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Independent Auditor's Report

To the Members of SpiceXpress and Logistics Private Limited

Report on the Audit of the Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of SpiceXpress and Logistics 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 certain provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as applicable to the Company, being a material subsidiary of the Holding Company, as detailed in Note 39 to the accompanying financial statements. Pending regularizing of such non-compliances, the management is of the view that the impact of the aforesaid non-compliances on the accompanying financial statements is presently unascertainable. In 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 that may be required to the accompanying financial statements in this respect.

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. 45.96 million during the year ended March 31, 2024 and, as of that date, the Company's accumulated losses amounts to Rs. 49.01 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. 294.06 million as at March 31, 2024. The SpiceJet Limited ('Holding Company') has disclosed a material uncertainty in relating to going concern in its financial statements pursuant to uncertainties detailed in such financial statements, thereby could have a corresponding impact on the Company's ability to continue as a going concern also. These conditions and other matters set forth 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 future business projections and financial support provided by SpiceJet Limited ('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 and Those Charged with Governance 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.

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 is 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 Requirements

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 litigations 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 40A to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

   (b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 40B to the financial statements, no funds have been received by the Company from any person 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 37 to the financial statements and based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on April 1, 2023, have used accounting software for maintaining its books of account which haves a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below.

a) The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Company for the period April 1, 2023 to March 31, 2024. For the software used to maintain the revenue records, the audit trail feature was not enabled at the database level for the period March 1, 2024 to March 31, 2024.

b) The accounting software used for maintenance of revenue records by the Company for the period April 1, 2023 to February 29, 2024 is operated by a third-party software service provider. We are unable to test whether audit trail feature was enabled or tampered with for the said software at the application level. Further, the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organization) was available for part of the year and it in the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level, we are unable to comment on whether audit trail feature with respect to database of the said software was enabled and operated throughout the year.

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

Sd/-
Neeraj Goel
Partner
Membership No.: 099514

UDIN: 24099514BKCMXI4044

Place: Gurugram
Date: July 15, 2024

SpiceXpress and Logistics 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	3A	56.13	77.08
Intangible assets	3C	144.45	-
Intangible assets under development	3B	6.29	131.29
Financial assets			
Loans	4	6.46	-
Income-tax assets (net)	5	23.44	-
		236.77	**208.37**
Current assets			
Financial assets			
Loans	6	2.50	-
Trade receivables	7	147.06	-
Cash and cash equivalents	8	157.30	8.00
Other financial assets	9	28.10	2.44
Other current assets	10	341.13	0.68
Total current assets		**676.09**	**11.12**
Total assets		**912.86**	**219.49**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	50.10	0.10
Other equity	12	(25,622.61)	(25,576.65)
Total equity		**(25,572.51)**	**(25,576.55)**
Non-current liabilities			
Financial liabilities			
Other financial liabilities	13	25,507.70	25,560.04
Provisions	14	7.53	9.50
Total non-current liabilities		**25,515.23**	**25,569.54**
Current liabilities			
Financial liabilities			
Borrowings	15	-	1.00
Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises		9.86	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		734.65	1.25
Other financial liabilities	17	10.77	-
Other current liabilities	18	212.84	219.20
Provisions	19	2.02	5.05
Total current liabilities		**970.14**	**226.50**
Total liabilities		**26,485.37**	**25,796.04**
Total equity and liabilities		**912.86**	**219.49**

Summary of material accounting policies. 2

The accompanying notes form an integral part of these 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

Sd/-
Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: July 15, 2024

For and on behalf of the Board of Directors
SpiceXpress and Logistics 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

SpiceXpress and Logistics 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)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from operations	20	3,248.38	-
Other income	21	2.48	-
Total income		**3,250.86**	**-**
EXPENSES			
Operating expenses	22	3,023.43	-
Employee benefits expense	23	146.43	-
Finance costs	26	0.81	0.14
Depreciation and amortisation expense	25	25.61	-
Other expenses	24	71.40	2.17
Total expenses		**3,267.68**	**2.31**
Loss before exceptional items and tax		**(16.82)**	**(2.31)**
Exceptional items	27	29.68	-
Loss before tax		**(46.50)**	**(2.31)**
Tax expense	28	-	-
Loss after tax for the year		**(46.50)**	**(2.31)**
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss:			
Remeasurement gain on defined benefit obligations		0.54	-
Income tax impact		-	-
Total comprehensive income for the year		**(45.96)**	**(2.31)**
Earnings per share	29		
Basic		(11.41)	(231.00)
Diluted		(11.41)	(231.00)
Summary of material accounting policies.	2		

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

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

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

Sd/-
Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: July 15, 2024

For and on behalf of the Board of Directors
SpiceXpress and Logistics 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

