

SpiceJet Technic Private Limited
Balance Sheet as at March 31, 2019

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

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment ('PPE')	3	28,012	-
Non-current assets	4	6,348,243	-
Total non-current assets		6,376,255	-
Current assets			
Financial assets			
(i) Trade receivables	5	11,400,072	-
(ii) Cash and cash equivalents	6	1,900,287	2,819,431
(iii) Other current financial assets	7	37,352,502	-
Other current assets	8	7,383,957	736,536
Total current assets		58,036,818	3,555,967
Total assets		64,413,073	3,555,967
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	100,000	100,000
Other Equity			
(i) Retained earnings	10	750,810	(9,769,670)
Total equity		850,810	(9,669,670)
Non-Current Liabilities			
Financial Liabilities			
(i) Long term borrowings	11	54,322,659	12,200,000
(ii) Other non-current financial liabilities	12	3,804,714	391,722
Long-term provisions	13	282,566	-
Total non-current liabilities		58,409,939	12,591,722
Current liabilities			
Financial liabilities			
(i) Trade payables	14		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		4,235,851	50,920
(ii) Other current financial liabilities	15	-	15,664
Short-term provisions	16	216,920	-
Other current liabilities	17	699,553	567,331
Total current liabilities		5,152,324	633,915
Total liabilities		63,562,263	13,225,637
TOTAL EQUITY AND LIABILITIES		64,413,073	3,555,967
Summary of significant accounting policies	2		

The accounting notes are an integral part of the financial statements

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

For and on behalf of the Board of Directors

Sd/-
per Aniruddh Sankaran
 Partner
 Membership No: 211107

Sd/-
Ajay Singh
 Director

Sd/-
Shiwani Singh
 Director

Place: Gurugram
 Date: June 30, 2019

Place: Gurugram
 Date: June 30, 2019

Place: Gurugram
 Date: June 30, 2019

SpiceJet Technic Private Limited
Statement of Profit and Loss for the year ended March 31, 2019
(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	Year ended 31-Mar-2019	Year ended March 31, 2018
Revenue from operations			
Revenue from contracts with customers	18	52,058,402	-
Total Revenue		52,058,402	-
Expenses			
Employee benefit expenses	19	19,052,108	5,140,331
Sales and marketing expenses	20	478,730	304,200
Other expenses	21	18,158,001	3,905,763
Total Expenses		37,688,839	9,350,294
Earnings before interest, tax, depreciation and amortization (EBITDA)		14,369,563	(9,350,294)
Depreciation and amortization expense	3	(1,946)	-
Finance costs	22	(3,583,404)	(393,316)
Profit / (Loss) Before Tax		10,784,213	(9,743,610)
Income Tax Expense	27		
- Current Tax		263,733	-
- Deferred Tax		-	-
Total tax expense		263,733	-
Profit / (Loss) after tax for the year (A)		10,520,480	(9,743,610)
Other Comprehensive Income / (Loss) for the period, Net of Tax (B)		-	-
Total Comprehensive Income / (Loss) for the period, Net of Tax (A) + (B)		10,520,480	(9,743,610)
Earnings per equity share of INR 10 each	23		
- Basic earnings per share		1,078.42	(974.36)
- Diluted earnings per share		1,078.42	(974.36)

The accounting notes are an integral part of the financial statements

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

For and on behalf of the Board of Directors

Sd/-
per Aniruddh Sankaran
Partner
Membership No: 211107

Sd/-
Ajay Singh
Director

Sd/-
Shiwani Singh
Director

Place: Gurugram
Date: June 30, 2019

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Date: June 30, 2019

Place: Gurugram
Date: June 30, 2019

SpiceJet Technic Private Limited**Cash flow statement for the year ended March 31, 2019***(All amounts are in Indian Rupees, unless otherwise stated)*

