Walker Chandiok & Co LLP
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Independent Auditor's Report

To the Members of SpiceJet Technic Private Limited

Report on the Audit of the Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of SpiceJet Technic Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2024 the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. We report that the Company is in non-compliance with various laws and regulations applicable to the Company as detailed in Note 46 to the accompanying financial statements. Pending regularising of these non-compliances under the respective laws and regulations, the management is of the view that the impact of the aforesaid non-compliances on the accompanying financial statements is presently unascertainable. In the absence of necessary assessment of the impact of the aforesaid matter, including fine and penalties that may be levied, we are unable to comment on the adjustments, if any, that may be required to the accompanying Statement on account of aforesaid matter.

Independent Auditor's Report to the members of SpiceJet Technic Private Limited on financial statements for the year ended March 31, 2024 (cont'd)

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

Material Uncertainty Related to Going Concern

5. We draw attention to Note 38 to the accompanying financial statements which describes that the Company has incurred a net loss of Rs. 80.98 million during the year ended March 31, 2024 and, as of that date, the Company's accumulated losses amounts to Rs. 423.52 million which have resulted in complete erosion of its net worth of the Company and the current liabilities have exceeded its current assets by Rs. 468.40 million as at March 31, 2024. The Holding Company SpiceJet Limited, has disclosed a material uncertainty in relating to going concern in its financial statements for the year ended March 31, 2024 which may have a corresponding impact on the Company's ability to continue as a going concern also. Accordingly, these conditions together with other matters as described in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, based on management's assessment of future business projections, and financial support provided by the Holding Company, the management is of the view that the going concern basis of accounting is appropriate for preparation of these financial statements. Our opinion above is not modified in respect of this matter.

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

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

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

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

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

Responsibilities of Management for the Financial Statements

7. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report to the members of SpiceJet Technic Private Limited on financial statements for the year ended March 31, 2024 (cont'd)

8. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirement

13. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act, is not applicable.

14. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable;

15. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) We have sought and except for the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the effects of the matter described in the Basis for Qualified Opinion section and except for the matters stated in paragraph 15(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    c) The financial statements dealt with by this report are in agreement with the books of account;

    d) Except for the effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) The matters described in paragraph 3 under the Basis for Qualified Opinion section and paragraph 4 under Material uncertainty related to Going concern section, in our opinion, may have an adverse effect on the functioning of the Company;

    f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act;

    g) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 15(b) above on reporting under section 143(3)(b) of the Act and paragraph 15(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on March 31, 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an qualified opinion; and

    i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us;

        i. The Company does not have any pending litigation which would impact its financial position as at March 31, 2024;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2024;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024;

        iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 49A to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

Independent Auditor's Report to the members of SpiceJet Technic Private Limited on financial statements for the year ended March 31, 2024 (cont'd)

(b) The management has represented that, to the best of its knowledge and belief, on the date of this audit report other than as disclosed in note 49B to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended March 31, 2024; and

vi. As stated in Note 47 to the financial statements and based on our examination, which included test checks, the Company, in respect of financial year commencing on April 1, 2023, had used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, the audit trail feature in the accounting software used for maintenance of accounting records was not enabled and the same did not operate throughout the year for all relevant transactions recorded in the software.

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

Sd/-
Madhu Sudan Malpani
Partner
Membership No.: 571440

UDIN: 24517440BKGUAM1318

Place: Gurugram
Date: July 15, 2024

SpiceJet Technic Private Limited
Balance Sheet as at March 31, 2024
(All amounts are in millions of Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	24.67	28.07
Right of use assets	3(b)	26.65	2.23
Intangible assets	3(c)	-	4.15
Financial assets			
Other financial assets	4	0.62	0.62
Income-tax assets (net)	5	52.04	53.32
		103.98	**88.39**
Current assets			
Inventories	6	43.17	43.17
Financial assets			
Trade receivables	7	261.96	181.38
Cash and cash equivalents	8	0.99	0.36
Other financial assets	9	697.05	549.09
Other current assets	10	183.18	173.78
Total current assets		**1,186.35**	**947.78**
Total assets		**1,290.33**	**1,036.17**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	20.10	20.10
Other equity	12	(423.53)	(342.55)
Total equity		**(403.43)**	**(322.45)**
Non-current liabilities			
Financial liabilities			
Borrowings	13	10.28	10.28
Lease liabilities	14	15.16	-
Other financial liabilities	15	-	-
Provisions	16	13.59	15.53
Total non-current liabilities		**39.03**	**25.81**
Current liabilities			
Financial liabilities			
Lease liabilities	17	12.27	3.17
Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		1.67	5.93
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,380.57	1,194.09
Other financial liabilities	19	20.20	23.75
Other current liabilities	20	232.95	99.29
Provisions	21	7.08	6.59
Total current liabilities		**1,654.74**	**1,332.82**
Total liabilities		**1,693.77**	**1,358.63**
Total equity and liabilities		**1,290.33**	**1,036.17**
Summary of material accounting policies	2		

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

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

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

For and on behalf of the Board of Directors
SpiceJet Technic Private Limited

Sd/-
Madhu Sudan Malpani
Partner
Membership No: 517440

Place: Gurugram
Date: July 15, 2024

Sd/-
Ajay Singh
Director
DIN No: 01360684

Place: Gurugram
Date: July 15, 2024

Sd/-
Shiwani Singh
Director
DIN No: 05229788

Place: Gurugram
Date: July 15, 2024

SpiceJet Technic Private Limited
Statement of Profit and Loss for the year ended March 31, 2024
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from operations	22	372.65	1,083.74
Other income	23	12.17	34.82
Total income		**384.82**	**1,118.56**
EXPENSES			
Operating expenses	24	208.27	877.26
Purchases of engineering stores and spares	25	-	39.45
Changes in inventories of engineering stores and spares	26	-	(39.45)
Employee benefits expense	27	139.27	166.07
Impairment losses on financial assets	28	23.08	21.65
Other expenses	29	15.00	79.72
Foreign exchange loss (net)	30	41.56	34.10
Total expenses		**427.18**	**1,178.80**
Earnings before interest, tax, depreciation and amortization ('EBITDA')		**(42.36)**	**(60.24)**
Depreciation and amortization expense	31	(18.34)	(33.35)
Finance income	32	0.88	0.03
Finance costs	33	(22.59)	(12.27)
Loss before tax		**(82.41)**	**(105.83)**
Tax expense	34	-	-
Loss for the year after tax		**(82.41)**	**(105.83)**
Other comprehensive income:			
Remeasurement gain on defined benefit obligations (net)		1.44	0.35
Income-tax impact		-	-
Other comprehensive income for the year		**1.44**	**0.35**
Total comprehensive income for the year		**(80.97)**	**(105.48)**
Earnings per share	35		
Basic		(41.00)	(52.65)
Diluted		(41.00)	(52.65)
Summary of material accounting policies	2		