SpiceXpress and Logistics 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 flow from operating activitites**		
	Loss before tax	**(46.50)**	**(2.31)**
	Adjustments for :		
	Depreciation and amortisation expense	25.61	-
	Interest income	(0.54)	-
	Interest expenses	0.81	0.14
	Unrealised foreign exchange gain (net)	(2.93)	-
	Impairement of financial assets	0.44	-
	Operating loss before working capital changes	**(23.11)**	**(2.17)**
	Movement in working capital:		
	Trade receivables	(144.57)	-
	Other current financial assets	(25.66)	-
	Other current assets	(340.45)	(0.55)
	Trade payables	743.27	(1.17)
	Other current liabilities	(10.81)	7.05
	Other current and non-current financial liabilities	8.69	2.17
	Cash flows from operating activities	**207.36**	**5.33**
	Income taxes paid	(23.44)	-
	Net cash flows from operating activities	**183.91**	**5.33**
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment, intangible assets and intangible assets under development	(24.11)	-
	Loans given	(10.00)	-
	Loan received back	1.04	-
	Interest received	0.54	-
	Net cash used in investing activities	**(32.53)**	**-**
C.	**Cash flows from financing activities**		
	Repayment of short-term borrowings	(1.00)	-
	Interest paid	(0.34)	-
	Other borrowing costs paid	(0.74)	-
	Net cash used in financing activities	**(2.08)**	**-**
D.	**Net increase in cash and cash equivalents (A+B+C)**	**149.30**	**5.33**
E.	Cash and cash equivalents at the beginning of the year	8.00	2.67
	Cash and cash equivalents at the end of the year (D+E)	**157.30**	**8.00**
	Notes:		
	Components of cash and cash equivalents		
	Balance with bank in current accounts	157.30	8.00
	Cash and cash equivalents at the end of the year (refer note 8)	**157.30**	**8.00**

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 these 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/-
Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: July 15, 2024

For and on behalf of the Board of Directors
SpiceXpress and Logistics 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

SpiceXpress and Logistics 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	Balance as at April 1, 2022	Movement during the year	Balance as at March 31, 2023	Movement during the year	Balance as at March 31, 2023
Equity share capital	0.10	-	0.10	50.00	50.10
Less: Treasury share capital^	(0.00)	-	(0.00)	-	(0.00)
Closing balance	**0.10**	**-**	**0.10**	**50.00**	**50.10**

^This balance is for treasury shares held by the ESOP trust on behalf of the Company.

B. Other equity**

Particulars	Reserve and surplus		Total other equity
	Capital reserve	Retained earnings	
As at April 1, 2022	**-**	**(0.74)**	**(0.74)**
Loss for the year	-	(2.31)	**(2.31)**
Other comprehensive income	-	-	-
Total comprehensive income	**-**	**(3.05)**	**(3.05)**
Transactions with owners in their capacity as owners			
Business reorganization reserve (refer note 41)	(25,573.60)	-	**(25,573.60)**
As at March 31, 2023	**(25,573.60)**	**(3.05)**	**(25,576.65)**
Loss for the year	-	(46.50)	**(46.50)**
Other comprehensive income for the year	-	0.54	**0.54**
Total comprehensive income	**-**	**(45.96)**	**(45.96)**
As at March 31, 2024	**(25,573.60)**	**(49.01)**	**(25,622.61)**

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

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

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

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

Sd/-
Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: July 15, 2024

For and on behalf of the Board of Directors
SpiceXpress and Logistics 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)

3A. Property, plant and equipment

Particulars	Plant and machinery	Rotable spares	Office equipment	IT equipment	Furniture and fixtures	Motor vehicles	Leasehold improvement	Total
Gross block								
As at April 01, 2022	-	-	-	-	-	-	-	**-**
Additions (refer note (i) below)	1.32	42.91	10.49	2.13	1.09	19.02	0.12	**77.08**
Disposals	-	-	-	-	-	-	-	**-**
As at March 31, 2023	**1.32**	**42.91**	**10.49**	**2.13**	**1.09**	**19.02**	**0.12**	**77.08**
Additions	-	-	-	0.53	-	-	-	**0.53**
Disposals	-	-	-	-	-	-	-	**-**
As at March 31, 2024	**1.32**	**42.91**	**10.49**	**2.66**	**1.09**	**19.02**	**0.12**	**77.61**
Accumulated depreciation								
As at April 01, 2022								
Charge for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	(0.17)	(3.11)	(3.88)	(1.72)	(0.25)	(12.23)	(0.12)	**(21.48)**
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2024	**(0.17)**	**(3.11)**	**(3.88)**	**(1.72)**	**(0.25)**	**(12.23)**	**(0.12)**	**(21.48)**
Net block as at March 31, 2023	**1.32**	**42.91**	**10.49**	**2.13**	**1.09**	**19.02**	**0.12**	**77.08**
Net block as at March 31, 2024	**1.15**	**39.80**	**6.61**	**0.94**	**0.84**	**6.79**	**0.00**	**56.13**

3C. Intangible assets

Particulars	Software
Gross block	
As at April 01, 2022	
Additions	-
Disposals	-
As at March 31, 2023	**-**
Additions	148.58
Disposals	-
As at March 31, 2024	**148.58**
Accumulated amortization	
As at April 01, 2022	
Charge for the year	-
Disposals	-
As at March 31, 2023	**-**
Charge for the year	(4.13)
Disposals	-
As at March 31, 2024	**(4.13)**
Net block as at March 31, 2023	**-**
Net block as at March 31, 2024	**144.45**

Notes:

(i) During the previous year, the Company has entered into business transfer agreement with SpiceJet Limited ('the Holding Company') for acquiring cargo business undertaking and accordingly, received the above assets, Refer note 41 for details.

(ii) There are no contractual commitments with respect to property, plant and equipment.

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

3B. Intangible assets under development

Particulars	Amount
Gross block	
As at April 01, 2022	-
Additions	131.29
Disposals	-
As at March 31, 2023	**131.29**
Additions	23.58
Disposals	(148.58)
As at March 31, 2024	**6.29**

Ageing schedule of intangible assets under development

As at 31 March 2024	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6.29	-	-	-	**6.29**
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2023	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	131.29	-	-	-	**131.29**
Projects temporarily suspended	-	-	-	-	-

Notes
(i) There are no capital work-in-progress whose budget has exceeded its cost compared to its original/revised plans.

