before tax</b>	<b>67.72</b>	<b>(32.09)</b>
Adjustments for:		
Depreciation expense	0.41	0.79
Interest income on bank deposits	(0.28)	(0.15)
Liabilities no longer required written back	(152.65)	-
Impairment of trade receivables	5.19	21.72
Impairment of advance to vendors/suppliers	39.41	-
Impairment of other advances	20.43	-
Interest on borrowings	0.21	18.27
<b>Operating (loss)/profit before working capital changes</b>	<b>(19.57)</b>	<b>8.54</b>
<b>Movements in working capital:</b>		
Trade receivables	(42.78)	6.25
Inventories	27.93	55.43
Other current financial assets	5.82	(0.85)
Other current assets	30.04	(4.35)
Trade payables	(8.19)	50.37
Other current financial liabilities	(0.35)	0.49
Other current liabilities	(4.29)	45.89
Provisions	(0.06)	(0.08)
<b>Cash (used in)/flows from operations</b>	<b>(11.46)</b>	<b>161.69</b>
Income tax paid	0.05	(0.05)
<b>Net cash (used in)/flows from operating activities</b>	<b>(11.41)</b>	<b>161.64</b>
<b>B. Cash flows from investing activities</b>		
Movement in bank deposits (net)	-	(5.40)
Interest received	0.28	0.15
<b>Net cash flows from/(used in) investing activities</b>	<b>0.28</b>	<b>(5.25)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from non-current borrowings	53.50	-
Repayment of long-term borrowings	(45.00)	(154.00)
Interest paid	(0.01)	-
<b>Net cash flows from/(used in) financing activities</b>	<b>8.49</b>	<b>(154.00)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2.64)</b>	<b>2.39</b>
Cash and cash equivalents at the beginning of the year	4.30	1.91
<b>Cash and cash equivalents at the end of the year</b>	<b>1.67</b>	<b>4.30</b>
<b>Notes :</b>		
<b>Components of cash and cash equivalents</b>		
Balance with banks in current accounts	1.67	4.30
<b>Total cash and cash equivalents (refer note 7)</b>	<b>1.67</b>	<b>4.30</b>

The "Statement of Cash Flow" has been prepared as per the Indirect method as set out in Ind AS 7. "Statement of Cash Flow".

The accompanying notes form an integral part of the financial statements.

This is the statement of cash flow referred to in our report of even date.

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors  
**SpiceJet Merchandise Private Limited**

Sd/-  
**Madhu Sudan Malpani**  
Partner

Sd/-  
**Ajay Singh**  
Director

Sd/-  
**Shiwani Singh**  
Director

**SpiceJet Merchandise Private Limited**

**Statement of Cash Flow for the year ended March 31, 2023**

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

Membership No: 517440

DIN No : 01360684

DIN No: 05229788

**Place:** Gurugram

**Place:** Gurugram

**Place:** Gurugram

**Date:** August 10, 2023

**Date:** August 10, 2023

**Date:** August 10, 2023



**SpiceJet Merchandise Private Limited**  
**Statement of Changes in Equity for the year ended March 31, 2023**

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

**A. Equity share capital\***

Particulars	Number	Amount
As at April 01, 2021	10,000	0.10
Changes in equity share capital during the year	-	-
As at March 31, 2022	10,000	0.10
Changes in equity share capital during the year	-	-
As at March 31, 2023	10,000	0.10

**B. Other equity\*\***

Particulars	Retained earnings	Total other equity
Balance as at April 1, 2021	(240.45)	(240.45)
Loss for the year	(32.09)	(32.09)
Other comprehensive income for the year	0.10	0.10
<b>Total comprehensive income</b>	<b>(31.99)</b>	<b>(31.99)</b>
<b>Balance as at March 31, 2022</b>	<b>(272.44)</b>	<b>(272.44)</b>
Profit for the year	67.72	67.72
Other comprehensive income for the year	0.01	0.01
<b>Total comprehensive income</b>	<b>67.73</b>	<b>67.73</b>
<b>Balance as at March 31, 2023</b>	<b>(204.71)</b>	<b>(204.71)</b>

\*Refer note 11 for details.

\*\*Refer note 12 for details.

The accompanying notes form an integral part of the financial statements.

This is the statement of changes in equity referred to in our report of even date.

**For Walker Chandiok & Co LLP**

Chartered Accountants

ICAI Firm Registration No.: 001076N/N500013

Sd/-  
**Madhu Sudan Malpani**  
 Partner  
 Membership No: 517440

**Place:** Gurugram  
**Date:** August 10, 2023

For and on behalf of the Board of Directors  
**SpiceJet Merchandise Private Limited**

Sd/-  
**Ajay Singh**  
 Director  
 DIN No : 01360684

Sd/-  
**Shiwani Singh**  
 Director  
 DIN No: 05229788

**Place:** Gurugram  
**Date:** August 10, 2023

**Place:** Gurugram  
**Date:** August 10, 2023

**SpiceJet Merchandise Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

**1. Corporate information**

SpiceJet Merchandise Private Limited ('the Company') is domiciled in India. The registered office of the Company is 318, 3rd Floor, H-6, Aggarwal Tower, Netaji Subhash Place, Pitampura, New Delhi 110034. The Company was incorporated on July 18, 2016 (CIN – U52520DL2016PTC303136) under the Companies Act, 2013 ('the Act'). The objective of the Company is to be engaged in the business of trading of goods.