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

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

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

Sd/-
Madhu Sudan Malpani
Partner
Membership No: 517440
Date: July 15, 2024

For and on behalf of the Board of Directors
SpiceJet Technic Private Limited

Sd/-
Ajay Singh
Director
DIN No: 01360684
Date: July 15, 2024

Sd/-
Shiwani Singh
Director
DIN No: 05229788
Date: July 15, 2024

SpiceJet Technic Private Limited
Statement of Cash Flow for the year ended March 31, 2024
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A. Cash flows from operating activities		
Loss before tax	**(82.41)**	**(105.85)**
Adjustments for:		
Balances written off	-	33.73
Liabilities/provisions no longer required written back	(10.39)	(25.82)
Foreign exchange loss (net)	41.56	34.10
Other borrowing costs	19.82	10.76
Interest on lease liabilities	2.78	1.51
Interest income on bank deposits	(0.88)	(0.03)
Impairment of trade receivables	23.08	21.65
Impairment of advance to vendors/suppliers	-	24.57
Depreciation and amortization expense	18.34	33.35
Operating profit before working capital changes	**11.90**	**27.97**
Movements in working capital:		
Trade receivables	(103.66)	(70.94)
Inventories	-	(39.45)
Other current financial assets	(147.08)	(453.23)
Other current assets	(9.40)	(2.49)
Trade payables	140.32	579.23
Other financial liabilities	6.85	0.41
Other current liabilities	114.16	15.76
Provisions	(0.02)	(0.12)
Cash flows from operations	**13.06**	**57.14**
Income taxes paid	1.28	(24.24)
Net cash flows from operating activities	**14.34**	**32.90**
B. Cash flows from investing activities		
Purchase of property, plant and equipment	-	(0.08)
Net cash used in investing activities	**-**	**(0.08)**
C. Cash flows from financing activities		
Repayment of long-term borrowings	-	(15.00)
Repayment of lease liabilities (including interest Rs. 2.78 million (March 31, 2022: Rs. 1.51 million))	(13.72)	(18.60)
Net cash used in financing activities	**(13.72)**	**(33.60)**
Net increase/(decrease) in cash and cash equivalents	**0.62**	**(0.78)**
Cash and cash equivalents at the beginning of the year	0.36	1.14
Cash and cash equivalents at the end of the year	**0.99**	**0.36**
Notes :		
Components of cash and cash equivalents		
Balance with banks in current accounts	0.99	0.36
Total cash and cash equivalents (refer note 8)	**0.99**	**0.36**

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

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

This is the statement of cash flow referred to in our report of even date.
For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

Sd/-
Madhu Sudan Malpani
Partner
Membership No: 517440

Place: Gurugram
Date: July 15, 2024

For and on behalf of the Board of Directors
SpiceJet Technic Private Limited

Sd/-
Ajay Singh
Director
DIN No: 01360684

Place: Gurugram
Date: July 15, 2024

Sd/-
Shiwani Singh
Director
DIN No: 05229788

Place: Gurugram
Date: July 15, 2024

SpiceJet Technic Private Limited
Statement of Changes in Equity for the year ended March 31, 2024
(All amounts are in millions of Indian Rupees, unless otherwise stated)

A. Equity share capital*

Particulars	Number	Amount
As at April 1, 2022	**20,10,000**	**20.10**
Changes in equity share capital during the year	-	-
As at March 31, 2023	**20,10,000**	**20.10**
Changes in equity share capital during the year	-	-
As at March 31, 2024	**20,10,000**	**20.10**

B. Other equity**

Particulars	Retained earnings	Total other equity
As at April 1, 2022	**(237.06)**	**(237.06)**
Loss for the year	(105.83)	(105.83)
Other comprehensive income for the year	0.35	0.35
Total comprehensive income	**(105.48)**	**(105.48)**
As at March 31, 2023	**(342.54)**	**(342.54)**
Loss for the year	(82.41)	(82.41)
Other comprehensive income for the year	1.44	1.44
Total comprehensive income	**(80.97)**	**(80.97)**
As at March 31, 2024	**(423.51)**	**(423.51)**

**Refer note 11 for details*
***Refer note 12 for details*

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

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

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

Sd/-
Madhu Sudan Malpani
Partner
Membership No: 517440

Place: Gurugram
Date: July 15, 2024

For and on behalf of the Board of Directors
SpiceJet Technic Private Limited

Sd/-
Ajay Singh
Director
DIN No: 01360684

Place: Gurugram
Date: July 15, 2024

Sd/-
Shiwani Singh
Director
DIN No: 05229788

Place: Gurugram
Date: July 15, 2024

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

3(a) Property, plant and equipment

Particulars	Plant and machinery	Office equipment	Motor vehicles	Computers	Furniture and fixtures	Leasehold improvements	Total
Gross block							
As at April 1, 2022	**34.49**	**4.76**	**0.65**	**0.12**	**1.40**	**14.29**	**55.71**
Additions	0.07	-	-	-	0.01	-	**0.08**
Disposals	-	-	-	-	-	-	**-**
As at March 31, 2023	**34.56**	**4.76**	**0.65**	**0.12**	**1.41**	**14.29**	**55.79**
Additions	-	0.02	-	0.02	-	-	**0.04**
Disposals	-	-	-	-	-	-	**-**
As at March 31, 2024	**34.56**	**4.78**	**0.65**	**0.14**	**1.41**	**14.29**	**55.83**
Accumulated depreciation							
As at April 1, 2022	**6.65**	**2.33**	**0.13**	**0.06**	**0.83**	**9.99**	**19.99**
Depreciation charge for the year	2.30	0.94	0.08	0.04	0.07	4.30	**7.73**
Disposals	-	-	-	-	-	-	**-**
As at March 31, 2023	**8.95**	**3.27**	**0.21**	**0.10**	**0.90**	**14.29**	**27.72**
Depreciation charge for the year	2.31	0.94	0.08	0.01	0.08	-	**3.42**
Disposals	-	-	-	-	-	-	**-**
As at March 31, 2024	**11.26**	**4.21**	**0.29**	**0.11**	**0.98**	**14.29**	**31.14**
Net block							
As at March 31, 2023	**25.61**	**1.49**	**0.44**	**0.02**	**0.51**	**-**	**28.07**
As at March 31, 2024	**23.30**	**0.57**	**0.36**	**0.03**	**0.43**	**-**	**24.67**