(This space has been left intentionally)

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

Particulars	As at March 31, 2024	As at March 31, 2023
4 Non-current loans		
(Unsecured, considered good)		
Loan to director	6.46	-
	6.46	**-**

Note:
During the year, the Company has given loan to one of the director of the Company. The loan is recoverable in 48 installments starting from November 30, 2023 and carries an interest of 8% per annum. Refer note 32 for details.

Particulars	As at March 31, 2024	As at March 31, 2023
5 Income-tax assets (net)		
Advance income-tax (net)	23.44	-
	23.44	**-**
6 Current loans		
(Unsecured, considered good)		
Loan to director	2.50	-
	2.50	**-**

Note:
During the year, the Company has given loan to one of the director of the Company. The loan is recoverable in 48 installments starting from November 30, 2023 and carries an interest of 8% per annum. Refer note 32 for details.

Particulars	As at March 31, 2024	As at March 31, 2023
7 Trade receivables		
(Unsecured, considered good)		
Trade receivables		
Unsecured, considered good	147.06	-
Unsecured, credit impaired	0.44	-
	147.50	**-**
Impairment allowance		
Unsecured, considered good	-	-
Unsecured, credit impaired	(0.44)	-
	(0.44)	**-**
	147.06	**-**

Notes:
Trade receivables are non-interest bearing and are generally have credit period to a maximum of 30 days.
The carrying amount of trade receivables approximates their fair value, as included in note 33. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 34

Ageing schedule of trade receivables

As at March 31, 2024	Outstanding from the due date of transaction					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered	143.39	3.67	-	-	-	147.06
Undisputed trade receivables – credit impaired	0.12	0.32	-	-	-	0.44
Total	**143.51**	**3.99**	**-**	**-**		**147.50**

As at March 31, 2023	Outstanding from the due date of transaction					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-
Total	-	-	-	-	-	-

Particulars	As at March 31, 2024	As at March 31, 2023
8 Cash and cash equivalents		
Balances with banks in current accounts	157.30	8.00
	157.30	**8.00**
9 Other financial assets - current		
(Unsecured, considered good)		
Security deposits	2.03	2.44
Contract assets*	22.39	-
Other receivables	3.68	-
	28.10	**2.44**
Balance at the beginning of the year	-	-
Additions during the year	22.39	-
Balance at the end of the year	**22.39**	**-**

*Refer note 32 for details

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

10	**Other current assets**		
	(Unsecured, considered good)		
	Prepaid expenses	0.81	0.04
	Balance with government authorities	244.25	0.44
	Advance to vendors/suppliers	96.07	0.20
		341.13	**0.68**

	Particulars	**As at March 31, 2024**	**As at March 31, 2023**
11	**Equity share capital***		
(i)	**Authorised share capital**		
	Equity share capital of ₹ 10 each		
	At the beginning of the year	0.10	0.10
	Increase during the year	25,999.90	-
	As at the end of the year	**26,000.00**	**0.10**
(ii)	**Issued, subscribed and paid-up capital**		
	Equity share capital of ₹ 10 each		
	At the beginning of the year	0.10	0.10
	Issue during the year	50.00	-
	As at the end of the year	**50.10**	**0.10**

*Refer note 32 for details.

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	**Amount**	**Number**	**Amount**
Shares outstanding at the beginning of the year	9,800	0.10	9,800	0.10
Issued during the year	50,00,000	50.00	-	-
Shares outstanding at the end of the year	**50,09,800**	**50.10**	**9,800**	**0.10**

b) Terms/rights attached to class of shares

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

c) Shares held by Holding Company

Particulars	**As at March 31, 2024**		**As at March 31, 2023**	
	Number	**Amount**	**Number**	**Amount**
SpiceJet Limited	50,09,800	50.10	9,800	0.10

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

Particulars	**As at March 31, 2024**		**As at March 31, 2023**	
	Number	**% against total equity shares**	**Number**	**% against total equity shares**
SpiceJet Limited	50,09,800	100.00%	9,800	98.00%

e) Details of promoter shareholding

Name of promoter	**As at March 31, 2024**			**As at March 31, 2023**		
	Number	**% of total shares**	**% change during the year**	**Number**	**% of total shares**	**% change during the year**
SpiceJet Limited	50,09,800	100%	51020%	9,800	98%	-

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

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

12	**Other equity**		
	Retained earnings		
	Balance as at the beginning of the year	(3.05)	(0.74)
	Loss for the year	(45.96)	(2.31)
	Balance as at the end of the year	**(49.01)**	**(3.05)**
	Capital reserve		
	Balance as at the beginning of the year	(25,573.60)	-
	Movement during the year	-	(25,573.60)
	Balance as at the end of the year	**(25,573.60)**	**(25,573.60)**

Retained earnings

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

Capital reserve

Refer note 41 for details

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

	Particulars	As at March 31, 2024	As at March 31, 2023
13	**Other non-current financial liabilities**		
	Security deposits	-	2.08
	Other payables (refer note 41)	25,507.70	25,557.70
	Interest accrued but not due	-	0.26
		25,507.70	**25,560.04**
14	**Long-term provisions**		
	Provision for gratuity (refer note 31)	7.53	9.50
		7.53	**9.50**
15	**Short-term borrowings**		
	(Unsecured - at amortised cost)		
	Loan from Holding Company	-	1.00
		-	**1.00**

Note:

The Company had taken loan from SpiceJet Limited ('Holding Company') amounting Rs. 1.00 million on November 11, 2020 and carries an interest of 12.75%. The loan was repayable on November 11, 2023. During the current year, the Company has repaid the loan.