The financial statements were approved for issue by the board of directors on August 10, 2023.

**2. A. Summary of significant accounting policies**

**a) Basis of preparation of financial statements**

i. Statement of compliance

The financial statements of the Company for the year ended March 31, 2023 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules 2015, as amended.

The financial statements are presented in Indian Rupees (₹) (functional and presentation currency of the Company) and all values are rounded off to the nearest millions, except where otherwise indicated.

ii. Historical cost convention

The financial statements have been prepared on the historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value or amortised cost.

**b) Current versus 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.

All other liabilities are classified as non-current.

The Company has identified twelve months as its operating cycle.

**SpiceJet Merchandise Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

**c) Property, plant and equipment**

*Recognition and measurement*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

For depreciation purposes, the Company identifies and determine cost of asset significant to the total cost of the asset having useful life that is materially different from that of the life of the principal asset and depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied and the same is depreciated based on their specific useful lives. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

*Depreciation*

The Company depreciates its property, plant and equipment over their estimated useful lives using straight-line method in accordance with the useful life prescribed in Schedule II to the Act, except leasehold improvements which are depreciated at lower of useful life or lease period.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company has used the following rates to provide depreciation on its property, plant and equipment:

<b>Asset description</b>	<b>Estimated useful life (years)</b>
Plant and machinery	15 years
Office equipment	5 years
Computers	3 to 6 years
Furniture and fixtures	10 years
Leasehold improvements	3 years

*Derecognition*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**d) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units ('CGU') fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period as relevant for asset or CGU tested for impairment. To estimate cash flow projections

**SpiceJet Merchandise Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a growth rate for subsequent years.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation/amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

**e) Borrowing cost**

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.

**f) Inventories**

Trading inventories are valued at cost or net realizable value, whichever is lower after providing for obsolescence and other losses, where considered necessary. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**g) Revenue from contracts with customer**

Sale of goods

Revenue from sale of goods to customers is recognised when the goods are provided to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Revenue is measured at transaction price net of rebates, discounts and taxes and is recognized net of amounts collected on behalf of third parties. A receivable is recognised by the Company when the control is transferred as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required. No significant element of financing is deemed present as the sales are either made with a nil credit term or with a credit period of 0-90 days.

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.

**h) Employee benefits**

i. Short-term employee 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.

**SpiceJet Merchandise Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

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 benefits

The Company also provides benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. The Company measures the expected cost of compensated absences which are expected to be settled within 12 months as an additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Liability in respect of compensated absences becoming due and expected to be carried forward beyond twelve months 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.

iii. Post-employment benefits

The Company operates the following post-employment schemes:

a. Defined benefit plans – gratuity

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. This is based on standard rates of inflation, salary growth rate and mortality.

Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost and net interest expense on the Company's defined benefit plan is included in employee benefits expense.

Actuarial gains/losses resulting from re-measurements of the defined benefit obligation are included in other comprehensive income.

b. Defined contribution plan – provident fund

Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. The Company recognizes contribution paid as an expense, when an employee renders the related service.

i) **Taxes**

**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.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**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.

**SpiceJet Merchandise Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

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. 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 deferred taxes related to the same taxable entity and the same taxation authority.

**j) Earnings per share**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**k) Leases**

The Company's lease agreements are primarily in respect of office premises. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For long-term leases, the Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis which is more representative of the pattern of use of underlying asset.

**l) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash on hand and at banks 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 statement of cash flow, 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.

**m) Financial Instruments**

*Initial recognition and measurement*

Financial assets (except trade receivables) and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

**Non-derivative financial assets**

*Subsequent measurement*

**Financial assets carried at amortised cost** - A 'financial asset' is measured at the amortised cost if both the following conditions are met:



**SpiceJet Merchandise Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

*De-recognition of financial assets*

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Non-derivative financial liabilities**

*Subsequent measurement*

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

*De-recognition of financial liabilities*

A financial liability is de-recognised 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 de-recognition 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 and loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**n) Impairment of financial assets**

The Company applies expected credit loss model for recognising impairment loss on financial assets measured at amortised cost.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk rather, it recognises impairment loss allowance based on lifetime expected credit loss ('ECL') at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

**SpiceJet Merchandise Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Impairment loss allowance (or reversal) for the year is recognized in the statement of profit and loss.

**o) Fair value measurement**

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 the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**p) Contingent liabilities, contingent assets and provisions**

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.

Contingent assets are disclosed only when inflow of economic benefits therefrom is probable and recognize only when realization of income is virtually certain.

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

**q) Foreign currency transactions**

The financial statements of the Company is presented in Indian Rupees (₹) which is also the Company's functional and presentation currency.

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Conversion

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value denominated in a foreign currency are translated using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss except to the extent it is treated as an adjustment to borrowing costs.

**SpiceJet Merchandise Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**

**B. Recent accounting pronouncement**

**Amendment to Ind AS 1, Presentation of Financial Statements**

The Ministry of Corporate Affairs ("MCA") vide notification dated March 31, 2023, has issued an amendment to Ind AS 1 which requires entities to disclose material accounting policies instead of significant accounting policies. Accounting policy information considered together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The amendment also clarifies that immaterial accounting policy information does not need to disclose. If it is disclosed, it should not obscure material accounting information. The Company is evaluating the requirement of the said amendment and its impact on these financial statements.