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

3(b) Right of use assets

Particulars	Building	Total
Gross block		
Balance as at April 1, 2022	**53.32**	**53.32**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2023	**53.32**	**53.32**
Additions	35.18	35.18
Disposals	-	-
Balance as at March 31, 2024	**88.49**	**88.49**
Accumulated depreciation		
Balance as at April 1, 2022	**37.64**	**37.64**
Depreciation charge for the year	13.45	13.45
Disposals	-	-
Balance as at March 31, 2023	**51.09**	**51.09**
Depreciation charge for the year	10.76	10.76
Disposals	-	-
Balance as at March 31, 2024	**61.84**	**61.84**
Net block		
Balance as at March 31, 2023	**2.23**	**2.23**
Balance as at March 31, 2024	**26.65**	**26.65**

3(c) Intangible assets

Particulars	Software	Total
Gross block		
Disposals	-	-
Balance as at March 31, 2023	**36.50**	**36.50**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2024	**36.50**	**36.50**
Accumulated amortization		
Balance as at April 1, 2022	**20.18**	**20.18**
Amortization charge for the year	12.17	12.17
Disposals	-	-
Balance as at March 31, 2023	**32.35**	**32.35**
Amortization charge for the year	4.15	4.15
Disposals	-	-
Balance as at March 31, 2024	**36.50**	**36.50**
Net block		
Balance as at March 31, 2023	**4.15**	**4.15**
Balance as at March 31, 2024	**-**	**-**

(This space has been intentionally left blank)

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

	Particulars	As at March 31, 2024	As at March 31, 2023
4	**Other non-current financial assets**		
	Deposits with original maturity of more than 12 months	0.62	0.62
		0.62	**0.62**
5	**Income-tax assets (net)**		
	Advance income-tax	52.04	53.32
		52.04	**53.32**
6	**Inventories**		
	(Valued at lower of cost or net realisable value)		
	Engineering stores and spares	43.17	43.17
		43.17	**43.17**

During the year, there are no amounts which was recognised as an expense to bring the inventories to record them at net realisable value.

	Particulars	As at March 31, 2024	As at March 31, 2023
7	**Trade receivables**		
	Unsecured, considered good	261.96	181.38
	Unsecured, credit impaired	44.71	21.65
		306.67	**203.03**
	Impairment allowance		
	Less : Impairment of trade receivables	(44.71)	(21.65)
		261.96	**181.38**

Trade receivables are non-interest bearing and are generally have credit period to a maximum of 90 days.

Ageing schedule of trade receivables

As at March 31, 2024	Outstanding for following periods from the date of transaction						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	-	22.40	101.28	72.83	65.27	-	261.77
Undisputed trade receivables – credit impaired	-	-	-	-	18.94	25.78	44.72
Total	**-**	**22.40**	**101.28**	**72.83**	**84.20**	**25.78**	**306.49**

As at March 31, 2023	Outstanding for following periods from the date of transaction						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	-	61.41	20.10	94.75	5.12	-	181.38
Undisputed trade receivables – credit impaired	-	-	-	1.00	13.39	7.26	21.65
Total	**-**	**61.41**	**20.10**	**95.75**	**18.52**	**7.26**	**203.03**

	Particulars	As at March 31, 2024	As at March 31, 2023
8	**Cash and cash equivalents**		
	Balances with banks in current accounts	0.99	0.36
		0.99	**0.36**
9	**Other current financial assets**		
	Security deposits	2.59	10.54
	Other receivables		
	Unsecured, considered doubtful	13.24	13.24
	Employee advance	0.24	0.63
	Contract assets*		
	Unsecured, considered good	694.20	537.90
	Unsecured, considered doubtful	43.18	43.18
	Impairment allowance		
	Less: Impairment of other receivables	(13.24)	(13.24)
	Less: Impairment of contract assets	(43.16)	(43.16)
		697.05	**549.09**
	Balance at the beginning of the year	**581.08**	93.27
	Additions during the year	156.29	487.81
	Balance at the end of the year	**737.37**	**581.08**

*Contract assets relates to unbilled revenue.

	Particulars	As at March 31, 2024	As at March 31, 2023
10	**Other current assets**		
	Advance to vendors/suppliers		
	Unsecured, considered good	4.83	32.25
	Unsecured, considered doubtful	24.57	24.57
	Balance with government authorities	178.35	141.53
	Impairment allowance		
	Less: Impairment of advance to vendors/suppliers	(24.57)	(24.57)
		183.18	**173.78**

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

	Particulars	As at March 31, 2024	As at March 31, 2023
11	**Equity share capital**		
	Authorised share capital		
	(2,010,000 (March 31, 2023: 2,010,000) equity shares of Rs. 10 each)		
	As at the beginning of the year	**20.10**	**20.10**
	Issued during the year	-	-
	As at the end of the year	**20.10**	**20.10**
	Issued, subscribed and paid-up capital		
	(2,010,000 (March 31, 2023: 2,010,000) equity shares of Rs. 10 each)		
	As at the beginning of the year	**20.10**	**20.10**
	Issued during the year	-	-
	As at the end of the year	**20.10**	**20.10**

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Value (Rs.)	Number	Value (Rs.)
Shares outstanding at the beginning of the year	20,10,000	20.10	20,10,000	20.10
Issued during the year	-	-	-	-
Shares outstanding at the end of the year	**20,10,000**	**20.10**	**20,10,000**	**20.10**

b) Terms/rights attached to class of shares

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

c) Shares held by holding Company

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Value (Rs.)	Number	Value (Rs.)
SpiceJet Limited	20,10,000	20.10	20,10,000	20.10

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% against total No of Shares	Number of shares	% against total No of Shares
SpiceJet Limited	20,10,000	100.00%	20,10,000	100.00%

e) Details of promoter shareholding

Name of promoter	As at March 31, 2023			As at March 31, 2022		
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% of total shares
SpiceJet Limited	20,10,000	100.00%	0.00%	20,10,000	100.00%	0.00%

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

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

	Particulars	As at March 31, 2024	As at March 31, 2023
12	**Other equity**		
	Retained earnings		
	Balance at the beginning of the year	(342.55)	(237.07)
	Loss for the year	(82.41)	(105.83)
	Other comprehensive income for the year	1.44	0.35
	Balance at the end of the year	**(423.52)**	**(342.55)**

Retained earnings

Retained earnings is used to record balance of statement of profit and loss.