The changes in the Company's liabilities arising from financing activities are summarised as follows:

Particulars	Borrowings	Interest on borrowings	Total
Balances as at April 1, 2022	1.00	0.12	1.12
Interest expense	-	0.14	0.14
Balances as at March 31, 2023	1.00	0.26	1.26
Interest expense	-	0.08	0.08
Payments made	(1.00)	(0.34)	(1.34)
Balances as at March 31, 2024	-	-	-

16	**Trade payables***		
	Total outstanding dues of micro enterprises and small enterprises	9.86	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	734.65	1.25
		744.51	**1.25**

Notes:

(I) Trade payables are non interest bearing and carry a credit period generally between 30 and 90 days.
(ii) For related party details refer note 32.

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act, 2006”) has been tabulated below:

Particulars	March 31, 2024	March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	9.86	-
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.72	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Ageing schedule of trade payables

As at March 31, 2024	Outstanding from the due date of transaction					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues -MSME^	1.20	8.66	-	-	-	**9.86**
(ii) Undisputed dues -Others	38.22	696.43	-	-	-	**734.65**
Total	**39.42**	**705.09**	**-**	**-**	**-**	**744.51**

As at March 31, 2023	Outstanding from the due date of transaction					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues -MSME^	-	-	-	-	-	-
(ii) Undisputed dues -Others	0.21	1.02	-	0.02	-	**1.25**
Total	**0.21**	**1.02**	**-**	**0.02**	**-**	**1.25**

^ MSME stands for Micro enterprises and small enterprises as per MSMED Act.

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

	Particulars	As at March 31, 2024	As at March 31, 2023
17	**Other financial liabilities - current**		
	Employee related payables	10.77	-
		10.77	-
18	**Other current liabilities**		
	Statutory dues payable	10.08	0.25
	Advance received from agents	202.76	218.95
		212.84	**219.20**
19	**Short-term provisions**		
	Provision for gratuity (refer note 31)	0.87	0.39
	Provision for compensated absences	1.15	4.66
		2.02	**5.05**

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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
20	**Revenue from operations**		
	Belly cargo revenue*	1,685.84	-
	Freighter revenue	1,562.54	-
		3,248.38	**-**

Contract balances

Trade receivables are generally unsecured and are derived from revenue earned from customers which are located in India and abroad. Trade receivables also includes receivables from credit card companies which are realisable within a period 1 to 7 working days.

Particulars		
Trade receivables	147.06	-
Contract assets	22.39	-
Contract liabilities	202.75	218.95

Contract liabilities comprise of advance received for cargo reservation. Contract assets relates to unbilled revenue.

21	**Other income**		
	Foreign exchange gain (net)	1.70	-
	Interest from loan to director*	0.54	-
	Miscellaneous income	0.24	-
		2.48	**-**

*Refer note 32 for details.

22	**Operating expenses**		
	Freighter operating expenses*^	1,260.86	-
	Aviation turbine fuel*^	852.97	-
	Aircraft repairs and maintenance*^	255.83	-
	Landing, navigation and other airport charges*^	255.21	-
	Manpower charges*^	188.33	-
	Cargo handling costs*^	167.38	-
	Aircraft navigation software expenses	20.24	-
	Other operating expenses	22.61	-
		3,023.43	**-**

^These expenses have been incurred by the Company for its cargo operations as per the Transition Support Agreement entered with the Holding Company.

*Refer note 32 for details.

23	**Employee benefits expense**		
	Salaries, wages and bonus	136.82	-
	Contribution to provident and other funds	6.77	-
	Gratuity expense (refer note 31)	1.72	-
	Staff welfare	1.12	-
		146.43	**-**
24	**Other expenses**		
	Repairs and maintenance	3.93	-
	Rent	7.71	0.03
	Commission to agents	15.99	-
	Legal and professional charges*****	23.53	2.02
	Bank charges	6.18	-
	Business promotion and advertisement	3.48	-
	Communications	1.73	-
	Insurance	2.71	-
	Impairment of trade receivables	0.44	-
	Printing and stationery	3.24	-
	Travelling and conveyance	1.87	-
	Miscellaneous expenses	0.59	0.12
		71.40	**2.17**

*** Payment to statutory auditors (exclusive of taxes)**

<u>As auditor</u>		
Audit fees	0.38	0.10
Tax audit fees	0.10	-

25	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment (refer note 3A)	21.48	-
	Amortisation of intangible assets (refer note 3C)	4.13	-
		25.61	**-**

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

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
26	**Finance costs**		
	Interest on borrowings*	0.08	0.14
	Other borrowing cost	0.73	-
		0.81	**0.14**

*Refer note 32 for details.

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
27	**Exceptional items**		
	Share issue expense*	29.68	-
		29.68	**-**

*During the year, the Company has incurred expenses amounting to Rs. 29.68 lakhs for increasing its authorised equity share capital for further issuance of equity shares. Due to nature and relevance, the Company has disclosed these expenses as an exceptional item.

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

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168% and the reported tax expense on the Statement of profit and loss are as follows:

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
Loss before tax	(45.96)	(2.31)
At India's statutory income tax rate of 25.168% (31 March 2023: 25.168%)	(11.57)	(0.58)
Adjustments:		
Tax impact on losses where deferred tax is not recognised	11.57	-
Tax impact on expenses which were not allowed in earlier years	-	0.58
Income tax expense reported in the	-	-

Notes:

(i) The Company has decided not to recognise deferred tax asset on unabsorbed business losses (available for set off for a period of 8 years against future taxable business profits) in the absence of probability of realization of deferred tax asset in the near future.