**Amendment to Ind AS 8, Accounting Policies, Change in Accounting Estimates and Errors**

The Ministry of Corporate Affairs ("MCA") vide notification dated March 31, 2023, has issued an amendment to Ind AS 8 which specifies an updated definition of an 'accounting estimate'. As per the amendment, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty and measurement techniques and inputs are used to develop an accounting estimate. Measurement techniques include estimation techniques and valuation techniques. The Company is evaluating the requirement of the said amendment and its impact on these financial statements.

**Amendment to Ind AS 12, Income Taxes**

The Ministry of Corporate Affairs ("MCA") vide notification dated March 31, 2023, has issued an amendment to Ind AS 12, which requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases of lessees and decommissioning obligations and will require recognition of additional deferred tax assets and liabilities. The Company is evaluating the requirement of the said amendment and its impact on these financial statements.

SpiceJet Merchandise Private Limited

Notes to the financial statements for the year ended March 31, 2023

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

3 Property, plant and equipment

Particulars	Plant and machinery	Office equipment	Computers	Furniture and fixtures	Leasehold improvements	Total
<b>Gross block</b>						
As at April 1, 2021	2.70	2.70	1.24	0.59	0.56	7.79
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>2.70</b>	<b>2.70</b>	<b>1.24</b>	<b>0.59</b>	<b>0.56</b>	<b>7.79</b>
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>2.70</b>	<b>2.70</b>	<b>1.24</b>	<b>0.59</b>	<b>0.56</b>	<b>7.79</b>
<b>Accumulated depreciation</b>						
As at April 1, 2021	0.65	2.06	1.10	0.22	0.56	4.59
Depreciation charge for the year	0.18	0.51	0.05	0.05	-	0.79
Disposals	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>0.83</b>	<b>2.57</b>	<b>1.15</b>	<b>0.27</b>	<b>0.56</b>	<b>5.38</b>
Depreciation charge for the year	0.18	0.13	0.05	0.05	-	0.41
Disposals	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>1.01</b>	<b>2.70</b>	<b>1.20</b>	<b>0.32</b>	<b>0.56</b>	<b>5.79</b>
<b>Net block</b>						
At March 31, 2022	1.87	0.13	0.09	0.32	-	2.41
At March 31, 2023	1.69	-	0.05	0.27	-	2.01

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**SpiceJet Merchandise Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022					
<b>4 Income-tax assets (net)</b>							
Advance income- tax	-	0.05					
	<u>-</u>	<u>0.05</u>					
<b>5 Inventories</b> <i>(valued at lower of cost or net realisable value)</i>							
Stock-in-trade	21.92	49.85					
	<u>21.92</u>	<u>49.85</u>					
During the current and previous year, there are no amounts which was recognised as an expense to bring the inventories to record them at net realisable value.							
<b>6 Trade receivables</b>							
Unsecured, considered good	14.14	36.38					
Unsecured, credit impaired	45.21	40.04					
	<u>59.35</u>	<u>76.42</u>					
<b>Impairment allowance</b>							
Less: Impairment of trade receivables	(45.21)	(40.04)					
	<u>14.14</u>	<u>36.38</u>					
Trade receivables are non-interest bearing and generally have a credit period to a maximum of 120 days.							
<b>Ageing schedule of trade receivables</b>							
As at March 31, 2023	Outstanding for following periods from the date of invoice						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	-	0.03	4.36	18.44	36.52	59.35
Undisputed trade receivables – credit impaired	-	-	-	-	13.60	31.62	45.21
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>4.36</b>	<b>32.04</b>	<b>68.14</b>	<b>104.56</b>
As at March 31, 2022	Outstanding for following periods from the date of invoice						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	7.75	11.15	6.32	30.78	20.42	76.42
Undisputed trade receivables – credit impaired	-	-	-	-	21.72	18.32	40.04
<b>Total</b>	<b>-</b>	<b>7.75</b>	<b>11.15</b>	<b>6.32</b>	<b>52.50</b>	<b>38.74</b>	<b>116.46</b>
<b>7 Cash and cash equivalents</b>							
Balances with banks in current accounts	1.67	4.30					
	<u>1.67</u>	<u>4.30</u>					
<b>8 Bank balances other than cash and cash equivalents</b>							
Bank deposits with maturities of more than 3 months and upto 12 months	5.40	5.40					
	<u>5.40</u>	<u>5.40</u>					
<b>9 Other current financial assets</b> <i>(Unsecured, considered good )</i>							
Security deposits	0.01	5.96					
Interest accrued	0.40	0.27					
Employee advances	0.03	0.03					
	<u>0.44</u>	<u>6.26</u>					
<b>10 Other current assets</b>							
Prepaid expenses	-	0.04					
Balance with government authorities	8.62	14.49					
Advance to vendors/suppliers							
Unsecured, considered good	37.83	41.55					
Unsecured, considered doubtful	39.41	-					
Other advances							
Unsecured, considered good	-	20.40					
Unsecured, considered doubtful	20.43	-					
	<u>106.29</u>	<u>76.48</u>					
<b>Impairment allowance</b>							
Less: Impairment of advance to vendors/suppliers	(39.41)	-					
Less: Impairment of other advances	(20.43)	-					
	<u>(59.85)</u>	<u>-</u>					
	<u>46.44</u>	<u>76.48</u>					

