Spice Shuttle Private Limited
Balance sheet as at March 31, 2021
(All amounts are in indian rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Financial assets			
(i) Other financial assets	3	650,000	-
Total non-current assets		**650,000**	**-**
Current assets			
Financial assets			
(i) Trade receivables	4	797,325	-
(ii) Cash and cash equivalents	5	3,036,397	100,000
(iii) Other financial assets	6	345,080	-
Other current assets	7	4,924,384	-
Total current assets		**9,103,186**	**100,000**
Total assets		**9,753,186**	**100,000**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	100,000	100,000
Other equity	9	(87,704,479)	(33,625)
Total equity		**(87,604,479)**	**66,375**
Current liabilities			
Financial liabilities			
(i) Trade payables	10		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		96,997,964	33,625
Other current liabilities	11	359,700	-
Total current liabilities		**97,357,664**	**33,625**
Total equity and liabilities		**9,753,186**	**100,000**
Summary of significant accounting policies	2		

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

This is the balance sheet 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

Sd/-
Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: June 30, 2021

Sd/-
Ajay Singh
Director
DIN No: 01360684

Place: Gurugram
Date: June 30, 2021

Sd/-
Shiwani Singh
Director
DIN No: 05229788

Place: Gurugram
Date: June 30, 2021

Spice Shuttle Private Limited
Statement of profit and loss for the year ended March 31, 2021
(All amounts are in indian rupees, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2021	Period from October 25, 2019 to March 31, 2020
Revenue from operations			
Service income	12	7,536,085	-
Total income		**7,536,085**	**-**
Expenses			
Operating expenses	13	89,316,310	-
Other expenses	14	5,886,126	33,625
Total expenses		**95,202,436**	**33,625**
Earnings before interest, tax, depreciation and amortization (EBITDA)		**(87,666,352)**	**(33,625)**
Finance income	15	2,967	-
Finance costs	16	7,469	-
Loss before tax		**(87,670,854)**	**(33,625)**
Tax expense	17	-	-
Loss after tax		**(87,670,854)**	**(33,625)**
Other comprehensive income		-	-
Other comprehensive income for the year/period		**-**	**-**
Total comprehensive income for the year/period		**(87,670,854)**	**(33,625)**
Earnings per equity share (face value of Rs.10 each)	18		
-Basic		(8,767.09)	(3.36)
-Diluted		(8,767.09)	(3.36)
Summary of significant accounting policies	2		

The accompanying notes are 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 Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

Sd/-
Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: June 30, 2021

For and on behalf of the Board of Directors

Sd/-
Ajay Singh
Director
DIN No: 01360684

Place: Gurugram
Date: June 30, 2021

Sd/-
Shiwani Singh
Director
DIN No: 05229788

Place: Gurugram
Date: June 30, 2021

Spice Shuttle Private Limited
Cash flow statement for the year ended March 31, 2021
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2021	Period from October 25, 2019 to March 31, 2020
A. Cash flows from operating activities		
Loss before tax	(87,670,854)	(33,625)
Adjustments for:		
Finance costs	7,469	-
Finance Income	(2,967)	
Operating loss before working capital changes	**(87,666,352)**	**(33,625)**
Movements in working capital:		
Trade receivables	(797,325)	-
Trade payables	96,964,339	33,625
Other current liabilities	352,232	-
Financial assets	(5,269,464)	-
Cash flows from operations	**3,583,430**	**-**
Income tax paid	-	-
Net cash flows from operating activities	**3,583,430**	**-**
B. Cash flows from investing activities		
Investment in fixed deposit	(650,000)	-
Interest Income of Fixed deposit	2,967	
Net cash used in investing activities	**(647,033)**	**-**
C. Cash flows from financing activities		
Issue of equity share capital	-	100,000
Net cash flows from financing activities	**-**	**100,000**
Net increase in cash and cash equivalents	**2,936,397**	**100,000**
Cash and cash equivalents at the beginning of the year/period	100,000	-
Cash and cash equivalents at the end of the year/period	**3,036,397**	**100,000**
Notes :		
Components of cash and cash equivalents		
Balance with banks in current accounts	3,036,397	100,000
Total cash and cash equivalents (Note 5)	**3,036,397**	**100,000**

The accompanying notes form an integral part of these financial statement.