(ii) Below is the expiry details.

Deferred tax

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax liability	(2.55)	(1.51)
Deferred tax asset	2.55	1.51
Net Deferred Tax asset/ (liability)	-	-

March 31, 2024	Opening	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(1.51)	(1.03)	-	(2.55)
Tax losses	1.51	1.03	-	2.55
Total	-	-	-	-

March 31, 2023	Opening	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	-	(1.51)	-	(1.51)
Tax losses	-	1.51	-	1.51
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*	11.96	2.45
Unabsorbed depreciation#	10.12	-
Net deferred tax asset	**22.08**	**2.45**

Unabsorbed depreciation does not have any expiry period under the Income-tax Act, 1961
*The following table details the expiry of the brought forward tax losses

Particulars	As at March 31, 2024	As at March 31, 2023
0-4 years	-	-
4-8 years	11.96	2.45
Total	**11.96**	**2.45**

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

Pursuant to the Business Transfer Agreement ('the Agreement'), on March 31, 2023, the Company has acquired cargo business undertaking from SpiceJet Limited ('the Holding Company') as a going concern, on slump sale basis, for a total consideration of Rs. 25,557.70 millions. As per the principles of Ind AS, the Company has not recognised the deferred tax over the intangible assets recognised in tax books/records as it qualifies for the initial recognition exemption and the same will be considered as permanent difference from the second year onwards.

29 Earnings per share ('EPS')

Earnings per share ('EPS') is determined based on the net profit 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	(45.96)	(2.31)
Weighted average number of shares		
- Basic	40,26,393	10,000
- Diluted	40,26,393	10,000
Earnings per share :		
- Basic	(11.41)	(231.00)
- Diluted	(11.41)	(231.00)

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

c) Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

d) Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

e) Defined benefit obligation (DBO) – 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 assumption

Refer note 38 for details.

g) Contingent liabilities and contingent assets

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

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

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

31 Employee benefits obligation
Defined benefit plan

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')	8.40	9.89
Defined benefit obligation ('DBO')	**8.40**	**9.89**

(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	0.87	0.39
Non-current liability	7.53	9.50

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
1. Current service cost	1.09	9.89
2. Interest cost	0.63	-
Expense recognised during the year	**1.72**	**9.89**

(iv) Expense recognised in other comprehensive income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Actuarial loss/(gain)	0.54	-
Actuarial loss/(gain) recognised in other comprehensive income	**0.54**	**-**

(v) 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	9.89	-
Current service cost	1.09	1.86
Interest cost	0.63	-
Benefits paid	(2.67)	-
Past service cost including curtailment	-	8.03
Actuarial (gain)		
a. Effect of changes in demographic assumption	-	-
b. Effect of changes in financial assumption	0.11	-
c. Effect of experience adjustments	(0.65)	-
Present value of defined benefit obligation at the end of the year	**8.40**	**9.89**

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salary increase rate	4.50%	4.50%
Pre-retirement mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition rate	From 40- 44yrs - 13.30%, from 45-49 yrs - 8.87% , from 50-54 yrs - 4.43% and above 55 yrs - 2%	Up to 30 yrs- 13.30%, from 31 to 44 Yrs-7.00%, above 44 years- 0.90%
Retirement age	60.00	60.00
Weighted average duration of DBO	6.94	11.93

(vii) Maturity plan of defined benefit obligation:

Particulars	As at March 31, 2024	As at March 31, 2023
Within the 1 year	0.91	0.39
Between 1 and 5 years	3.14	2.01
Beyond 5 years	11.12	7.49

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

(viii) 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	(0.55)	(0.46)
Discount rate - 100 basis points	0.62	0.50
Impact of the change in salary increases on present value of DBO at the end of the year		
Salary increase rate + 100 basis points	0.55	0.51
Salary increase rate - 100 basis points	(0.52)	(0.48)

(vi) 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
1. Discount rate	7.19%	7.36%
2. Future salary increase	4.50%	4.50%

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	0.32	0.27
Non-current liability	0.83	4.38

C. Contributions to defined contribution plan:

During the year, the Company recognized Rs. 6.76 millions (March 31, 2023 - Rs. Nil) to provident fund under defined contribution plan and Rs. 0.01 million (March 31, 2023 - Rs. Nil) for contributions to employee state insurance scheme in the statement of profit and loss.

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

32 Related party transactions

a. List of related party

Relationship	**Name of the party**
Holding Company	SpiceJet Limited
Key Managerial Personnel	Mr. Ajay Singh, Director
	Mrs. Shiwani Singh, Director
	Mr. Easwaran Sundaram, Director
	Mr. Kamal Hingorani, Director *(from October 1, 2023)*

b. Transactions with related party

Particulars	**March 31, 2024**		**March 31, 2023**	
	Holding Company	**Key Managerial Personnel**	**Holding Company**	**Key Managerial Personnel**
Finance cost				
Interest on borrowings	0.08	-	0.14	-
	0.08	**-**	**0.14**	**-**
Other income				
Interest from loan to director	-	0.54	-	-
	-	**0.54**	**-**	**-**
Operating expenses				
Freighter operating expenses	1,260.86	-	-	-
Aviation turbine fuel	809.61			
Aircraft repairs and maintenance	255.83	-	-	-
Landing, navigation and other airport charges	255.21	-	-	-
Manpower charges	188.33	-	-	-
Cargo handling costs	167.38	-	-	-
	2,937.22	**-**	**-**	**-**
Revenue from operations				
Belly cargo revenue	295.12	-	-	-
	295.12	**-**	**-**	**-**
Equity share capital				
Issue of equity share capital	50.00	-	-	-
	50.00	**-**	**-**	**-**
Other non-current financial liabilities				
Other payables	(50.00)	-	25,557.70	-
	(50.00)	**-**	**25,557.70**	**-**
Borrowings				
Repayment of borrowings	(1.00)	-	-	-
Interest paid	(0.34)	-	-	-
	(1.34)	**-**	**-**	**-**
Loans				
Loan given	-	10.00	-	-
Loan received back	-	(1.04)	-	-
	-	**8.96**	**-**	**-**

c. Outstanding balances:

Particulars	**March 31, 2024**		**March 31, 2023**	
	Holding Company	**Key Managerial Personnel**	**Holding Company**	**Key Managerial Personnel**
Equity share capital				
Equity share capital	50.10	-	0.10	-
Borrowings				
Loan from related parties	-	-	1.00	-
Loans				
Loan to director	-	8.96	-	-
Other non-current financial liabilities				
Interest accrued	-	-	0.26	-
Other payables	25,507.70	-	25,557.70	-
Trade payables	639.78	-	-	-
Other financial assets - current				
Contract assets	21.25	-	-	-

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

33 Fair value disclosures

(i) Fair value hierarchy

The following explains the judgements and estimates made in determining the fair values of the financial instruments. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

Valuation techniques used to determine fair value

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods were used to estimate the fair values:-

Loan, trade receivables, cash and cash equivalents, other current financial assets, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Borrowings taken by the Company are as per the Company's credit and liquidity risk assessment and there is no comparable instrument having the similar terms and conditions with related security being pledged and hence the carrying value of the borrowings represents the best estimate of fair value.

(ii) Fair value of assets and liabilities which are measured at amortised cost for which fair value are disclosed

Particulars	March 31, 2024		March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortised cost				
Loan	8.96	8.96	-	-
Trade receivables	147.06	147.06	-	-
Cash and cash equivalents	157.30	157.30	8.00	8.00
Other financial assets	28.10	28.10	2.44	2.44
Total	**341.42**	**341.42**	**10.44**	**10.44**
Financial liabilities at amortised cost				
Borrowings	-	-	1.00	1.00
Other financial liabilities	25,518.47	25,518.47	25,560.04	25,560.04
Trade payables	744.51	744.51	1.25	1.25
Total	**26,262.98**	**26,262.98**	**25,562.29**	**25,562.29**

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

34 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise of borrowings and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as cash which arise directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a treasury team. The treasury team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

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.

Interest rate risk

All the outstanding borrowings of the Company are fixed interest bearing and hence, statement of profit and loss is not sensitive to interest rate variation.

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 loss 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.

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. 6.85 million (March 31, 2023: increase/decrease by Rs. Nil 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 of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has only cash and cash equivalents which is not subject to credit risks.

Credit risk management

Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

Asset group	Basis of categorisation	Provision for expected credit loss
A. Low credit risk	Cash and cash equivalents loans, trade receivables and other financial assets	12 month expected credit loss or life time expected credit loss

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

March 31, 2024

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	147.50	(0.44)	147.06
Cash and cash equivalents	157.30	-	157.30
Other financial assets	34.56	-	34.56

March 31, 2023

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	-	-	-
Cash and cash equivalents	8.00	-	8.00
Other financial assets	2.44	-	2.44

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

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and

Assets under credit risk –

Credit rating	Particulars	31 March 2024	31 March 2023
A: Low credit risk	Cash and cash equivalents loans, trade receivables and other finan	185.39	10.44
	Trade receivables	147.06	-

Cash and cash equivalents

Credit risk related to cash and cash equivalents 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 is considered low because the Company deals with highly rated banks and financial institution.

Loan and other financial assets

Credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system are in place to ensure the amounts are within defined limits. Credit risk is considered low because the Company is in possession of the underlying asset or as per trade experience.

Trade receivables

The Company uses a simplified approach (lifetime expected credit loss model) for the purpose of computation of expected credit loss for trade receivables. The Company is recognising expected credit losses on outstanding trade receivables at in the range of 2-6% below 360 days and in the range of 8-100% for more than 360 days. However, largely the outstanding receivables of the Company are not more than 360 days.

Reconciliation of expected credit loss for trade receivables and loans are as follows:

Particulars	Amount
Loss allowance on April 1, 2022	**-**
Allowance for expected credit loss	-
Loss allowance on March 31, 2023	**-**
Allowance for expected credit loss	0.44
Loss allowance on March 31, 2024	**0.44**

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

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

As at March 31, 2024	Up to 1 year	1 to 5 years	Total
Financial liabilities (non-current and current)			
Other financial liabilities	10.77	25,507.70	25,518.47
Trade payables	744.51	-	744.51
Total	**755.28**	**25,507.70**	**26,262.98**

As at March 31, 2023	Up to 1 year	1 to 5 years	Total
Financial liabilities (non-current and current)			
Borrowings	1.00	-	1.00
Other financial liabilities	-	25,560.04	25,560.04
Trade payables	1.25	-	1.25
Total	**2.25**	**25,560.04**	**25,562.29**

35 Capital management

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

Particulars	March 31, 2024	March 31, 2023
Current assets	676.09	11.12
Current liabilities	970.14	226.50
Current ratio	**0.70**	**0.05**