SpiceJet Merchandise Private Limited  
**Notes to the financial statements for the year ended March 31, 2023**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>11 Equity share capital</b>		
<b>Authorised share capital</b> (10,000 equity shares of Rs. 10 each)		
<b>As at beginning of the year</b>	0.10	0.10
Issued during the year	-	-
<b>As at the end of the year</b>	<u>0.10</u>	<u>0.10</u>
<b>Issued, subscribed and paid-up capital</b> (10,000 equity shares of Rs. 10 each)		
<b>As at beginning of the year</b>	0.10	0.10
Issued during the year	-	-
<b>As at the end of the year</b>	<u>0.10</u>	<u>0.10</u>

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Value (Rs.)	Number	Value (Rs.)
Shares outstanding at the beginning of the year	10,000	0.10	10,000	0.10
Issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<u>10,000</u>	<u>0.10</u>	<u>10,000.00</u>	<u>0.10</u>

b) Terms/rights attached to class of shares

The Company has only one class of equity shares having a face 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 Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Value (Rs.)	Number	Value (Rs.)
SpiceJet Limited	10,000	100,000.00	10,000	100,000.00

d) Details of shareholders holding more than 5 percent of equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	% against total number of shares	Number	% against total number of shares
SpiceJet Limited	10,000	100.00%	10,000	100%

e) Details of promoter shareholding

Name of promoter	As at March 31, 2023			As at March 31, 2022		
	Number	% of total shares	% change during the year	Number	% of total shares	% change during the year
SpiceJet Limited	10,000	100.00%	0%	10,000	100%	0.00%

f) Buy back of shares, issue of bonus shares or shares issued without payment received in cash:

The Company did not buy-back any shares, nor there has been an issue of shares by way of bonus or issue of share pursuant to contract without payment being received in cash since the date incorporation.

12 Other equity

<b>Retained earnings</b>		
Balance at the beginning of the year	16.84	48.83
Loss for the year	67.73	(31.99)
<b>Balance at the end of the year</b>	<u>84.57</u>	<u>16.84</u>
<b>Retained earnings</b>		
Retained earnings is used to record balance of statement of profit and loss.		

13 Long-term borrowings

*(Unsecured - at amortised cost)*

Unsecured loan from Holding Company*	106.78	103.28
	<u>106.78</u>	<u>103.28</u>



**SpiceJet Merchandise Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
-------------	-------------------------	-------------------------

**Notes:**

- (i) The Company entered into an agreement with SpiceJet Limited (Holding Company) on August 1, 2016 to obtain loan for Rs 150 million, repayable after 3 years from date of disbursement. This agreement has been extended on August 9, 2019 for a further period of 2 years and limit has been revised to Rs. 300 million. Further on July 1, 2021 the term of the loan agreement was further extended for another period of three years from August 1, 2021 and shall now be valid until July 31, 2024. The loan carries an interest rate of 12.75% per annum.
- (ii) The balance of Rs. 106.78 (31 March 2022: 103.28) millions is payable to Companies which have director in common with the Company.

**Reconciliation of movements of liabilities to cash flows arising from financing activities**

Particulars	Non-current and current borrowings	Other financial liabilities: Interest accrued	Total
<b>Balance as at April 1, 2021</b>	257.28	134.38	391.66
Repayments of borrowings	(154.00)	-	(154.00)
Finance costs	-	18.27	18.27
<b>Balance as at March 31, 2022</b>	<b>103.28</b>	<b>152.65</b>	<b>255.93</b>
Proceeds from borrowings	53.50	-	53.50
Repayments of borrowings	(45.00)	-	(45.00)
Finance costs	-	0.12	0.12
Non-cash adjustments*	-	(152.65)	(152.65)
<b>Balance as at March 31, 2023</b>	<b>111.78</b>	<b>0.12</b>	<b>111.90</b>

\*During the year, the Company has received waiver of interest payable on the borrowings taken from Holding Company, approved by the Board of Directors. The amount waived is gross of income-tax.

**14 Other non-current financial liabilities**

Interest accrued on borrowings	-	152.65
	-	<b>152.65</b>

**15 Long-term provisions**

Provision for gratuity (also refer note 32)	0.10	0.09
	<b>0.10</b>	<b>0.09</b>

**16 Short-term borrowings**

*(Unsecured - at amortised cost)*

Unsecured loan from director*	5.00	-
	<b>5.00</b>	<b>-</b>

\*The Company entered into an agreement with the director on December 1, 2022 to obtain loan for Rs. 5 million, repayable after 6 months from date of disbursement.

**17 Trade payables**

Total outstanding dues of micro enterprises and small enterprises*	0.35	0.33
Total outstanding dues of creditors other than micro enterprises and small enterprises	116.39	124.60
	<b>116.74</b>	<b>124.93</b>

\*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 credit period is generally between 30 and 90 days.