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

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

Sd/-
Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: June 30, 2021

For and on behalf of the Board of Directors

Sd/-
Ajay Singh
Director
DIN No: 01360684

Place: Gurugram
Date: June 30, 2021

Sd/-
Shiwani Singh
Director
DIN No: 05229788

Place: Gurugram
Date: June 30, 2021

Spice Shuttle Private Limited
Statement of changes in equity for the year ended March 31, 2021
(All amounts are in Indian rupees, unless otherwise stated)

a. Equity share capital

Particulars	Number of shares	Amount
Opening balance as at October 25, 2019	-	-
Issue of equity share during the period	10,000	100,000
As at March 31, 2020	**10,000**	**100,000**
Changes in equity share capital during the year	-	-
As at March 31, 2021	**10,000**	**100,000**

b. Other equity

Particulars	Retained earnings	Total equity
Balance as at October 25, 2019	-	-
Loss for the period	(33,625)	(33,625)
Balance as at March 31, 2020	**(33,625)**	**(33,625)**
Loss for the year	(87,670,854)	(87,670,854)
Balance as at March 31, 2021	**(87,704,479)**	**(87,738,104)**

The accompanying notes are 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/-
Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: June 30, 2021

For and on behalf of the Board of Directors

Sd/-
Ajay Singh
Director
DIN No: 01360684

Place: Gurugram
Date: June 30, 2021

Sd/-
Shiwani Singh
Director
DIN No: 05229788

Place: Gurugram
Date: June 30, 2021

	Particulars	As at March 31, 2021	As at March 31, 2020
3	**Other non-current financial assets**		
	(Considered good, unsecured unless stated otherwise)		
	Fixed deposits	650,000	-
		650,000	**-**
4	**Trade receivables***		
	(Considered good, unsecured unless stated otherwise)		
	Trade receivables	797,325	-
		797,325	**-**

*The Company does not have any receivables which are either credit impaired or where there is significant increase in credit risk.

	Particulars	As at March 31, 2021	As at March 31, 2020
5	**Cash and cash equivalents**		
	Balances with banks in current accounts	3,036,397	100,000
		3,036,397	**100,000**
6	**Other current financial assets**		
	(Unsecured, considered good unless stated otherwise)		
	Contract assets	345,080	-
		345,080	**-**

Contract balances

Trade receivables are generally unsecured and are derived from revenue earned from customers which are primarily located in India.

	As at March 31, 2021	As at March 31, 2020
Trade receivables	797,325	-
Contract assets*	345,080	**-**

*Contract assets relates to unbilled revenue.

	Particulars	As at March 31, 2021	As at March 31, 2020
7	**Other current assets**		
	(Unsecured, considered good unless stated otherwise)		
	Balance with government authorities	3,832,696	-
	Advance to suppliers	20,278	-
	Other advances	1,071,410	-
		4,924,384	**-**
8	**Equity share capital**		
	Authorised share capital		
	(10,000 equity shares of Rs.10 each)		
	Balance as at March 31, 2020	100,000	-
	Increase during the year/period	-	100,000
	Balance as at March 31, 2021	**100,000**	**100,000**
	Issued, subscribed and paid-up capital		
	(10,000 equity shares of Rs.10 each)		
	Balance as at March 31, 2020	100,000	-
	Issued during the year/period	-	100,000
	Balance as at March 31, 2021	**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, 2021		As at March 31, 2020	
	Number	Value (Rs.)	Number	Value (Rs.)
Shares outstanding at the beginning of the year/period	10,000	100,000	-	-
Issued during the year/period	-	-	10,000	100,000
Shares outstanding at the end of the year/period	**10,000**	**100,000**	**10,000**	**100,000**

b) Terms/rights attached to class of shares

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

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

c) Shares held by holding company

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount (Rs.)	Number	Amount (Rs.)
SpiceJet Limited	9,999	99,990	9,999	99,990

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	% Holding	Number	% Holding
SpiceJet Limited	9,999	99.99%	9,999	99.99%

9 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings		
Balance at the beginning of the year/period	(33,625)	-
Loss for the year/period	(87,670,854)	(33,625)
Balance at the end of the year/period	**(87,704,479)**	**(33,625)**

10 Trade payables

Trade payables		
Dues of micro enterprises and small enterprises	-	-
Dues of creditors other than micro enterprises and small enterprises*	96,997,964	33,625
	96,997,964	**33,625**

* Refer note 21 for related party balances.

There are no overdue amounts payable to Micro, Small and Medium 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.

Refer note 21 for related party balances.

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.

