SpiceJet Limited
319 Udyog Vihar, Phase-IV,
Gurugram 122016, Haryana, India.
Tel: + 91 124 3913939
Fax: + 91 124 3913844

December 2, 2022

Department of Corporate Services,
BSE Limited,
Phiroz Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001

Reference: **Scrip Code: 500285 and Scrip ID: SPICEJET**

Subject: **Annual Report of SpiceJet Limited for the financial year ended March 31, 2022 and Notice of 38th Annual General Meeting**

Dear Sir,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Annual Report of SpiceJet Limited (the **"Company"**) for the financial year ended March 31, 2022 along with notice of 38th Annual General Meeting of the Company scheduled to be held on Monday, the 26th day of December, 2022 at 11:30 a.m. through video conference and other audio visual means.

This is for your information and record.

Thanking you,

Yours truly,
For SpiceJet Limited

Chandan Sand

Digitally signed by Chandan Sand
DN: cn=Chandan Sand, o=SpiceJet Limited, ou=SpiceJet Limited, email=investors@spicejet.com, c=IN
Date: 2022.12.02 16:49:26 +05'30'

Chandan Sand
Sr. VP (Legal) & Company Secretary

Encl.: As above

SUSTAINING MOMENTUM

2021-22
ANNUAL REPORT

SpiceJet

Forward-looking statements

This annual report contains 'forward-looking statements' that are based on our current expectations, assumptions, estimates and projections about the company, our industry, economic conditions in the markets in which we operate, and certain other matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will', 'project', 'seek', 'should' and similar expressions. Those statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources. These statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results or outcomes to differ materially from those implied by the forward-looking statements. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in aviation sector including those factors which may affect our cost advantage, wage fluctuations, our ability to attract and retain highly skilled professionals, time and cost overruns on various parameters, our ability to manage international operations, reduced demand for air travel, liability for damages, withdrawal or expiration of governmental fiscal incentives, political instability, legal restrictions on raising capital or general economic conditions affecting our industry. In light of these and other uncertainties, you should not conclude that the results or outcomes referred to in any of the forward-looking statements will be achieved. All forward-looking statements included in this annual report are based on information available to us on the date hereof, and we do not undertake to update these forward-looking statements unless required to do so by law.

To download or to read this report online, please log on to www.spicejet.com

CONTENTS

THE YEAR UNDER REVIEW SAW THE AVIATION INDUSTRY WITNESSING MULTIPLE CHALLENGES IN THE OPERATING ENVIRONMENT; THE MAJOR ONES BEING RECORD HIGH ATF PRICES AND DEPRECIATING RUPEE. ALL OF THIS HAD A SIGNIFICANT IMPACT ON OUR PROGRESS AND PERFORMANCE. DESPITE THAT, WE HAVE BEEN ABLE TO SUSTAIN OPERATIONS WITH RENEWED STRENGTH AND CONFIDENCE DEMONSTRATED BY OUR PARTNERS AND PASSENGERS.

The fundamentals of our business which include low cost, on-time performance, vast expertise, innovative offerings, and customer service remain intact. It galvanises us to overcome severe setbacks and move ahead with courage and perseverance.

FY 2021-22 has been a period of restructuring and settlements and we successfully completed settlements with major manufacturers and lessors. This has set the stage for seamless growth and expansion. We are optimistic about the future and are encouraged by the strong bounce back in travel demand. Our focus is on inducting more fuel-efficient Boeing 737 MAX aircraft and expanding capacity across both domestic and international routes.

SUSTAINING MOMENTUM

SPICEJET: AMONGST INDIA'S LEADING AND FAST-GROWING AIRLINE

SpiceJet is amongst India's leading and most preferred low-cost airline. Our continued investments in differentiated products and services aim to make the travel experience safer, easier, and more memorable. We are constantly adding more destinations, expanding fleet, and enhancing services to reach out to millions of flyers across the world. Our dedicated cargo service business SpiceXpress is India's largest cargo operating airline.