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

	Particulars	As at March 31, 2024	As at March 31, 2023
13	**Long-term borrowings**		
	Unsecured		
	Unsecured loan from holding company	10.28	10.28
		10.28	**10.28**

Notes:

(i) The Company has entered into an agreement with the SpiceJet Limited ('the Holding Company') on August 10, 2017 to obtain loan of Rs. 50 million, repayable after 3 years from disbursement. This agreement was amended on August 9, 2019, whereby the working capital limit has been revised to Rs. 100 million. Subsequently, the term of the loan agreement has been extended for another period of one year from August 10, 2020 and shall be valid until August 9, 2021. The loan has been further extended for a period of 3 years from August 9, 2021 and shall now be valid until August 9, 2024. The term of the loan is further extended for another period of one year from August 10, 2024 and shall now be valid until August 9, 2025. The loan carries an interest rate of 12.75% per annum.

(ii) The balance of Rs. 10.28 (31 March 2023: 25.28) millions is payable to Companies which have director in common with the Company.

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

Particulars	Non-current and current borrowings	Lease liabilities	Other financial liabilities: Interest accrued	Total
Balance as at April 1, 2022	25.28	20.26	23.84	69.38
Repayment of borrowings	(15.00)	-	-	(15.00)
Repayments of lease liabilities		(18.60)	-	(18.60)
Interest expense	-	1.51	-	1.51
Non-cash adjustments*	-	-	(23.84)	(23.84)
Balance as at March 31, 2023	**10.28**	**3.17**	**-**	**13.45**
Addtion for lease liabilities	-	35.21	-	**35.21**
Repayments of lease liabilities	-	(13.72)	-	(13.72)
Interest expense*	-	2.77	-	2.77
Balance as at March 31, 2024	**10.28**	**27.43**	**-**	**37.71**

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

14	**Non-current lease liabilities**		
	Lease liabilities (also refer note 36)	15.16	-
		15.16	**-**
15	**Other non-current financial liabilities**		
	Interest accrued on borrowings	-	-
		-	**-**
16	**Long-term provisions**		
	Provision for gratuity (also refer note 39)	13.59	15.53
		13.59	**15.53**
17	**Current lease liabilities**		
	Lease liabilities (also refer note 36)	12.27	3.17
		12.27	**3.17**
18	**Trade payables^**		
	Total outstanding dues of micro enterprises and small enterprises*	1.67	5.93
	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,380.57	1,194.09
		1,382.24	**1,200.03**

*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.

^There are foreign currency trade payables that are overdue beyond the timelines, however, the Company is yet to seek extension from AD Bank or Reserve Bank of India (‘RBI’), as the case may be, for settlement of such balances under foreign exchange management guideline.

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

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

Ageing schedule of trade payables

As at March 31, 2024	Outstanding for following periods from the date of transaction					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises - undisputed	0.32	0.04	1.32	-	-	1.67
Total outstanding dues of creditors other than micro enterprises and small enterprises - undisputed	869.49	27.54	58.29	0.43	424.82	1,380.56
Total	**869.81**	**27.58**	**59.61**	**0.43**	**424.82**	**1,382.23**

As at March 31, 2023	Outstanding for following periods from the date of transaction					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total	**689.15**	**85.40**	**0.51**	**4.12**	**420.83**	**1,200.01**

19 Other current financial liabilities		
Employee related payables	12.15	11.73
Capital creditors^	8.05	12.02
	20.20	**23.75**

^There are no outstanding balances with micro enterprises and small enterprises.

20 Other current liabilities		
Statutory dues payable	151.91	69.55
Contract liabilities	-	5.25
Advance from customer	38.00	24.49
Other payables	43.03	-
	232.95	**99.29**

Contract balances

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

Contract liability is comprised of amount received in advance towards sales of products disclosed under other current liabilities and Contract assets relates to unbilled revenue.

21 Short-term provisions		
Provision for gratuity (also refer note 39)	3.95	3.11
Provision for compensated absences (also refer note 39)	3.13	3.48
	7.08	**6.59**

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

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
22	**Revenue from operations**		
	Income from engineering and technological services	372.65	1,083.74
		372.65	**1,083.74**
23	**Other income**		
	Liabilities/provisions no longer required written back	10.39	25.82
	Other service income	-	9.00
	Miscellaneous income	1.77	-
		12.17	**34.82**
24	**Operating expenses**		
	Rent expense	100.46	124.79
	Lease charges of aircraft and rotables	79.38	56.52
	Maintenance charges	28.43	695.95
		208.27	**877.26**
25	**Purchases of engineering stores and spares**		
	Purchase of engineering stores and spares	-	39.45
		-	**39.45**
26	**Changes in inventories of engineering stores and spares**		
	Inventory at the beginning of the year	43.17	3.72
	Less : Inventory at the end of the year	43.17	43.17
	Changes in inventories of engineering stores and spares	**-**	**(39.45)**
27	**Employee benefits expense**		
	Salaries, wages and bonus	129.63	154.67
	Contribution to provident and other funds	6.41	8.04
	Gratuity expense (also refer note 39)	3.03	3.05
	Staff welfare	0.20	0.31
		139.27	**166.07**
28	**Impairment losses on financial assets**		
	Impairment of trade receivables	23.08	21.65
		23.08	**21.65**
29	**Other expenses**		
	Rent	0.12	0.09
	Repairs and maintenance	3.57	3.73
	Power and fuel	1.89	4.20
	Legal and professional fees*	6.83	11.57
	Miscellaneous expenses	1.51	0.68
	Impairment of advance to vendors/suppliers	-	24.57
	Balances written off	-	33.73
	Insurance	1.09	1.15
		15.00	**79.72**
	***Payment to auditor#**		
	Statutory audit fees	0.38	0.38
	Tax audit fees	0.10	0.10
	#exclusive of goods and services taxes		
30	**Foreign exchange loss (net)**		
	Foreign exchange loss (net)	41.56	34.10
		41.56	**34.10**
31	**Depreciation and amortization expense**		
	Depreciation on property, plant and equipment	3.42	7.73
	Depreciation on right of use assets	10.76	13.45
	Amortisation of intangible assets	4.16	12.17
		18.34	**33.35**
32	**Finance income**		
	Interest income on bank deposits	0.88	0.03
		0.88	**0.03**
33	**Finance costs**		
	Interest on lease liabilities	2.78	1.51
	Other borrowing costs	19.82	10.76
		22.59	**12.27**