11 Other current liabilities

Statutory dues	359,700	-
	359,700	**-**

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

	Particulars	Year ended March 31, 2021	Period from October 25, 2019 to March 31, 2020
12	**Revenue from operations**		
	Service income	7,536,085	-
		7,536,085	**-**
13	**Operating expenses**		
	Lease charges (Refer Note 25)	81,889,541	-
	Maintenance cost	7,426,769	-
		89,316,310	**-**
	Refer note 21 for related party balances		
14	**Other expenses**		
	Repairs and maintenance	527,832	-
	Power and fuel	737,925	-
	Legal and professional fees*	4,262,259	33,625
	Business promotion and advertisement	51,995	-
	Printing and stationery	73,894	-
	Travelling and conveyance	26,495	-
	Miscellaneous expenses	205,726	-
		5,886,126	**33,625**
	***Payments to statutory auditors as**		
	Audit fees	100,000	12,000
15	**Finance income**		
	Interest income on fixed deposits	2,967	-
		2,967	**-**
16	**Finance costs**		
	Interest on delayed payment of statutory dues	7,469	-
		7,469	**-**
17	**Income tax expense**		
	Current tax	-	-
	Deferred tax	-	-
		-	**-**

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

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

Particulars	Year ended March 31, 2021	Period from October 25, 2019 to March 31, 2020
Accounting loss before Income tax	(87,670,854)	(33,625)
At India's statutory income tax rate of 25.168% (31 March 2020: 25.168%)	(22,065,000)	(8,463)
Adjustments:		
Deferred tax not created on business losses*	(22,065,000)	(8,463)
Income tax expense reported in the statement of profit and loss	**-**	**-**

*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.

18 Earnings per share ('EPS')

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

Loss after tax	(87,670,854)	(33,625)
Weighted average number of shares		
- Basic	10,000	10,000
- Diluted	10,000	10,000
Earnings per share (face value of Rs.10 each)		
- Basic	(8,767.09)	(3.36)
- Diluted	(8,767.09)	(3.36)

19 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. Going concern assumption

During the year, the Company has incurred a net loss and, as of that date, the Company's has accumulated losses, which have resulted in complete erosion of its net worth and the current liabilities have exceeded its current assets by Rs. 88,254,478 as at 31 March 2021. The Company's primary source of revenue is from operation of an aircraft (sea plane) and the losses have been primarily driven by pricing pressures, high maintenance expenses and very low demand. However, subsequent to year-end, the Company has closed its business operations and is currently in process of discussing payment deferral or partial/full waiver against outstanding payments. The management is confident of getting either deferral or waiver as all outstanding dues of the Company are with its related parties. Further, the Company has sufficient liquidity to incur basic administration expenses for next 12 months. Based on the factors mentioned in this note, the management is of the view that the going concern basis of accounting is appropriate.

b. Recognition of deferred tax assets

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

c. 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 factors.

20 Segment reporting

The Company's primary business segment is reflected based on principal business activites carried on by the Company i.e., transportation of passengers by charter airplanes and/or helicopters 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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Spice Shuttle Private Limited
Notes to the financials statements for the year ended March 31, 2021
(All amounts are in Indian rupees, unless otherwise stated)

21 Related party transactions

a. List of related party

Relationship	Name of the party
Holding Company	SpiceJet Limited
Fellow subsidiary	SpiceJet Technic Private Limited
Key managerial personnel	Ajay Singh, Director
	Shiwani Singh, Director

b. Transactions with related party

Particulars	March 31, 2021	March 31, 2020
Transactions during the year:		
SpiceJet Limited		
Contribution towards equity share capital	-	100,000
Professional expenses	1,356,819	21,625
Lease charges	37,526,798	-
Spice Technic Private Limited		
Professional expenses	5,706,740	-
Maintenance expense	7,208,947	-
Lease charges	43,175,590	
Outstanding balances:		
SpiceJet Limited		
Trade payables	38,905,242	21,625
Spice Technic Private Limited		
Trade payables	55,921,167	-

22 Fair value disclosures

Particulars	March 31, 2021		March 31, 2020	
	Carrying value	Fair Value	Carrying value	Fair Value
Financial assets at amortised cost				
Cash and cash equivalents	3,036,397	3,036,397	100,000	100,000
Other financial assets	995,080	995,080	-	-
Other current assets	4,924,384	4,924,384	-	-
Total	**8,955,861**	**8,955,861**	**100,000**	**100,000**
Financial assets at amortised cost				
Trade payables	96,997,964	96,997,964	33,625	33,625
Other current liabilities	359,700	359,700	-	-
Total	**97,357,664**	**97,357,664**	**33,625**	**33,625**

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

23 Financial risk management objectives and policies

The Company is exposed to credit risk and liquidity risk. The Company’s directors oversees the management of these risks. 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:

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

Credit risk

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 credit worthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents and other financial assets and all of these assets have low credit risk considering balances are either with bank or with related parties. None of the financial instruments of the Company result in material concentrations of credit risks.