	March 31, 2019	March 31, 2018
A. Cash flow from operating activities		
Profit / (Loss) before tax and exceptional items	10,784,213	(9,743,610)
Depreciation and amortization expense	1,946	-
Finance costs	3,583,404	-
Operating loss before working capital changes	14,369,563	(9,743,610)
Movements in working capital:		
(Increase) / Decrease in trade receivables	(11,400,072)	-
(Increase) / Decrease in other current assets	(45,406,059)	(736,536)
Increase / (Decrease) in trade payables	4,184,931	50,920
Increase / (Decrease) in other financial liabilities	3,412,992	407,386
Increase / (Decrease) in other liabilities	116,558	565,081
Increase / (Decrease) in provisions	499,486	-
Cash generated from operations	(34,222,601)	(9,456,759)
Income taxes received / (paid) (net of refunds)	(5,205,840)	-
Net Cash Flow from Operating Activity	(39,428,441)	(9,456,759)
B. Net Cash used in Investing Activity		
Purchase of Property, Plant and Equipment, capital work in progress	(29,958)	-
Net Cash Flow from Investing Activity	(29,958)	-
C. Cash flow from financing activities		
Term loan from related parties	42,122,659	12,200,000
Finance costs	(3,583,404)	-
Net Cash from Financing Activity	38,539,255	12,200,000
Net increase / (decrease) in cash and cash equivalents	(919,144)	2,743,241
Cash and cash equivalents at the beginning of the year	2,819,431	76,190
Cash and cash equivalents at the end of the year	1,900,287	2,819,431
Notes :		
Components of cash and cash equivalents		
On current accounts	1,900,287	2,819,431
Total cash and cash equivalents (Note 6)	1,900,287	2,819,431

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

For and on behalf of the Board of DirectorsSd/-
per Aniruddh Sankaran
Partner
Membership No: 211107Sd/-
Ajay Singh
DirectorSd/-
Shiwani Singh
DirectorPlace: Gurugram
Date: June 30, 2019Place: Gurugram
Date: June 30, 2019Place: Gurugram
Date: June 30, 2019

SpiceJet Technic Private Limited
Statement of Changes in Equity for the year ended March 31, 2019
(All amounts are in Indian Rupees, unless otherwise stated)

a. Equity Share Capital

Particulars	No of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
As at March 31, 2018	10,000	100,000
As at March 31, 2019	10,000	100,000

b. Other Equity

For the year ended March 31, 2019

Particulars	Retained Earnings	Other Comprehensive Income	Total Equity
As at April 01, 2018	(9,769,670)	-	(9,769,670)
Profit / (Loss) for the year	10,520,480	-	10,520,480
Other Comprehensive Income for the year	-		-
As at March 31, 2019	750,810	-	750,810

For the year ended March 31, 2018

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

The accounting notes are an integral part of the financial statements

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

For and on behalf of the Board of Directors

Sd/-
per Aniruddh Sankaran
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Place: Gurugram
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SpiceJet Technic Private Limited

Notes to the financial statements for the year ended March 31, 2019

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

1. Corporate Information

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

2. A. Summary of significant accounting policies

a) Basis of preparation of financial statements

i. Compliance with Ind-AS

The financial statements of the Company for the year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, read with Companies (Indian Accounting Standards) as amended.

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

ii. Historical Cost convention

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments)

iii. Going concern assumption

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

b) Current vs Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

SpiceJet Technic Private Limited

Notes to the financial statements for the year ended March 31, 2019

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

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

c) Borrowing Costs

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

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

d) Property, Plant and Equipment

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.

The cost of property, plant and equipment not ready for intended use before such date is disclosed under capital work-in-progress.

For depreciation purposes, the Company identifies and determines 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.

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.

Depreciation

SpiceJet Technic Private Limited

Notes to the financial statements for the year ended March 31, 2019

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

The Company depreciates Property, Plant and Equipment over their estimated useful lives using the Straight-line method, as per Schedule II of Companies Act, 2013. The estimated useful lives are as follows

Asset Description	Useful life estimated by the management (years)
Office Equipment	5
Computers	3 – 6

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. Depreciation is provided pro-rata from the month of Capitalisation.

e) Revenue Recognition

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

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

Interest

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

f) Employee Benefits

i. Short-term benefits

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

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

ii. Other long-term employee benefit

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

SpiceJet Technic Private Limited

Notes to the financial statements for the year ended March 31, 2019

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

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

g) Earnings Per Share (“EPS”)

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

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

h) Provisions

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

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

i) Contingent Liability

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

j) Cash and Cash Equivalents

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

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

k) Current Income Tax

SpiceJet Technic Private Limited

Notes to the financial statements for the year ended March 31, 2019

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

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.