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

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
34	**Income tax expense**		
	Current tax	-	-
	Deferred tax	-	-
		-	-

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

Profit or loss section

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the statement of profit and loss	-	-

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

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Accounting loss before Income tax	(82.41)	(105.83)
At India's statutory income tax rate of 26.00% (31 March 2022: 26.00%)	(21.43)	(27.52)
Effects from:		
Deferred tax not created on temporary differences		-
Deferred tax not created on business losses	21.43	27.52
Net effective income tax	-	-

*The Company has not recognised deferred tax assets on brought forward tax losses in absence of probability and availability of sufficient future taxable income against which such losses shall be utilised. The Company has recognized deferred tax assets arising on account of carried forward tax losses and unabsorbed depreciation to the extent of the deferred tax liability arising on account of the temporary difference on depreciation of Rs. 4.48 million (as at March 31, 2022: Rs. 1.44 million).

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax liabilities	(2.70)	4.48
Deferred tax assets	2.70	(4.48)
Net deferred tax assets	-	-

Year ended March 31, 2024	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Closing balance
Property, plant and equipment and intangible assets	4.07	2.70	-	(2.70)
Brought forward losses	(4.07)	(2.70)	-	2.70
Total	-	-	-	-

Year ended March 31, 2023	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Closing balance
Property, plant and equipment and intangible assets	(0.41)	4.48	-	4.07
Brought forward losses	0.41	(4.48)	-	(4.07)
Total	-	-	-	-

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

Particulars	As at March 31, 2024	As at March 31, 2023
Brought forward losses	90.31	27.45
Unabsorbed tax depriciation#	33.49	22.71
Net deferred tax asset	**123.80**	**50.16**

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

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

Notes:

(i) The Company did not recognise deferred tax asset on unabsorbed business losses in the absence of probability of realization of deferred tax asset in the near future.

(i) Below is the expiry details.

Particulars	As at March 31, 2024	As at March 31, 2023
0-4 years	-	-
4-8 years	90.31	27.45
Total	**90.31**	**21.33**

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

35 Earnings per share ('EPS')

Earnings per share ('EPS') is determined based on the net profit or loss attributable to the shareholders. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Loss after tax	(82.41)	(105.83)
Weighted average number of shares		
- Basic	20,10,000	20,10,000
- Diluted	20,10,000	20,10,000
Earnings per share:		
- Basic	(41.00)	(52.65)
- Diluted	(41.00)	(52.65)

36 Lease liabilities

The Company's leased assets primarily consist of building premises. The Company has two leases contracts and include extension/termination options. The management has included termination options in determination of lease term for contracts having such option. Extension options have not been included in determination of lease term since the management is reasonably certain not to exercise these options. Potential cash flows in relation to such extension options cannot be ascertained since the cash outflow for the extended period will depend on the negotiations with the lessors in the event of exercising the extension options.

During the year, the Company has recognized an expense of Rs. 179.95 million (March 31, 2023: Rs. 181.40 million) on account of short-term leases which represent leased aircraft rotables, hanger and buildings having a lease term of less than 12 months.

A. Amount recognised in statement of profit and loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depriciation on right of use assets	10.76	13.45
Interest on lease liabilities	2.78	1.51
Rent expense related to short-term leases	179.95	181.40

Refer note 3(a) for the carrying amount of right of use assets as at March 31, 2023. Further refer no 41 for maturity analysis of lease liability.

B. Total cash outflow of leases

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total cash outflow of leases	(13.72)	(18.60)

37 Significant accounting judgements, estimates and assumptions

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

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

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

a. Recognition of deferred tax assets

The extent to which deferred tax assets can be 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.

b. Useful life, residual value of property, plant and equipment

The management has estimated the useful life of certain property, plant and equipment based on internal technical assessment. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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.

d. Impairment of non-financial assets

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

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

e. Defined benefit plans (gratuity benefits)

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

f. Going concern

Refer note 38 for details.

38 Going concern assumption

The Company has incurred a net loss of Rs. 82.41 million during the year ended March 31, 2024 and, as of that date, the Company's accumulated losses amounts to Rs. 423.52 million which have resulted in complete erosion of its net worth of the Company and the current liabilities have exceeded its current assets by Rs. 468.40 million as at March 31, 2024. The Company's primary source of revenue is from maintenance activities performed for aircrafts operated by its Holding Company. The Holding Company has disclosed a material uncertainty in relating to going concern in their financial statements for the year ended March 31, 2024, which may have a corresponding impact on the Company's ability to continue as a going concern. These conditions indicate the existence of uncertainty that may create doubt about the Company's ability to continue as a going concern. However, based on business plans and cash flow projections and financial support provided by the Holding Company, the management is of the view that the Company will be able to achieve profitable operations. and accordingly, the going concern basis of accounting is appropriate for preparation of these financial statements.

39 Employee benefits obligation

A. Gratuity

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

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

(i) Amount recognised in balance sheet

Particulars	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation ('DBO')	17.53	18.63
Defined benefit obligation ('DBO')	**17.53**	**18.63**

(ii) Bifurcation of DBO at the end of the year in current and non-current

Particulars	As at March 31, 2024	As at March 31, 2023
Current liability	3.95	3.11
Non-current liability	13.58	15.52

(iii) Expense recognised in the statement of profit and loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	1.69	1.92
Interest cost	1.34	1.13
Expense recognised during the year	**3.03**	**3.05**

(iv) Expense recognised in other comprehensive income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Actuarial gain	(1.43)	(0.35)
Actuarial gain recognised in other comprehensive income	**(1.43)**	**(0.35)**

(v) Amount recognised in other comprehensive income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Acturial gain		
a. Effect of changes in demographic assumption	0.05	0.08
b. Effect of changes in financial assumption	(0.05)	(0.34)
c. Effect of changes in experience adjustments	(1.43)	(0.09)
Amount recognised during the year	**(1.43)**	**(0.35)**

(vi) Movement in the liability recognized in the balance sheet is as under:

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation at the beginning of the year	**18.63**	**17.66**
Current service cost	1.69	1.92
Interest cost	1.34	1.13
Benefits paid	(2.70)	(1.73)
Acturial gain	(1.44)	(0.35)
Present value of defined benefit obligation at the end of the year	**17.53**	**18.63**

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

(vii) For determining the DBO liability, the following acturial assumptions were used:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.25%	7.17%
Salary increase rate	5.00%	5.00%
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Attrition rate	Up to 30 yrs-10.3%, from31 to 44 Yrs-25.30%,above 44 years-7.9%	Up to 30 yrs-10.5%, from 31 to 44 Yrs-27.5%, above 44 years-6.1%
Average age (years)	39.48	37.92
Weighted average duration of DBO	4.83	3.47

(viii) Maturity plan of defined benefit obligation:

Particulars	As at March 31, 2024	As at March 31, 2023
Within the next 1 year	3.95	3.06
Between 1 and 5 years	6.32	8.22
Beyond 5 years	17.26	17.36

(ix) Sensitivity analysis for gratuity

Particulars	As at March 31, 2024	As at March 31, 2023
Impact of the change in discount rate on present value of DBO at the end of the year		
Discount rate + 100 basis points	(0.33)	(0.73)
Discount rate - 100 basis points	0.34	0.79
Impact of the change in salary increases on present value of DBO at the end of the year		
Salary increase rate + 100 basis points	0.32	0.69
Salary increase rate - 100 basis points	(0.31)	(0.68)

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

(x) Risk

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

B. Short term compensated absences

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.25%	7.41%
Future salary increase	5.00%	5.00%

C. Contributions to defined contribution plan:

During the year, the company recognized Rs. 6.33 million (March 31, 2023: Rs. 7.73 million) to provident fund under defined contribution plan and Rs. 0.08 million (March 31, 2023 - Rs. 0.30 million) for contributions to employee state insurance scheme in the statement of profit and loss.

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

40 Segment information

As defined under Ind AS 108, an operating segment is a component of an entity that satisfies all of the following conditions:
a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
b) whose operating results are regularly reviewed by entity's chief operating decision maker (CODM) to make decisions about resources allocation to the segment and assess its performance; and
c) for which discrete financial information is available.
The Company had engaged only in business of providing engineering and technological services relating to the aviation, aerospace and defence industry and considered it, the only reportable segment based on internal reporting provided to the chief operating decision maker. The Company is operating in India which is considered as a single geographical segment.

Details of customers contributing individually more than 10% of the total revenue.

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Amount	%	Amount	%
SpiceJet Limited	358.99	96.34%	1,073.68	99.07%

41 Related party transactions

Relationship	Name of the related party
Holding Company	SpiceJet Limited
Fellow subsidiary*	SpiceJet Merchandise Private Limited
Key managerial personnel	Ajay Singh, Director Shiwani Singh, Director
Entities where key managerial personnel are common*	Spice Healthcare Private Limited I2N Technologies Private Limited

** With whom there are transactions during the year*

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

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a)	***Transactions during the year:***		
	SpiceJet Limited		
	Reapayment of long-term borrowings	-	(15.00)
	Liabilities/provisions no longer required written back	-	(23.84)
	Income from engineering and technological services	359.00	1,073.59
	Rent expense	100.46	124.79
	Spice Healthcare Private Limited		
	Other service income	-	9.00
	I2N Technologies Private Limited		
	Legal and professional fees	3.00	1.72

	Particulars	As at March 31, 2024	As at March 31, 2023
(b)	**Balances outstanding as at the year end:**		
	SpiceJet Limited		
	Long-term borrowings	10.28	10.28
	Trade receivables	38.78	76.71
	Contract assets	623.44	412.56
	Trade payables	100.46	-
	Spice Healthcare Private Limited		
	Advance from customer	21.86	21.86
	Contract assets	1.50	4.50
	Spicejet Merchandise Private Limited		
	Trade receivables	23.13	23.13

(c) The Company has been issued with the support letter ('letter') from Spicejet Limited ('the Holding Company') for operational and financial support for a period of 12 months from the date of said letter.

(d) The Company's material related party transactions during the year ended March 31, 2024 and March 31, 2023 and outstanding balances as at March 31, 2024 and March 31, 2023 are at arms length and in the ordinary course of business.

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

42 Fair value disclosures

The Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values. The management assessed that the fair value of cash and cash equivalents 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	
	As at March, 31 2024	As at March, 31 2023	As at March, 31 2024	As at March, 31 2023
Financial assets at amortised cost				
Trade receivables	261.96	181.38	261.96	181.38
Cash and cash equivalents	0.99	0.36	0.99	0.36
Other financial assets	697.67	549.71	697.67	549.71
Total	**960.62**	**731.45**	**960.62**	**731.45**
Financial liabilities at amortised cost				
Borrowings	10.28	10.28	10.28	10.28
Trade payables	1,382.24	1,200.02	1,382.24	1,200.02
Other financial liabilities	20.20	23.75	20.20	23.75
Total	**1,412.72**	**1,234.05**	**1,412.72**	**1,234.05**

Notes:

(i) The management assessed that cash and cash equivalents, trade receivables, other financial assets, borrowings and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) 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.

(iii) The borrowings of the Company do not have any comparable instrument having the similar terms and conditions and hence the carrying value of the borrowings represents the best estimate of fair value.

43 Financial risk management objectives and policies

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

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:

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, 2024.

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, 2024 and March 31, 2023.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency sensitivity

The following demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The sensitivity analysis includes only outstanding unhedged foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

If the foreign currency rates had been 5% higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2024 would increase/decrease by Rs. 1,776.66 million (March 31, 2023: Rs. 42.86 million).