**Ageing schedule of trade payables**

As at March 31, 2023	Outstanding for following periods from the date of invoice					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises - undisputed	0.08	0.13	0.13	-	0.02	0.35
Total outstanding dues of creditors other than micro enterprises and small enterprises - undisputed	50.47	0.70	26.93	31.66	6.65	116.40
<b>Total</b>	<b>50.55</b>	<b>0.82</b>	<b>27.06</b>	<b>31.66</b>	<b>6.67</b>	<b>116.75</b>

As at March 31, 2022	Outstanding for following periods from the date of invoice					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises - undisputed	-	0.32	-	-	0.02	0.33
Total outstanding dues of creditors other than micro enterprises and small enterprises - undisputed	42.97	51.44	6.97	17.53	5.69	124.60
<b>Total</b>	<b>42.97</b>	<b>51.75</b>	<b>6.97</b>	<b>17.53</b>	<b>5.71</b>	<b>124.93</b>

SpiceJet Merchandise Private Limited  
Notes to the financial statements for the year ended March 31, 2023  
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>18 Other current financial liabilities</b> (At amortised cost)		
Employee payables	0.41	0.80
Interest accrued but not Due	0.11	-
	<b>0.52</b>	<b>0.80</b>
<b>19 Other current liabilities</b>		
Statutory dues	3.13	3.30
Advance from customers	64.27	68.27
	<b>67.40</b>	<b>71.57</b>
<b>20 Short-term provisions</b>		
Provision for gratuity (also refer note 32)	0.03	0.08
Provision for compensated absences (also refer note 32)	0.04	0.07
	<b>0.07</b>	<b>0.15</b>

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**SpiceJet Merchandise Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

Particulars	Year ended 31-March 2023	Year ended March 31, 2022
<b>21 Revenue from operations</b>		
Sale of goods	29.05	454.49
<b>Other operating revenue</b>		
Commission income	-	0.15
	<b>29.05</b>	<b>455</b>
<b>22 Other income</b>		
Liabilities no longer required written back	152.65	-
Interest income on bank deposits	0.28	0.15
	<b>152.93</b>	<b>0.15</b>
<b>23(a) Purchases of stock-in-trade</b>		
Purchase of traded goods	-	350.42
	<b>-</b>	<b>350.42</b>
<b>23(b) Changes in inventories of stock-in-trade</b>		
Opening stock	49.85	97.72
Closing stock	21.92	49.85
	<b>27.93</b>	<b>47.87</b>
<p>During the current and previous year, there are no amounts which was recognised as an expense to bring the inventories to record them at net realisable value.</p>		
<b>24 Employee benefits expenses</b>		
Salaries, wages and bonus	1.66	3.79
Contribution to provident and other funds	0.13	0.24
Gratuity expense (also refer note 32)	0.03	0.05
Staff welfare	2.34	0.01
	<b>4.15</b>	<b>4.09</b>
<b>25 Finance costs</b>		
Interest on loan from director	0.12	-
Interest on statutory dues	0.01	-
Other borrowing costs	0.07	18.27
	<b>0.21</b>	<b>18.27</b>
<b>26 Depreciation expense</b>		
Depreciation on property, plant and equipment	0.41	0.79
	<b>0.41</b>	<b>0.79</b>
<b>27 Impairment losses on financial assets</b>		
Impairment of trade receivables	5.17	21.72
	<b>5.17</b>	<b>21.72</b>
<b>28 Other expenses</b>		
Rent	9.74	11.72
Impairment of advance to vendors/suppliers	39.41	-
Impairment of other advances	20.43	-
Repairs and maintenance		
- Buildings	0.63	1.20
- Others	0.01	0.19
Communication expenses	0.04	0.02
Advertisement and business promotion	1.73	0.84
Legal and professional fees*	1.26	4.32
Insurance	0.01	0.43
Power and fuel	-	0.32
Bank charges	0.22	0.28
Transportation and forwarding charges	-	24.39
Miscellaneous expenses	2.90	0.01
	<b>76.38</b>	<b>43.72</b>

**SpiceJet Merchandise Private Limited**

**Notes to the financial statements for the year ended March 31, 2023**

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

**\*Payments to statutory auditors#**

Statutory audit fees

0.08

0.35

Tax Audit Fees

0.05

0.10

#exclusive of goods and services tax

**SpiceJet Merchandise Private Limited**

**Notes to the financial statements for the year ended March 31, 2023**

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

**29 Income tax expense**

The major components of income tax expense for the year ended March 31, 2023 and year ended March 31, 2022 are:

**Profit or loss section**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax	-	-
Deferred tax	-	-
<b>Income tax expense reported in the statement of profit and loss</b>	<b>-</b>	<b>-</b>

The Company does not have taxable profits per the provisions of the Income-tax Act 1961, accordingly there is no income tax expense recognised in the current

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting loss before Income tax	67.72	(32.09)
At India's statutory income tax rate of 25.168% (31 March 2021: 25.168%)	17.04	(8.08)
<b>Effects from:</b>		
Tax impact of expenses earlier disallowed	13.36	-
Brought forward business losses adjusted with taxable profit of current financial year	3.68	-
Tax impact of deferred tax not created on business losses	-	8.08
<b>Net effective income tax</b>	<b>-</b>	<b>-</b>

\*The Company has not recognised deferred tax assets on unused business losses in absence of probability and availability of sufficient future taxable income against which such losses shall be utilised.