#1

Air Cargo company in India

#1

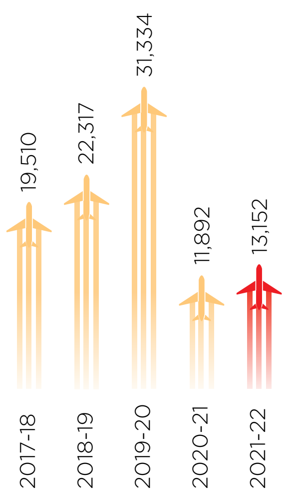
Air Charter company in India

India's largest airline in terms of regional connectivity

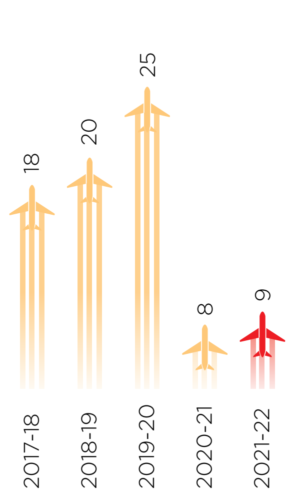
PERFORMANCE HIGHLIGHTS

Operational Highlights

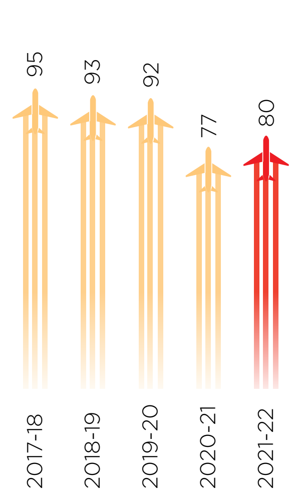
Available Seat Kilometres
(million)



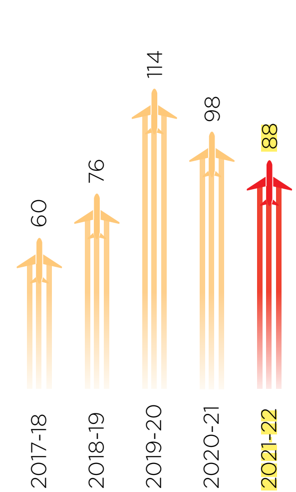
Passengers carried
(million)



Load factor
(%)

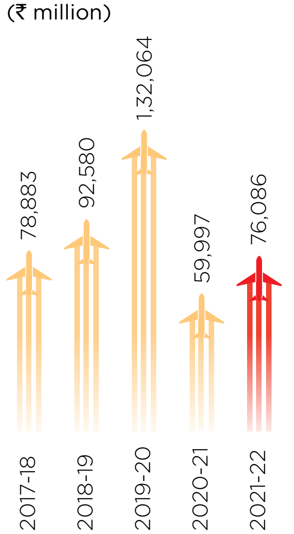


Aircraft at end
(nos)

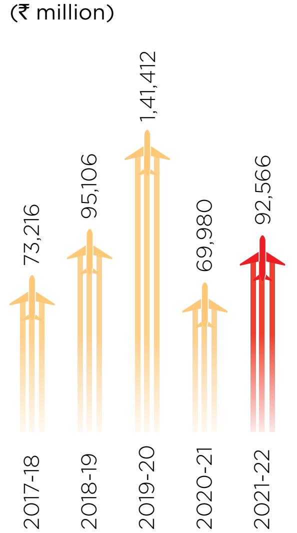


Financial Highlights

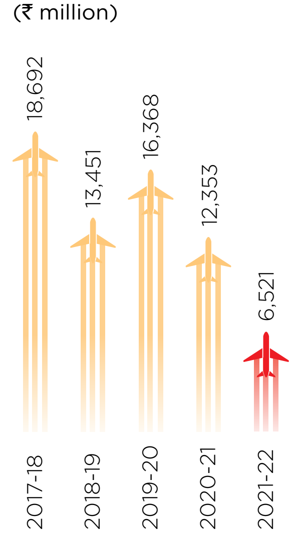
Total Income
(₹ million)



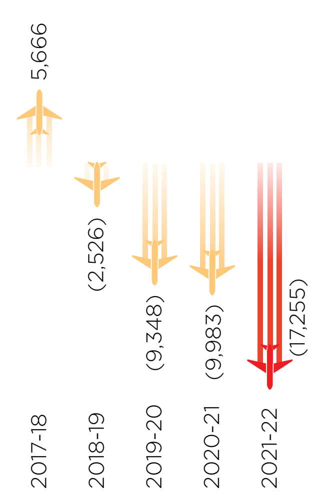
Total Expenses
(₹ million)



EBITDAR
(₹ million)



Net Earnings
(₹ million)



MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

Dear Shareholders,

The journey to growth and value creation is one of taking challenges head-on and emerging victorious. At SpiceJet, this belief system has helped us since inception, in emerging stronger with every flight of ambition that we embarked upon. And in doing so, we didn't solely rely on hope or optimism, but have continuously invested, built, and evolved our capabilities, processes, talent pool, technology, and our fleet.

As you read this, the world is passing through a dark cloud. The discomfort is visible in recessionary pressures, layoffs, rate hikes, galloping inflation, and geopolitical confrontations. China's sustained delinking from the world has led to supply chain issues too. However, amidst this, it's safe to say that the pandemic era is largely behind us.