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, 2021	Upto 1 year	1 to 5 years	Total
Trade payables	96,997,964	-	96,997,964
Total	**96,997,964**	**-**	**96,997,964**

As at March 31, 2020	Upto 1 year	1 to 5 years	Total
Trade payables	33,625	-	33,625
Total	**33,625**	**-**	**33,625**

24 Capital management

The Company's objectives when managing capital are to maintain positive cash flow position. The Company's strategy is to maintain a reasonable current ratio. The current ratio is as follows:

Particulars	March 31, 2021	March 31, 2020
Current assets	9,103,186	100,000
Current liabilities	97,357,664	33,625
Current ratio	**0.09**	**2.97**

25 Leases

The Company applies the short-term lease recognition exemption to its short-term lease of aircraft (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term lease is 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. During the year, the Company has recognized an expense of Rs. 81,889,541 (31 March 2020: Nil) on account of short term lease.

26 Adoption of financial statements

The financials have been approved by the Board of Directors on June 30, 2021 and there have been no significant events after the reporting period till such date.

This is summary of significant accounting policies and other explanatory information 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

Sd/-
Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: June 30, 2021

Sd/-
Ajay Singh
Director
DIN No: 01360684

Place: Gurugram
Date: June 30, 2021

Sd/-
Shiwani Singh
Director
DIN No: 05229788

Place: Gurugram
Date: June 30, 2021

1. Corporate information

Spice Shuttle 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 October 25, 2019 (CIN – U62100DL2019PTC356667) under the Companies Act, 2013. The objective of the Company is to be engaged in the business of operation of small aircraft chartering aircraft, helicopters and allied air vehicles. This is the first year of business operations for the Company.

The financial statements were approved for issue by the board of directors on June 30, 2021.

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, 2021 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules 2015, as amended.

The financial statements are presented in Indian Rupees (Rs.) (its functional and presentation 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 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.

The Company classifies all other liabilities as non-current.
The Company has identified twelve months as its operating cycle.

a) Revenue from contracts with customer

Revenue from contracts with customers is recognised when the services are provided to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before providing them to the customers. The revenue is recognized net of amounts collected on behalf of third parties.

Rendering of services
Revenues from operation of an aircraft (sea plane) for passengers, are recognised on flown basis i.e., when the service is rendered. Amounts received in advance towards travel bookings/reservations are shown under other current liabilities as contract liability.

Contract assets
A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by transferring services to a customer before the consideration is due and billed, a contract asset is recognised for the earned consideration.

b) 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.

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 current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c) 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.

d) 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 cash flow statement, 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.

e) Financial Instruments

Recognition and initial measurement

Financial assets 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:

- 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.

f) 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.

g) 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.

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.

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.

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.

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

h) 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.

i) 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.

j) Leases

The Company's lease asset classes primarily consist of leases for aircrafts. 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.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of use assets

At the commencement date, the right of use assets are measured at cost. The cost includes an amount equal to the lease liabilities plus any lease payments made before the commencement date and any initial direct costs, less any incentives received from equipment manufacturer in terms of the same lease. An estimate of costs to be incurred in respect of redelivery obligation, in accordance with the terms of the lease, is also included in the right of use assets at commencement date.

After the commencement date, the right of use assets are measured in accordance with the accounting policy for property, plant and equipment i.e. right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policy in point (g) above on impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, plus variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Lease term

At the commencement date, the Company determines the lease term which represents non-cancellable period of initial lease for which the asset is expected to be used, together with the periods covered by an option to extend or terminate the lease, if the Company is reasonably certain at the commencement date to exercise the extension or termination option.

iv) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. 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.

k) Contingent liabilities and contingent assets

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.

B. Changes in accounting policies/disclosures and recent accounting pronouncement

Recent accounting pronouncement [as applicable]

Amendments to Schedule III of the Act

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Act. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The revised Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended, prescribes amendments for various additional disclosures. The Company is evaluating the requirements of these amendments and their impact on the financial statements.

Amendments to Ind AS 107, Financial Instruments: Disclosures

New disclosures requirements are added in the standard to enable the users to understand the effect of interest rate benchmark reforms on entity’s risk management strategy. The related amendments are also made in the other accounting standard as applicable. The Company is evaluating the requirements of these amendments and their impact on the financial statements.

Amendments to Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations and Ind AS 16, Property, Plant and Equipment

There is change in definition of recoverable amount from ‘fair value less costs to sell’ to ‘fair value less costs of disposal’. The Company is evaluating the requirements of these amendments and their impact on the financial statements.

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