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

36 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	0.70	0.05	1318.86%	Refer note 2 below
Debt-equity ratio	Times	Total debt	Total equity	-	(0.00)	(100.00%)	Refer note 3 below
Debt service coverage ratio	Times	Earnings before depreciation, amortisation, interest and tax	Interest expense + Principal repayment (including prepayments)	8.90	(15.48)	(157.50%)	Refer note 3 and 5 below
Return on equity ratio	Percentage	Loss after tax	Average of total equity	0.18%	0.02%	907.78%	Refer note 4 below
Trade payables turnover ratio	Times	Other expenses	Average trade payables	0.19	1.24	(84.56%)	Refer note 6 below
Return on capital employed	Percentage	Earnings before depreciation and amortisation, interest and tax	Capital employed [total assets - current liabilities + current borrowings]	(16.75%)	36.09%	(146.42%)	Refer note 5 below

Notes:

1 The change in ratio is less than 25% as compared to previous year and hence, no explanation is required to be furnished.

2 Variance in the ratio is on account of increase in current assets over current liabilities of the Company as compared to previous year.

3 Variance in ratio is primarily due to repayment of borrowings done during the year.

4 Increase in ratio is primarily due to increase in loss as compared to the previous year.

5 Variance in ratio is primarily due to increase in EBITDA and increase in capital employed.

6 Variance in the ratio is on account of increase in the other expenses and average trade payables as compared to the previous year.

7 Turnover ratios and profitability ratios do not form part of this note as the same are not applicable to the Company, owing to the fact that there was no revenue from operations in the previous year. Further Return on investment ratio is also not applicable as there are no such investments avaiblable with the Company.

37 Audit trail :

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 accounts, shall only use 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 new requirement is applicable with effect from the financial year

The Company uses accounting software for maintaining its books of account. The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Company for the period April 1, 2023 to March 31, 2024. For the software used to maintain the revenue records, the audit trail feature was not enabled at the database level for the period March 1, 2024 to March 31, 2024.

The accounting software used for maintenance of revenue records by the Company for the period April 1, 2023 to February 29, 2024 is operated by a third-party software service provider. Further, the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organization) was available for part of the year and the service auditor has not specifically covered the existence of audit trail for any direct changes at the database level. Further, at the application level, it could not be demonstrated whether the audit trail (edit log) facility was operating throughout the year.

38 Material uncertainty related to going concern:

The Company has incurred a net loss of Rs. 45.96 million during the year ended March 31, 2024 and, as of that date, the Company's accumulated losses amounts to Rs. 49.01 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. 294.06 million as at March 31, 2024. The Holding Company has disclosed a material uncertainty in relating to going concern in their financial statements pursuant to uncertainties detailed in such financial statements, thereby could have a corresponding impact on the Company's ability to continue as a going concern also. The Company's primary source of revenue is from operating of cargo business. These conditions indicate the existence of Company's ability to continue as a going concern. However, based on business plans and cash flow projections, 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 The Company has met the thresholds of material subsidiary in accordance with the terms of Regulation 16 of Listing Obligation and Disclosure Requirements ('the Listing Regulations') (as amended) and however, the governance requirements as set out in the Listing Regulations with respect to material subsidiary companies have not been complied with by the Company as at reporting date. The Company is yet to initiate the process of regularising aforesaid non-compliances with appropriate authorities along with condonation of such delays and defaults. Pending regularization of such non-compliances under the applicable regulations, the penal impact of aforesaid non-compliances on the accompanying Statement is presently unascertainable and accordingly, no adjustments have been made in these financial statements with respect to possible fines and penalties.

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

40 Other statutory information:

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
(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 Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

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

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

G 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.

H The Company has not been declared as a ‘Wilful Defaulter’ by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India

I The Company has complied with numbers of layers prescribed under Rule (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules,

41 Pursuant to the Business Transfer Agreement ('the Agreement'), on March 31, 2023, the Company has acquired cargo business undertaking from SpiceJet Limited ('the Holding Company') as a going concern, on slump sale basis, for a total consideration of Rs. 25,557.70 millions. Accordingly, the Company is now carrying cargo business effective April 1, 2023. As per terms of the Agreement, the slump sale consideration is being discharged by the Company by issuance of securities in the combination of equity shares and compulsorily convertible debentures (at fair value) and accordingly, the outstanding balance has been classified as long-term financial liabilities. Considering this is business restructuring, the gain on slump sale is recognised in other equity (as capital reserve) in financial statements.

Details related to transaction:	
Consideration	
Purchase consideration	25,557.70
Net consideration (A)	**25,557.70**
Assets and liabilities acquired	
Assets	
Intangible assets under development	131.29
Security deposits	2.43
Property, plant and equipment*	77.08
Total assets (B)	**210.80**
Liabilities	
Provision for gratuity	9.89
Provision for leave encashment	4.66
Advance received from agents	212.15
Total liabilities (C)	**226.70**
Net assets acquired (D=B-C)	**(15.90)**
Capital reserve (E=A-D)	**25,573.60**

*During the previous year, pursuant to the business transfer agreement entered into with the Holding Company, the abovementioned assets carries a second charge against the borrowings of the Holding Company.

42 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.

43 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.

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

Sd/-
Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: July 15, 2024

For and on behalf of the Board of Directors
SpiceXpress and Logistics 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

SpiceXpress and Logistics 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 December 30, 2019 (CIN - U63030DL2019PTC359462) under the Companies Act, 2013 ("the Act"). The objective of the Company is to be engaged in the business of providing cargo services.

During the previous year, the Company has entered into a business transfer agreement with SpiceJet Limited for cargo business undertaking. Refer note 41 for details.