Brought forward losses and unabsorbed depreciation for which no deferred tax assets have been recognised are attributable to the following:

Particulars	As at March 31,2023	As at March 31,2022
Brought forward losses*	161.17	152.31
Unabsorbed depreciation#	2.93	2.36
<b>Net deferred tax asset</b>	<b>164.10</b>	<b>154.67</b>

# Unabsorbed depreciation does not have any expiry period under the Income-tax Act, 1961

\*The following table details the expiry of the brought forward tax losses

Particulars	As at March 31,2023	As at March 31,2022
0-4 years	121.38	121.38
4-8 years	39.79	30.93
<b>Total</b>	<b>161.17</b>	<b>152.31</b>

**SpiceJet Merchandise Private Limited****Notes to the financial statements for the year ended March 31, 2023***(All amounts are in millions of Indian Rupees, unless otherwise stated)***30 Earnings per share ('EPS')**

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

<b>Particulars</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Profit/(loss) after tax	67.72	(32.09)
Weighted average number of shares		
- Basic	10,000	10,000
- Diluted	10,000	10,000
Earnings per share :		
- Basic	6,772.31	(3,209.00)
- Diluted	6,772.31	(3,209.00)

**31 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.

**a) Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

**b) Defined benefit plans (gratuity benefits)**

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**c) 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.

**d) Useful life, residual value of property, plant and equipment**

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

**e) Impairment of financial assets**

The Company estimates the recoverable amount of trade receivables and other financial assets, where collection of the full amount is expected to be no longer probable. For individually significant amounts, this estimation is performed on an individual basis considering the length of time past due, financial condition of the counter- party, impending legal disputes, if any and other relevant

**f) Going concern assumption**

The Company's current liabilities have exceeded current assets by Rs. 94.73 million. During the previous year, the Company started trading in Covid related products which has higher margins and eventually led to reduction in losses. The Company's cash flows from operating activities are near positive. The outstanding inventory of the Company will also be monetised in current year at reasonable margin and the management of the Company is actively looking to increase its portfolio of traded goods to fuel the growth. Hence, Based on the factors mentioned in this note and expected cash flows of next year, the management is of the view that the going concern basis of accounting is appropriate.

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**32 Employee benefits obligation**

**A. Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded and accordingly the disclosures relating to plan assets are not provided.

The following tables summarise the components of net expense recognised in the statement of profit and loss and balances recognised in the balance sheet.

**(i) Amount recognised in balance sheet**

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation ('DBO')	0.13	0.17
<b>Defined benefit obligation ('DBO')</b>	<b>0.13</b>	<b>0.17</b>

**Bifurcation of DBO at the end of the year in current and non-current**

Particulars	As at March 31, 2023	As at March 31, 2022
Current	0.03	0.08
Non-current	0.10	0.09

**(ii) Expense recognised in the statement of profit and loss**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	0.02	0.03
Interest expense	0.01	0.02
<b>Expense recognised during the year</b>	<b>0.03</b>	<b>0.05</b>

**(iii) Actuarial gain recognised in other comprehensive income**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Actuarial gain		
a. Effect of changes in financial assumption	-	0.01
b. Effect of demographic assumption	-	(0.01)
c. Effect of experience adjustments on DBO	(0.01)	(0.10)
<b>Actuarial gain recognised in other comprehensive income</b>	<b>(0.01)</b>	<b>(0.10)</b>

**(iv) Movement in the liability recognised in the balance sheet is as under:**

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation at the beginning of the year	0.17	0.22
Current service cost	0.02	0.03
Interest expense	0.01	0.02
Benefits paid	(0.06)	-
Actuarial gain	(0.01)	(0.10)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>0.13</b>	<b>0.17</b>

**(v) For determining the DBO liability, the following actuarial assumptions were used:**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>I. Significant actuarial assumption</b>		
Discount rate	7.17%	7.17%
Future salary increase	5.00%	5.00%
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Attrition rate	35.30%	35.30%
	Graded rates from Age 40 - 27.87%, From Age 45 - 18.58%, From Age 50 - 9.29%, From Age 55 - 2%.	Graded rates Age 40 - 43.93%, Age 45 - 29.29%, Age 50 - 14.64%, Age 55 - 2%.
Average age (years)	36.92	34.55
Retirement age (years)	60.00	58.00
Average past service (years)	5.43	4.40
Average monthly salary	0.01	0.01
Future service (years)	23.08	23.45
Weighted average duration of DBO	2.45	1.41

**(vi) Maturity plan of defined benefit obligation:**

Particulars	As at March 31, 2023	As at March 31, 2022
Within the next 1 year	0.03	0.08
Between 1 and 5 years	0.06	0.06
Beyond 5 years	0.04	0.03

**(vii) Sensitivity analysis for gratuity**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Impact of the change in discount rate on present value of DBO at the end of the period</b>		
Discount rate + 100 basis points	(0.01)	(0.00)
Discount rate - 100 basis points	0.01	0.00

SpiceJet Merchandise Private Limited

Notes to the financial statements for the year ended March 31, 2023

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

<b>Impact of the change in salary increases on present value of DBO at the end of the period</b>		
Salary increase rate + 100 basis points	0.01	0.00
Salary increase rate - 100 basis points	(0.00)	(0.00)

Sensitivities due to mortality and withdrawal are not material and hence impact of change not calculated.