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

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

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

March 31, 2024

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment
Trade receivables	306.67	44.71	261.96
Cash and cash equivalents	0.99	-	0.99
Other financial assets	754.06	56.42	697.67

March 31, 2024

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment
Trade receivables	203.03	21.65	181.38
Cash and cash equivalents	0.36	-	0.36
Other financial assets	606.11	56.40	549.71

Reconciliation of expected credit loss is as follows:

Particulars	Other receivables	Trade receivables	Unbilled revenue
As at April 1, 2022	**13.24**	**-**	**45.16**
Impairment loss recognised during the year	-	21.65	(2.00)
As at March 31, 2023	**13.24**	**21.65**	**43.16**
Impairment loss recognised during the year	-	23.06	0.02
As at March 31, 2024	**13.24**	**44.71**	**43.18**

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, 2024	Upto 1 year	1 to 5 years	Total
Financial liabilities (non-current and current)			
Borrowings	-	10.28	10.28
Other financial liabilities	20.20	-	20.20
Lease liabilities	12.27	15.16	27.44
Trade payables	1,380.57	-	1,380.57
Total	**1,413.05**	**25.45**	**1,438.50**

As at March 31, 2023	Upto 1 year	1 to 5 years	Total
Financial liabilities (non-current and current)			
Borrowings	-	10.28	10.28
Other financial liabilities	23.75	-	23.75
Lease liabilities	3.17	-	3.17
Trade payables	1,194.09	-	1,194.09
Total	**1,221.01**	**10.28**	**1,231.29**

44 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	As at March 31, 2024	As at March 31, 2023
Current assets	1,186.35	947.78
Current liabilities	1,654.74	1,332.82
Current ratio	**0.72**	**0.71**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and year ended March 31, 2023.

(This space has been intentionally left blank)

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

45 Financial ratios

Ratio	Measurement unit	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Change	Reason for variance
Current ratio	Times	Current assets	Current liabilities	0.72	0.71	0.82%	Note 1 below
Debt-equity ratio	Times	Total debt	Total equity	(0.09)	(0.04)	124.23%	Note 2 below
Debt service coverage ratio	Times	Earnings before depreciation and amortisation and interest ('EBITDA') [Loss after tax + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Interest expense + Principal repayment	1.87	4.91	-61.81%	Note 3 below
Return on equity ratio	Percentage	Loss after tax	Average of total equity	22.71%	39.24%	-42.13%	Note 4 below
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables	1.68	6.91	-75.69%	Note 5 below
Trade payables turnover ratio	Times	Net credit purchases = purchases - purchase return	Average trade payables	-	0.04	-100.00%	Note 6 below
Net capital turnover ratio	Times	Revenue from operations	Working capital [Current assets - Current liabilities]	(0.80)	(2.81)	-71.73%	Note 7 below
Net profit ratio	Percentage	Loss after tax	Revenue from operations	22.11%	9.77%	126.46%	Note 7 below
Return on capital employed	Percentage	Earnings before interest and taxes	Capital employed [Total assets - Current liabilities + Current borrowings]	5.61%	16.35%	-65.66%	Note 3 below
Return on investment	Percentage	Income from interest on bank deposits	Balance in current and non current bank deposits	141.54%	5.46%	2494.39%	Note 8 below

Notes:

1. The change in ratio is less than 25% as compared to previous year and hence, no explanation required to be furnished.
2. The variance in the ratio is due to the renewal of lease during the year.
3. The variance in the ratio is due to the reason that in there has been improment in the EBITDA margins of the Company.
4. The variance in the ratio is due to increase in accumulated losses of the Company.
5. The variance in the ratio is due to the impairment provision made by the Company during the year.
6. The variance in the ratio is due the fact that during the year the Company has not purchased any inventory.
7. The variance in the ratio is due decrease in revenue of the Company.
8. The variance in ratio is attributable to the difference in interest rates offered by bank on current and non-current deposits in the comparative years.

46 There are delays in depositing Tax Deducted at Source ('TDS') and filing of TDS returns on time as per Income-tax Act, 1961, deposit of provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952 delays in deposit and filing of returns as applicable under Goods and Services Tax Act, 2017 ('GST Act'). Further, registration under the GST Act has been suspended/cancelled on account of delays in payments related to goods and services tax and non-filing of returns/deposit of goods and services tax as per GST Act. The Company is in process of identifying corrective steps to regularise aforesaid non-compliances with appropriate authorities along with condonation of such delays and defaults. To the extent ascertained, the Company has made accrual for interest on delays in payment of above-mentioned statutory dues.

The Company is in process of regularising aforesaid non-compliances under applicable laws and regulations, however, pending such regularization, the impact of some of the above matters, including due to fine/penalties that may be levied is presently unascertainable and accordingly, no adjustments have been made in these financial statements in this respect.

47 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Company has used an accounting software for maintaining the books of account which has a feature of recording audit trail (edit log). However, the audit trail feature was not enabled for all transactions recorded in the software.

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

49 Additional disclosures

A The Company has not advanced or loaned or invested funds to any person or any entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Company (Ultimate Beneficiaries); or
(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B The Company has not received any fund from any person or any entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Funding Party (Ultimate Beneficiaries); or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

C The Company does not have any transactions and outstanding balances during the current as well previous year with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

D The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

E The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

F The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

G The Company has not been declared as willful defaulter by the bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in accordance with the guideline on willful defaulter issued by the Reserve Bank of India.

H The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

50 Adoption of financial statements
The financials have been approved by the Board of Directors on July 15, 2024 and there have been no significant events after the reporting period till such date.

The above notes form an integral part of these financial statements.

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

Sd/-
Madhu Sudan Malpani
Partner
Membership No: 517440

Place: Gurugram
Date: July 15, 2024

For and on behalf of the Board of Directors
SpiceJet Technic Private Limited

Sd/-
Ajay Singh
Director
DIN No: 01360684

Place: Gurugram
Date: July 15, 2024

Sd/-
Shiwani Singh
Director
DIN No: 05229788

Place: Gurugram
Date: July 15, 2024

1. Corporate information

SpiceJet Technic 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 5, 2016 (CIN – U74999DL2016PTC306819) under the Companies Act, 2013. The Company is principally engaged in providing engineering and technological services related to aviation, aerospace and defence industry.

The financial statements were approved for issue by the board of directors on July 15, 2024.

2. A. Summary of material accounting policies

The financial statements have been prepared using the material accounting policies and measurement bases summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation of financial statements

i. Statement of compliance

The financial statements of the Company for the year ended March 31, 2024 have been prepared in accordance with Indian Accounting Standards (‘Ind AS’) as prescribed under Section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules 2015, as amended.

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

ii. Historical cost convention

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

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.
The Company has identified twelve months as its operating cycle.

c) Property, plant and equipment

Recognition and measurement

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

For depreciation purposes, the Company identifies and 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.

Depreciation

The Company depreciates its property, plant and equipment over their estimated useful lives using straight-line method in accordance with the useful life prescribed in Schedule II to the Act.