l) Deferred Tax

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

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

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

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

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

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

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

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

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

m) Fair Value Measurement

SpiceJet Technic Private Limited

Notes to the financial statements for the year ended March 31, 2019

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

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

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

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

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

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

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

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

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

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

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

n) Financial Instruments

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

Financial Assets

Initial recognition and measurement

SpiceJet Technic Private Limited

Notes to the financial statements for the year ended March 31, 2019

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

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

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

SpiceJet Technic Private Limited

Notes to the financial statements for the year ended March 31, 2019

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

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

Equity investments

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

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

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

Derecognition

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

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

Financial Liability

Initial recognition and measurement

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

Subsequent measurement

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

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

SpiceJet Technic Private Limited

Notes to the financial statements for the year ended March 31, 2019

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

Derecognition

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

o) Segment Reporting

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

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

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

B. Changes in accounting policies and disclosures

New and amended standards

The Company has applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 01, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at April 01, 2018.

The application of the standard did not have any impact on the retained earnings as at April 1, 2018.

Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the standalone financial statements as the Company continues to present grant relating to asset by setting up the grant as deferred income.

Amendment to Ind AS 38 Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Company's standalone financial statements.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's standalone financial statements.

Amendments to Ind AS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's standalone financial statements.

Amendments to Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, then it may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Company's standalone financial statements.

SpiceJet Technic Private Limited

Notes to the financial statements for the year ended March 31, 2019

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

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

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

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

These amendments do not have any impact on the Company, as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

SpiceJet Technic Private Limited**Notes to the financial statements for the year ended March 31, 2019***(All amounts are in Indian Rupees, unless otherwise stated)***3. Property, Plant and Equipment ('PPE')**

Particulars	Office Equipment	Computers	Total
Gross Block			
At March 31, 2017	-	-	-
Additions	-	-	-
Disposals	-	-	-
At March 31, 2018	-	-	-
Additions	22,359	7,599	29,958
Disposals	-	-	-
At March 31, 2019	22,359	7,599	29,958
Accumulated Depreciation			
At March 31, 2017	-	-	-
Charge for the year	-	-	-
Disposals	-	-	-
At March 31, 2018	-	-	-
Charge for the year	808	1,138	1,946
Disposals	-	-	-
At March 31, 2019	808	1,138	1,946
Net Block			
At March 31, 2018	-	-	-
At March 31, 2019	21,551	6,461	28,012

SpiceJet Technic Private Limited
Notes to the financial statements for the year ended March 31, 2019
(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
4 Non-current assets		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Capital advances	6,348,243	-
	6,348,243	-
5 Trade receivables		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Trade receivables	11,400,072	-
	11,400,072	-
Trade receivables are non-interest bearing and are generally have credit period to a maximum of 120 days.		
6 Cash and cash equivalents		
Balances with banks:		
- On current accounts	1,900,287	2,819,431
	1,900,287	2,819,431
7 Other current financial assets		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Contract asset	37,352,502	-
	37,352,502	-
8 Other current assets		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Employee advance	26,399	-
Advance to suppliers	446,244	-
Balance with Government authorities	1,969,206	736,536
Advance income-tax and tax deducted at source (net of provision for taxation)	4,942,107	-
	7,383,957	736,536
9 Equity Share Capital		
Authorised Share Capital		
(10,000 equity shares of Rs.10/- each)		
As at October 05, 2016	-	-
Increase during the year	100,000	100,000
As at March 31, 2017	100,000	100,000
Increase during the year	-	-
As at March 31, 2018	100,000	100,000
Increase during the year	-	-
As at March 31, 2019	100,000	100,000
Issued, Subscribed and Paid-up Capital		
(10,000 equity shares of Rs.10/- each)		
As at October 05, 2016	-	-
Increase during the year	100,000	100,000
As at March 31, 2017	100,000	100,000
Increase during the year	-	-
As at March 31, 2018	100,000	100,000
Increase during the year	-	-
As at March 31, 2019	100,000	100,000

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	Value (Rs.)	Number	Number
Shares outstanding at the beginning of the year	10,000	100,000	-	-
Issued during the year	-	-	10,000	10,000
Shares outstanding at the end of the year	10,000	100,000	10,000	10,000

SpiceJet Technic Private Limited
Notes to the financial statements for the year ended March 31, 2019
(All amounts are in Indian Rupees, unless otherwise stated)