The impact is visible in terms of higher demand for revenge travel and other luxury spends from the old, the young, and aspirational citizens globally.

In airlines lingo, India benefited from having its seat belts on at the right time. The cautious approach of the government leading to fortifying interest rates and stemming inflation, made it weather the global storm to a large extent. The large demographic dividend coupled with festive season have led to huge demand for realty, travel, and electronics. In the process, India too emerged as the fourth largest economy, now set towards the USD 5 trillion mark in the coming years.

However, amidst this optimism, the airline industry worldwide continues to undergo a transformation. The sky-high fuel prices, depreciating rupee, erratic passenger demand and disrupted supply chains have deferred growth plans and expanded losses.

The Indian skies have also witnessed a consolidation and refresh of sorts. The emergence of new players is a healthy sign of the still massive unexplored potential of the aviation industry in India. Going forward, I am confident, under the vision of our Hon'ble Prime Minister, Shri Narendra Modi, the Make in India and tourism sectors would have positive synergies for the industry.

The tailwinds from the domestic economy have been much more impactful for us at SpiceJet, for both our passenger business and logistics business. We are in motion – scaling the altitudes, while focussing on efficiency, profitability, and higher asset utilisation. In doing so, we have embarked on a fund-raising program, which will ease our operational burden.

We have received the shareholders' approval for the transfer of our logistics business to SpiceXpress and the process of hiving off the cargo and logistics platform will be completed soon. Our logistics business has been valued at ₹25,557.7 million and the transfer of business under this process will help us significantly strengthen our balance sheet and wipe out the negative net worth of our business. We expect to see improvement in operations and restructuring benefits will be visible starting Q3 FY2023. We are well placed to enter a new phase of accelerated growth to meet resurgent demand from passenger and cargo customers.

SpiceJet has engaged with investment bankers to raise up to $200 million in order to achieve our future plans. Additionally, the enhancement of ECLGS limit to ₹15,000 million by the Government will go a long way in providing the much-needed stability to the sector. The infusion of additional funds will help SpiceJet normalise its obligations, unground its fleet and induct new planes into our fleet. This will go a long way in rejuvenating the airline as the induction of new planes and operation of a younger fleet will increase operational efficiency and support cash-positive operations.

We have also completed a series of settlements with most of our major partners including manufacturers and lessors setting the stage for our seamless growth and expansion. We have added new planes to provide our passengers with the finest flying experience. The new MAX aircraft joining our fleet have received rave reviews from passengers and we are all geared up to meet the year-end travel demand and ensure seamless connections for our passengers.

SpiceJet has always remained committed to offering its services and helping Indian nationals whenever they have needed our services. We played a key role in the repatriation exercise under 'Operation Ganga' to evacuate Indians stranded in Ukraine. A large number of Indian students who were stranded in Ukraine when the war started were evacuated in special evacuation flights operated from Košice in Slovakia, Bucharest in Romania and Budapest in Hungary in March 2022 by SpiceJet.

Connecting the unconnected parts of India and making flying affordable for the masses has always been our top priority. The airline, to its credit, has put several Indian cities on the country's aviation map like Kandla, Kanpur, Jaisalmer, Kushinagar

SpiceJet has engaged with investment bankers to raise up to $200 million in order to achieve our future plans.

and Darbhanga which had no air connectivity in the past.

More recently, SpiceJet launched exclusive non-stop international flight connecting Pune with Bangkok and Amritsar with Rome and Bergamo in Italy making it the first Indian airline to connect a non-metro city with central Europe.

And finally your airline made it to the prestigious Skytrax "World Top 20 LCC" rankings, known as the Oscars of the aviation industry. The awards based on airline customer satisfaction survey conducted by Skytrax is a deserving recognition of the resilience of our people and our commitment to excellence in customer service.

We are proudly committed to sustaining momentum for scaling new altitudes.

Warm regards,

Ajay Singh

Chairman & Managing Director

SUSTAINING MOMENTUM

Despite the massive disruptions in the operating environment, we have been able to sustain operations by leveraging our robust infrastructure and low-cost business model. We are well-placed to strengthen our operations and enter a new phase of accelerated growth to meet the resurgent travel demand.

Strengthening cargo business

Our cargo network spans over 53 domestic and 12 international destinations, and our aim is to ramp up capacity and network. Our excellent cargo operations have provided the much-required impetus and we will soon conclude the hive-off of cargo business into a separate independent company to unlock its true value.

Our logistics business is valued at ₹25,557.7 million and the transfer of business under this process will help us strengthen our balance sheet and significantly erode negative net worth.