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

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

Asset description	Estimated useful life (years)
Plant and machinery	15 years
Office equipment	5 years
Motor vehicles	8 years
Computers	3 to 6 years
Furniture and fixtures	10 years
Leasehold improvements	3 years

Derecognition

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

d) Intangible assets

Recognition and measurement

Intangible assets (software) are stated at cost less accumulated amortization and impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Depreciation

Costs incurred towards purchase of computer software are amortised using the straight-line method over a period based on management's estimate of useful lives of such software, being 3 years, or over the license period of the software, whichever is shorter.

De-recognition

Intangible asset is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

e) Impairment of non-financial assets

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period as relevant for asset or CGU tested for impairment. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a growth rate for subsequent years.

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

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

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) Inventories

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

h) Revenue from contracts with customer

Revenue from contracts with customers is recognised when the goods or 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. Revenue is measured at transaction price net of rebates, discounts and taxes. A receivable is recognised by the Company when the control is transferred as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required. No significant element of financing is deemed present as the sales are either made with a nil credit term or with a credit period of 0-90 days.

Service income

Revenue from maintenance, repair and overhaul services and other services are recognised when the services are rendered. The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the consideration received or receivable to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, net of allowances and trade discounts. The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

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.

Contract assets

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

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

i) Employee benefits

i. Short-term employee benefits

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

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

ii. Other long-term employee benefits

The Company also provides benefit of compensated absences to its employees (as per the policy of the Company) which are in the nature of long-term employee benefit plan. The Company measures the expected cost of compensated absences which are expected to be settled within 12 months as an additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Liability in respect of compensated absences becoming due and expected to be carried forward beyond twelve months are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

iii. Post-employment benefits

The Company operates the following post-employment schemes:

a. Defined benefit plans – gratuity

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

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

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

b. Defined contribution plan – provident fund

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

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

k) 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.

l) Leases

The Company's lease asset class primarily consist of leases for building premises. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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 (e) 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 of building and equipment (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 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.

m) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash on hand and at banks which is subject to an insignificant risk of changes in value.

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

n) Financial instruments

Initial recognition and measurement

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

Non-derivative financial assets

Subsequent measurement

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

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

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

De-recognition of financial assets

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

Non-derivative financial liabilities

Subsequent measurement

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

o) Impairment of financial assets

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

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

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

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

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

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

p) 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.

q) Contingent liabilities, contingent assets and provision

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

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

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

r) Foreign currency transactions

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

Initial recognition

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

Conversion

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

<u>Exchange differences</u>

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

s) 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. Recent accounting pronouncement and new and amended accounting standards adopted by the Company

a) Ministry of Corporate Affairs ('MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules 2015, as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

b) The Ministry of Corporate Affairs ('MCA') vide its notification dated March 31, 2023, notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective April 1, 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

C. Recent accounting pronouncement

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules 2015, as issued from time on time. For the year ended March 31, 2024 MCA has not notified any new standards or amendments to the existing standards applicable the Company.

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Annexure A referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of SpiceJet Technic Private Limited on the financial statements for the year ended March 31, 2024

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment and right of use assets have been verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not own any immovable property (including investment properties) (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has adopted cost model for its property, plant and equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii)(a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Annexure A referred to in Paragraph 14 of the Independent Auditor's Report of even date to the members of SpiceJet Technic Private Limited on the financial statements for the year ended March 31, 2024 (cont'd)

Statement of arrears of statutory dues outstanding for more than six months:

Name of the statute#	Nature of the dues	Amount (Rs in million)#	Period to which the amount relates	Due date	Date of payment
The Income tax Act, 1961	Tax deducted at source	71.51	Financial year 2017-2018 to 2022-2023	Multiple dates	Not paid
The Income tax Act,1961	Tax deducted at source	10.20	April 1, 2023 to September 30, 2023	Multiple dates	Not paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	22.40	April 1, 2022 to September 30, 2023	Multiple dates	Not paid
Goods and Services Tax Act, 2017	Reverse Charge Mechanism liability	39.38	Financial year 2017-2018 to 2022-2023	Multiple dates	Not paid
Goods and Services Tax Act, 2017	Reverse Charge Mechanism liability	7.44	April 1, 2023 to September 30, 2023	Multiple dates	Not paid

Inclusive of interest

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix)(a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act, has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi)(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to Rs. 41.00 million and Rs. 43.33 million respectively. For the purpose of reporting under this clause, the amount of cash losses has been arrived at after considering the effects of the qualification as described in the 'Basis for Qualified Opinion' section of our FS audit report, except for the possible effects of the matter described in paragraph 3 of such FS report for the current year in respect of which we are unable to determine the effect thereof on the cash losses reported under this clause due to lack of necessary information.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions in our opinion, a material uncertainty exists as on the date of the audit report indicating that Company may not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. Refer 'Material Uncertainty related to Going Concern' in our Independent Auditor's Report.

Annexure A referred to in Paragraph 14 of the Independent Auditor's Report of even date to the members of SpiceJet Technic Private Limited on the financial statements for the year ended March 31, 2024 (cont'd)

(xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

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

UDIN: 24517440BKGUAM1318

Place: Gurugram
Date: July 15, 2024

Annexure B to the Independent Auditor's Report of the even date to the members of SpiceJet Technic Private Limited Private Limited, on the financial statements for the year ended March 31, 2024.

1. In conjunction with our audit of the financial statements of SpiceJet Technic Private Limited ('the Company') as at and for the year ended March 31, 2024 we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Annexure B to the Independent Auditor's Report of even date to the members of SpiceJet Technic Private Limited, on the financial statements for the year ended March 31, 2024 (cont'd)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2024:

   The Company's internal financial controls over estimation of consequences towards non-compliances with laws and regulations as more fully explained in Note 46 to the financial statements, were not operating effectively, which could potentially result in an inappropriate assessment of the accuracy and completeness of provision for fine and penalties. This could lead to a potential material misstatement in the value of fine and penalties payable and its consequential impact on the loss after tax, reserve and surplus and related disclosures in respect thereof as at and for the year ended March 31, 2024.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at March 31, 2024, based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at March 31, 2024.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended March 31, 2024, and the material weakness has affected our opinion on the financial statements of the Company, and we have issued a qualified opinion on the financial statements.

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

Sd/-

Madhu Sudan Malpani
Partner
Membership No: 517440

UDIN: 24517440BKGUAM1318

Place: Gurugram
Date: July 15, 2024