As at
March 31, 2019 **As at**
March 31, 2018

b) Terms/Rights attached to class of Shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	Value (Rs.)	Number	Number
SpiceJet (Holding Company)	10,000	100,000	10,000	10,000

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of Shares	% against total No of Shares	No of Shares	No of Shares
SpiceJet (Holding Company)	10,000	100%	10,000	10,000

10 Other Equity

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

Balance as per last financial statements	(9,769,670)	(26,060)
Profit / (Loss) for the year	10,520,480	(9,743,610)
Net surplus / (deficit) in the statement of profit and loss	750,810	(9,769,670)

11 Long Term Borrowings

(Unsecured - At Amortised Cost)

Term loan from related parties	54,322,659	12,200,000
	54,322,659	12,200,000

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

12 Other Non-Current Financial Liabilities

(At Amortised Cost)

Interest accrued but not due on borrowings	3,804,714	391,722
	3,804,714	391,722

13 Long-term provisions

Provision for Gratuity

282,566	-
282,566	-

14 Trade Payables

(Unsecured, At Amortised Cost)

Trade Payables

- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	4,235,851	50,920
	4,235,851	50,920

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

Terms and conditions of the above financial liabilities:

Trade payables are non interest bearing and carry a credit period generally between 30 and 90 days

15 Other current financial liabilities

(At Amortised Cost)

Employee compensation payable	-	15,664
	-	15,664

16 Short term provisions

Provision for compensated absences

216,920	-
216,920	-

17 Other current liabilities

Statutory dues (including interest thereon)

699,553	567,331
699,553	567,331

SpiceJet Technic Private Limited**Notes to the financial statements for the year ended March 31, 2019***(All amounts are in Indian Rupees, unless otherwise stated)*

	Year ended 31-Mar-2019	Year ended March 31, 2018
18 Revenue from operations		
Revenue from contracts with customers	52,058,402	-
	52,058,402	-
19 Employee benefit expenses		
Salaries, wages and bonus	17,443,903	4,882,563
Contribution to provident and other funds	1,325,639	257,768
Gratuity expense	282,566	-
	19,052,108	5,140,331
20 Sales and marketing expenses		
Business promotion and advertisement	478,730	304,200
	478,730	304,200
21 Other expenses		
Repairs and maintenance		
- others	368,537	4,512
- Plant and machinery	4,474	-
Communications	-	6,986
Printing and stationery	50,857	16,296
Travelling and conveyance	2,210,415	8,994
Legal, and professional fees (Refer note below for details of payment to auditor)	15,394,483	3,904,975
Miscellaneous expenses	129,235	-36,000
	18,158,001	3,905,763
Payment to auditor		
<u>As auditor</u>		
Audit fees	50,000	10,000
22 Finance Costs		
Interest on borrowings	3,583,404	393,316
	3,583,404	393,316

(This space has been intentionally left blank)

SpiceJet Technic Private Limited**Notes to the Financial Statements for the year ended March 31, 2019**

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

23. Earnings per share ('EPS')

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

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

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit after Tax	10,784,213	(9,743,610)
Weighted Average Number of Shares		
- Basic	10,000	10,000
- Diluted	10,000	10,000
Earnings per Share of INR 10 each		
- Basic	1,078.42	(974.36)
- Diluted	1,078.42	(974.36)

24. Significant Accounting Judgements, Estimates and Assumptions

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

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

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

Taxation

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

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

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

Fair Value Measurement of Financial Instruments

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

Going concern assumption

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

SpiceJet Technic Private Limited

Notes to the Financial Statements for the year ended March 31, 2019

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

24. Standards issued but not effective

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

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

1. Ind AS 116 : Leases

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

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

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

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

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

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

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

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

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

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

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

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

SpiceJet Technic Private Limited**Notes to the Financial Statements for the year ended March 31, 2019**

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

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

4. Amendments to Ind AS 19: Plan Amendment,

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

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

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

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

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

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

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

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

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

Annual improvement to Ind AS (2018):

These improvements include:

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

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

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

SpiceJet Technic Private Limited

Notes to the Financial Statements for the year ended March 31, 2019

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

2. Amendments to Ind AS 111: Joint Arrangements

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

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

3. Amendments to Ind AS 12: Income Taxes

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

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

4. Amendments to Ind AS 23: Borrowing Costs

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

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

25. Employee benefits obligation

a. Contributions to defined contribution plan

During the year, the company recognized Rs. 841,181 (Previous year- Rs. 230,524) to Provident Fund under defined contribution plan and Rs. 484,441 (Previous year - Rs. 27,244) for contributions to Employee State Insurance scheme in the Statement of profit & loss.