**SpiceJet Merchandise Private Limited****Notes to the financial statements for the year ended March 31, 2023**

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

**(viii) Risk**

- a) Salary Increases – Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- b) Investment Risk – If Plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- c) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- d) Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- e) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**B. Short term compensated absences**

The assumptions used for computing the short term accumulated compensated absences on actuarial basis are as follows:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Discount rate	7.17%	7.17%
Future salary increase	5.00%	5.00%

**C. Contributions to defined contribution plan**

During the year, the Company recognised Rs. 0.09 million (March 31, 2022: Rs. 0.20 million) to provident fund and Rs. 0.03 million (March 31, 2022: Rs. 0.04 million) for contributions to employee state insurance scheme in the statement of profit and loss.

**33 Segment information**

The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e., trading of goods, which is as per Ind AS 108 on 'Operating Segments' is considered to be the only reportable business segment. The Company derives its major revenues from said services and the Company is operating in India which is considered as a single geographical segment.

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SpiceJet Merchandise Private Limited

Notes to the financial statements for the year ended March 31, 2023

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

**SpiceJet Merchandise Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

**34 Related party transactions**

Relationship	Name of the related party
Holding Company	SpiceJet Limited
Fellow subsidiary*	SpiceJet Technic Private Limited
Key managerial personnel	Ajay Singh, Director Shiwani Singh, Director
Entities where key managerial personnel are common*	Spice Healthcare Private Limited

\* With whom there are transactions during the year

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, 2023	Year ended March 31, 2022
<b>Transactions during the year:</b>		
<b>SpiceJet Limited</b>		
Borrowings taken	48.50	86.50
Borrowings repaid	(45.00)	(240.50)
Interest expense	-	18.26
Liabilities no longer required written back	(152.65)	-
Sale of goods	4.57	5.71
Services received	9.68	26.48
<b>Spice Healthcare Private Limited</b>		
Sale of goods	0.01	258.57
<b>Spicejet Technic Private Limited</b>		
Purchase of goods	-	16.07
Sale of goods	-	0.09
<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Balances outstanding as at the year end:</b>		
<b>SpiceJet Limited</b>		
Long-term borrowings	106.78	103.28
Interest accrued on borrowings	-	152.65
Trade payables	15.09	16.52
Trade receivables	17.14	-
<b>Spice Healthcare Private Limited</b>		
Trade receivables	-	-
Advance from customer	45.96	42.52
<b>Spicejet Technic Private Limited</b>		
Trade payables	23.13	23.13

*(This space has been intentionally left blank)*

### 35 Fair value disclosures

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, trade receivables, trade payables, and other current and non-current financial liabilities and financial assets approximate their carrying amounts largely due to the short-term maturities of these financial instruments.

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets, at amortised cost</b>				
Trade receivables	14.14	14.14	36.38	36.38
Cash and cash equivalents	1.67	1.67	4.30	4.30
Bank balances other than cash and cash equivalents	5.40	5.40	5.40	5.40
Other financial assets	0.44	0.44	6.26	6.26
<b>Total</b>	<b>21.65</b>	<b>21.65</b>	<b>52.34</b>	<b>52.34</b>
<b>Financial liabilities, at amortised cost</b>				
Borrowings	106.78	106.78	103.28	103.28
Trade payables	116.74	116.74	124.93	124.93
Other financial liabilities	0.52	0.52	153.45	153.45
<b>Total</b>	<b>224.04</b>	<b>224.04</b>	<b>381.66</b>	<b>381.66</b>

#### Notes:

- The management assessed that cash and cash equivalents, trade receivables, other financial assets, bank balances other than cash and cash equivalents, borrowings, trade payables and other 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.
- The borrowings of the Company do not have any comparable instrument having the similar terms and conditions and hence the carrying value of the borrowings represents the best estimate of fair value.

### 36 Financial risk management objectives and policies

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

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. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and contract assets).

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical information and other market related factors. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its major customers are related parties. The average credit period ranges between 30 and 90 days.

Credit risk related to cash and cash equivalents and bank balances other than cash and cash equivalents is managed by only investing in deposits with highly rated banks and financial institutions and diversifying bank balances other than cash and cash equivalents and accounts in different banks. Credit risk related to loans and other financial assets is managed by monitoring the recoverability of such amounts continuously. Credit risk is considered low because the Company is in possession of the underlying asset (in case of security deposit) or as per trade experience (in case of unbilled revenue). Further, the Company creates provision by assessing individual financial asset for expectation of any credit loss.

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	59.35	45.21	14.14
Cash and cash equivalents	1.67	-	1.67
Bank balances other than cash and cash equivalents	5.40	-	5.40
Other financial assets	0.44	-	0.44

#### Reconciliation of expected credit loss for trade receivables is as follows:

Particulars	Trade receivables
<b>As at April 1, 2021</b>	<b>18.32</b>
Impairment loss recognised during the year	21.72
<b>As at March 31, 2022</b>	<b>40.04</b>
Impairment loss recognised during the year	5.17
<b>As at March 31, 2023</b>	<b>45.21</b>

#### Liquidity risk

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.

As at March 31, 2023	Upto 1 year	1 to 5 years	Total
<b>Financial liabilities (non-current and current)</b>			
Borrowings	5.00	106.78	111.78
Other financial liabilities	0.52	-	0.52
Trade payables	116.74	-	116.74
<b>Total</b>	<b>122.26</b>	<b>106.78</b>	<b>229.04</b>

As at March 31, 2023	Upto 1 year	1 to 5 years	Total
<b>Financial liabilities (non-current and current)</b>			
Borrowings	-	103.28	103.28
Other financial liabilities	0.80	152.65	153.45
Trade payables	124.93	-	124.93
<b>Total</b>	<b>125.73</b>	<b>255.93</b>	<b>381.66</b>

SpiceJet Merchandise Private Limited

Notes to the financial statements for the year ended March 31, 2023

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

**Market risk**

The Company does not have any interest rate risk as Company's borrowings are largely at fixed interest rate.