Fund raising for expansion

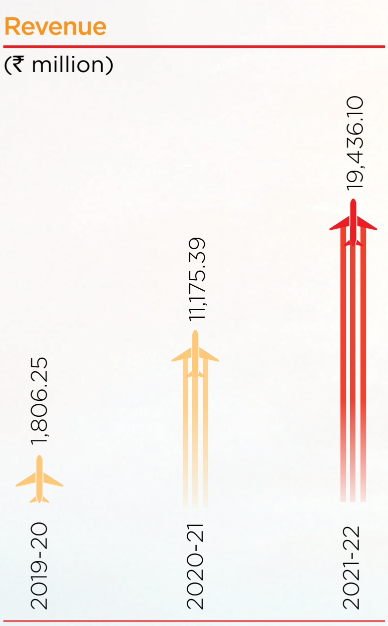
We are optimistic about our future and our continued recovery. We are scaling the altitudes while focusing on efficiency, profitability, and higher asset utilisation.

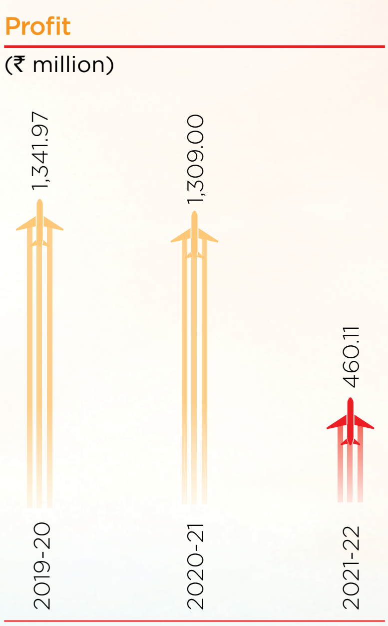
In doing so, we have embarked on a fundraising program, which will ease the operational burden and strengthen the balance sheet. We have engaged with investment bankers to raise up to USD 200 million in order to achieve our future plans. The infusion of additional funds will help SpiceJet to normalise its obligations, unground its fleet and induct new planes to our fleet.

SpiceXpress – Cargo and Logistics Platform

The Company is also engaged in cargo business and operates on both domestic and international routes and is powered by fully integrated transportation network including air cargo, ground transportation and warehousing facilities across the country. The Company continues to remain leading air cargo operator in India. The Company was awarded as best Cargo Carrier by the Associated Chambers of Commerce & Industry of India in February 2022 and best Cargo Air Carrier by the Ministry of Civil Aviation in March 2022.

SpiceXpress Segment Highlights





CORPORATE INFORMATION

Board of Directors

Mr. Ajay Singh
Chairman & Managing Director

Mrs. Shiwani Singh
Non-Executive and Non-Independent Director

Mr. Anurag Bhargava
Independent Director

Mr. Ajay Aggarwal
Independent Director

Mr. Manoj Kumar
Independent Director

Key Managerial Personnel

Mr. Ashish Kumar
Chief Financial Officer (effective September 9, 2022)

Mr. Chandan Sand
Sr. VP (Legal) & Company Secretary

Mr. Sanjeev Taneja
Chief Financial Officer (up to August 31, 2022)

Registered Office

Indira Gandhi International Airport, Terminal 1D,
New Delhi – 110 037

Corporate Office

319, Udyog Vihar, Phase-IV
Gurugram – 122 016, Haryana
Website: www.spicejet.com;
Email: investors@spicejet.com
Phone: +91 124 3913939

Statutory Auditors

M/s Walker Chandiok & Co LLP
Chartered Accountants
L-41, Connaught Circus,
New Delhi – 110 001

Secretarial Auditors

M/s Mahesh Gupta & Company
Company Secretaries
Wadhwa Complex, Chamber No. 110,
Ground Floor, D-288-289/10,
Laxmi Nagar, Delhi – 110 092

Registrar & Share Transfer Agents

KFin Technologies Limited
Selenium Tower B, Plot No. 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032
Email: einward.ris@kfintech.com
Phone: +91 40 67162222

Bankers

Axis Bank Limited
Bank of Baroda
Barclays Bank Plc
BNP Paribas Bank
City Union Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IDFC First Bank Limited
Indian Bank
Jammu & Kashmir Bank Limited
Punjab National Bank
Union Bank of India
Yes Bank Limited

Notice of Annual General Meeting

Notice is hereby given that the 38th Annual General Meeting (the **"AGM"**) of the members of SpiceJet Limited (the **"Company"**) will be held on Monday, the 26th day of December, 2022 at 11:30 a.m. through video conference and other audio visual means (**"VC"**) to transact the following business:

Ordinary Business:

1. Adoption of audited financial statements

To consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2022, together with the Report of the Board of Directors and the Statutory Auditors thereon.