26. Segment Information

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

27. Income Tax Expense

The major components of income tax expense for the year ended March 31, 2019 and period ended March 31, 2018 are:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax	263,733	-
Deferred Tax	-	-
Income Tax expense reported in the statement of profit and loss	263,733	-

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

SpiceJet Technic Private Limited

Notes to the Financial Statements for the year ended March 31, 2019

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

28. Related party transactions

Relationship	Name of the Related Party
Holding Company	SpiceJet Limited
Fellow Subsidiary	SpiceJet Merchandise Private Limited Canvin Real Estate Private Limited
Key Managerial Personnel	Ajay Singh, Director Shiwani Singh, Director
Enterprises over which Key Managerial personnel or their relatives have control / significant influence ('Affiliates')	Intel Contructions Private Ltd.
	Crosslink Finlease Private Ltd.
	One City Promoters Private Ltd.
	Greenline Transit Systems Private Ltd.
	Star Bus Services Private Ltd.
	I2N Technologies Private Ltd.
	Greenline communication Private Ltd.
	Indiverse Broadband Private Ltd.
	Pan India Motors Private Ltd.
	SpiceJet Technic Private Ltd.
	Canvin Real Estate Private Ltd.
	Spice Fresh Private Ltd.
	Spice Wecare Private Ltd.
	SpiceJet Innovate Private Ltd.
Argentum Electric Vehicles Pvt. Ltd.	
Multipurpose Trading and Agencies Ltd.	

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	Year ended
	March 31, 2019	March 31, 2018
SpiceJet Limited		
<i>Transactions during the year:</i>		
Long Term Borrowings	42,122,659	12,200,000
Interest Accrued on Borrowings	3,412,992	391,722
Trade Receivables	11,400,072	-
<i>Balances outstanding as at the period end:</i>		
Borrowings	54,322,659	12,200,000
Interest Accrued	3,804,714	391,722
Trade Receivables	11,400,072	-

29. Fair Values

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

Particulars	Carrying Amount		Fair Value	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Financial Liabilities (Non-current and Current)				
Borrowings	54,322,659	12,200,000	54,322,659	12,200,000
Total	54,322,659	12,200,000	54,322,659	12,200,000

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

SpiceJet Technic Private Limited

Notes to the Financial Statements for the year ended March 31, 2019

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

30. Financial Risk Management Objectives and Policies

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

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

Market risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2019.

Credit risk management

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

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

Liquidity Risks

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

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

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Less than 1 Year	Above 1 Year	Less than 1 Year	Above 1 Year
Financial Liabilities (Non-current and Current)				
Borrowings	-	54,322,659	-	12,200,000
Other financial liabilities	-	3,804,714	15,664	391,722
Trade Payables	4,235,851	-	50,920	-
Total	4,235,851	58,127,373	66,584	12,591,722

31. Capital Management

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

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

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

SpiceJet Technic Private Limited**Notes to the Financial Statements for the year ended March 31, 2019**

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

The following table summarizes the capital of the Company:

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings - Long Term	54,322,659	12,200,000
Total Debt	54,322,659	12,200,000
Equity Share Capital	100,000	100,000
Other Equity	750,810	(9,769,670)
Total Equity	850,810	(9,669,670)
Net debt to total equity ratio	63.85	(1.26)

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and period ended March 31, 2018.

32. Previous year comparatives

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

33. Events after the reporting period

The financials have been approved by the Board of Directors on June 30, 2019 and there have been no significant events after the reporting period till such date.

As per our report of even date.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

For and on behalf of the Board of Directors

Sd/-
per Aniruddh Sankaran
Partner
Membership No: 211107

Sd/-
Ajay Singh
Director

Sd/-
Shiwani Singh
Director

Place: Gurugram
Date: June 30, 2019

Place: Gurugram
Date: June 30, 2019

Place: Gurugram
Date: June 30, 2019