SpiceJet Merchandise Private Limited

Notes to the financial statements for the year ended March 31, 2023

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

**SpiceJet Merchandise Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

**37 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 other strategic investment plans. The funding requirements are met through internal accruals and other long-term/short-term borrowings.

The Company monitors capital employed using a debt equity ratio, which is total debt divided by total equity.

Particulars	As at March 31, 2023	As at March 31, 2022
Long-term borrowings	111.78	103.28
<b>Debt</b>	<b>111.78</b>	<b>103.28</b>
Equity share capital	0.10	0.10
Other equity	(204.71)	(272.44)
<b>Equity</b>	<b>(204.61)</b>	<b>(272.34)</b>
<b>Debt to equity ratio</b>	<b>(0.55)</b>	<b>(0.38)</b>

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and year ended March 31, 2022.

**38 Financial ratios**

Ratio	Measurement unit	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Change	Reason for variance
Current ratio	Times	Current assets	Current liabilities	0.47	0.90	-47.58%	Note 1 below
Debt-equity ratio	Times	Total Debt	Total equity	(0.52)	(0.38)	37.62%	Note 2 below
Debt service coverage ratio	Times	Earnings before depreciation and amortisation and interest [Profit/loss after tax + Depreciation and amortisation expense + Finance costs]	Interest expense + Principal repayment	328.04	(0.08)	-428864.06%	Note 3 below
Return on equity ratio	Percentage	Profit/(loss) after tax	Average of total equity	(28.40%)	(12.52%)	126.86%	Note 7 below
Inventory turnover ratio	Times	Costs of goods sold	Average inventories	0.78	5.40	-85.58%	Note 4 below
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables	1.15	9.03	-87.26%	Note 5 below
Trade payables turnover ratio	Times	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	-	3.52	-100.00%	Note 6 below
Net capital turnover ratio	Times	Revenue from operations	Working capital [Current assets - Current liabilities]	(0.29)	(24.21)	-98.80%	Note 5 below
Net profit ratio	Percentage	Profit/(loss) after tax	Revenue from operations	233.15%	-7.06%	-3403.18%	Note 5 below
Return on capital employed	Percentage	Earnings before interest and taxes	Capital employed [Total assets - Current liabilities + Current borrowings]	-69.23%	85.60%	-180.87%	Note 8 below
Return on investment	Percentage	Income from interest on bank deposits	Balance in current and non current bank deposits	5.21%	2.78%	87.57%	Note 6 below

**Notes:**

- The variance in ratio of is attributable to decrease in current assets largely due to impairment provisions made against trade receivables, advances to suppliers and others.
- The variance in ratio is primarily due to increase in borrowings taken by the Company during the year.
- The variance in ratio is due to the fact that there are no principal repayments made in the current year as compared to previous year.
- The variance in ratio is attributable to the decrease in cost of goods sold as in the previous year there were significant purchases made by the Company as compared to the current year.
- The variance in ratio is attributable to the impairment recognised by the Company on trade receivables. Further there is decrease in revenue as compared to the previous year which has resulted into decrease in average receivables.
- The variance in ratio is attributable to the difference in interest rates offered by bank on current and non-current deposits in the comparative years.
- The variance in ratio is due to decrease in the average total equity due to profits in the current year.
- The variance in ratio is due positive earnings before taxes as compared to the previous year.

**SpiceJet Merchandise Private Limited**

**Notes to the financial statements for the year ended March 31, 2023**

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

**39 Previous year numbers have been regrouped/reclassified wherever considered necessary.**

Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/ disclosure. Such re-groupings/reclassifications are not material to the financial statements.

**40 Additional disclosures**

- A** The Company has not advanced or loaned or invested funds to any person or any entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Company (Ultimate Beneficiaries); or
  - (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- B** The Company has not received any fund from any person or any entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- C** The Company does not have any transactions and outstanding balances during the current as well previous year with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- D** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- E** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- F** The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- G** The Company has not been declared as willful defaulter by the bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in accordance with the guideline on willful defaulter issued by the Reserve Bank of India.
- H** The Company has not revalued its investment property during the year.

**41 Adoption of financial statements**

The financials have been approved by the Board of Directors on August 10, 2023 and there have been no significant events after the reporting period till such date.

The accompanying notes, including summary of significant accounting policies and other explanatory information form an integral part of the financial statements

**For Walker Chandik & Co LLP**

Chartered Accountants

ICAI Firm Registration No.: 001076N/N500013

Sd/-  
**Madhu Sudan Malpani**  
Partner  
Membership No: 517440

**Place:** Gurugram  
**Date:** August 10, 2023

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

SpiceJet Merchandise Private Limited

Sd/-  
**Ajay Singh**  
Director  
DIN No: 01360684

**Place:** Gurugram  
**Date:** August 10, 2023

Sd/-  
**Shiwani Singh**  
Director  
DIN No: 05229788

**Place:** Gurugram  
**Date:** August 10, 2023