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 ('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 Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules 2015, as amended.

The financial statements are presented in Indian Rupees (Rs.) (its functional and presentation currency) and all values are rounded off to the nearest 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 as non-current.
The Company has identified twelve months as its operating cycle.

c) Business acquisition

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values. Goodwill is measured as excess of the aggregate of the fair value of the consideration transferred, the amount recognized for non-controlling interests and fair value of any previous interest held, over the fair value of the net of identifiable assets acquired and liabilities assumed. If the fair value of the net of identifiable assets acquired and liabilities assumed is in excess of the aggregate mentioned above, the resulting gain on bargain purchase is recognized in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

Asset acquisition

Acquisition of assets and liabilities which do not constitute a business is accounted for using asset acquisition method. The consideration paid is allocated to the identifiable assets and liabilities based on the fair values of such assets and liabilities on the acquisition date. Accordingly, no goodwill or deferred tax is created.

Business restructuring

In certain cases, the business combinations are structured by setting up a new entity, whereby, existing owners transfer one of the segment of their existing business either through slump sale or any other arrangement and in such cases, if the buyer does not meet the definition of acquirer then such transactions are recognised as business restructuring, whereby, the assets and liabilities acquired are recognised at their carrying value and balance is recognised as 'capital reserve' as part of other equity.

d) 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 items of property, plant and equipment over-estimated useful lives which are either in line with useful life prescribed in Schedule II to the Act or lower if the asset is acquired under business transfer agreement. 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.

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	Useful life (years)
Plant and equipment	12
Rotable and tools	14
Office equipment	4
Information technology (IT) equipments	1
Furniture and fixtures	8
Motor vehicles	5
Leasehold Improvements	3

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.

e) Intangible assets

Recognition and measurement
Intangible assets (software) are stated at their cost of acquisition. 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 in the range of 2-5 years.

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.

f) Intangible assets under development

Development costs that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets under development where the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use or sell it;
- There is an ability to use or sell the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

g) 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.

h) Revenue from contracts with customer

Rendering of services

Revenue from contracts with customers is recognised when the services are provided to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. 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 0-30 days.

Cargo revenue is recognised when goods are transported i.e. when the service is rendered. Amounts received in advance towards tonnage/freighter bookings are shown under other current liabilities as contract liability. If the Company performs by transferring services to a customer before the consideration is due and billed, a contract asset is recognised for the earned consideration.

When another party is involved in providing services to its customer, the Company determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Company is a principal and records revenue on a gross basis if it controls the promised services before providing them to the customer. However, if the Company's role is only to arrange for another entity to provide the services, then the Company is an agent and will need to record revenue at the net amount that it retains for its agency services.

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. Interest income is included in finance income in the statement of profit and loss.

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) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying 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.

k) 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 the deferred taxes relate to the same taxable entity and the same taxation authority.

l) 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.

m) Cash and cash equivalents

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

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

n) Foreign currency transactions

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

Initial recognition

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

Conversion

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

Exchange differences

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

o) Financial Instruments

Recognition and initial measurement

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

Non-derivative financial assets

Subsequent measurement

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

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

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

De-recognition of financial assets

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

Non-derivative financial liabilities

Subsequent measurement

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

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

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.

p) Impairment of financial assets

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

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

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.
As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

q) Fair value measurement

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

Involvement of external valuers is decided upon annually by the Company. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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.

r) Contingent liabilities, contingent assets and provisions

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

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

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

s) Commission to agents

Commission expense is recognized as an expense coinciding with the recognition of related revenues considering various estimates including applicable commission slabs, performance of individual agents with respect to their targets etc.

t) Leases

The Company’s lease agreements are primarily in respect of office premises. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For long-term leases, the Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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 SpiceXpress and Logistics 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.

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

(b) The Company has a regular program of physical verification of its property, plant and equipment under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

(c) The Company does not own any immovable property (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 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 Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(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 investments in, provided any guarantee or security or granted any advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has granted unsecured loans to other party during the year, in respect of which:

(a) The Company has provided loans to others during the year as per details given below:

Particulars	**Amount (Rs.in millions)**
Aggregate amount provided/granted during the year - others	10.00
Balance outstanding as at balance sheet date others	8.96

(b) In our opinion, and according to the information and explanations given to us, the terms and conditions of the grant of loans are, prima facie, not prejudicial to the interest of the Company. Further the Company has not made any investments, provided any guarantee or given any security or advances in the nature of loans during the year.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans granted to other parties.

(e) The Company has not granted any loans which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.

(f) The Company has not granted any loan, which is repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 185 of the Act. Further, the Company has not entered into any transaction covered under section 186 of the Act in respect of loans and investments made and guarantees and security provided it.

(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 generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(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) During the year, the Company has made preferential allotment of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised have been utilised by the Company for the purposes for which these funds were raised.

(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)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(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 year amounting to Rs. 23.37 million and Rs. 2.31 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 of the current year, except for the possible effects of the matter described in paragraph 3 of such audit report 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 financial statement audit report.

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

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

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

Sd/-
Neeraj Goel
Partner
Membership No.: 099514

UDIN: 24099514BKCMXI4044

Place: Gurugram
Date: July 15, 2024

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

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

1. In conjunction with our audit of the financial statements of SpiceXpress and Logistics 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 SpiceXpress and Logistics Private Limited, on the financial statements for the year ended March 31, 2024

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 39 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 controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim 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 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 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/-
Neeraj Goel
Partner
Membership No.: 099514

UDIN: 24099514BKCMXI4044

Place: Gurugram
Date: July 15, 2024