2. Re-appointment of Mr. Ajay Singh as a Director liable to retire by rotation

To appoint a Director in place of Mr. Ajay Singh (DIN: 01360684), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

By order of the Board of Directors

Sd/-
Chandan Sand
Sr. VP (Legal) &
Company Secretary

Date : November 14, 2022
Place: Gurugram

SpiceJet Limited
Indira Gandhi International Airport,
Terminal 1D, New Delhi – 110037
CIN: L51909DL1984PLC288239
Website: www.spicejet.com
E-mail: investors@spicejet.com
Tel: +91 124 3913939; Fax: +91 124 3913844

Notes:

1. Pursuant to the General Circular No. 20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021 and No. 2/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India (collectively referred to as the **"e-AGM Circulars"**), the AGM of the Company is being conducted through VC facility, which does not require physical presence of members at a common venue.

2. **A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote at the AGM instead of himself/herself, and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the e-AGM Circulars through VC, the facility for appointment of proxies by the members shall not be available. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 (the "Act").**

3. The Register of Members and Share Transfer Books will remain closed from December 20, 2022 to December 26, 2022 (both days inclusive) for purpose of the AGM.

4. In compliance with the e-AGM Circulars, the Annual Report for financial year ended March 31, 2022, the Notice of the AGM and instructions for e-voting are being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/depository participant(s). All these documents are also available on the website of the Company at www.spicejet.com under the "Investors" section.

5. The members whose e-mail addresses are not registered with the Company/depository participant(s), are requested to get the same registered/updated. The members holding shares in demat form can get their e-mail addresses registered by contacting their respective depository participant and the members holding shares in physical form may register their e-mail addresses and mobile number with KFin Technologies Limited (**"KFinTech"**) by sending an e-mail request at the e-mail address einward.ris@kfintech.com along with signed scanned copy of the request letter providing their e-mail address, mobile number, self-attested copy of PAN Card and a copy of the share certificate for registering their e-mail addresses for receiving this Notice and Annual Report in electronic mode.

6. Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"SEBI Listing Regulations"**) and Secretarial Standards on General Meetings (**"SS – 2"**) issued by the Institute of Company Secretaries of India in respect of re-appointment of director is provided hereinafter and forms part of the Notice.

7. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the KFinTech.

8. Since the AGM will be held through VC in accordance with the e-AGM Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

9. The register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act and the register of contracts or arrangements in which the directors are interested, maintained under

Section 189 of the Act, will be available electronically for inspection by the members during the AGM.

All documents referred to in the Notice are open for inspection at the registered office of the Company during business hours on all working days, except Saturday/Sunday and other public holidays, between 10:00 a.m. to 12:00 noon from the date of circulation of the Notice up to the date of the AGM. Such documents will also be available electronically for inspection without any fee by the members from the date of circulation of the Notice up to the date of the AGM. Members seeking to inspect such documents can send an e-mail to investors@spicejet.com.

10. Members are requested to make all other correspondence in connection with the equity shares held by them by addressing letters directly to the Registrar and Transfer Agent viz., KFin Technologies Limited, Unit: SpiceJet Limited, Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or to the Company at its registered office as mentioned in this Notice, quoting reference of their Client ID and DP ID or Folio No.

11. Members may participate in the AGM through VC facility by following the procedure as mentioned hereinafter. The VC facility allows participation of at least 2,000 members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoter, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first come-first-served principle as per the e-AGM Circulars. Members of the Company under the category of institutional investors are encouraged to attend and vote at the AGM through VC.

12. Pursuant to the provisions of Section 108 of the Act and rules made thereunder and Regulation 44 of the SEBI Listing Regulations read with the e-AGM Circulars and Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 issued by the Securities and Exchange Board of India (**"SEBI"**), the Company is providing remote e-voting facility to its members in respect of the business to be transacted at the AGM and a facility for those members participating in the AGM, to cast vote through e-voting system during the AGM. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date of December 19, 2022. Mr. Mahesh Kumar Gupta (CP No. 1999), Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner.

13. KFinTech will be providing the facility for participation in the AGM through VC and remote e-voting facility. The procedure and instructions for remote e-voting and participation in the AGM through VC are provided hereinafter and forms part of this Notice.

14. The facility for e-voting shall also be made available during the AGM and the members participating in the meeting who have not cast their votes by remote e-voting shall be able to exercise their right to vote during the meeting through e-voting. The members who have cast their vote by remote e-voting prior to the AGM may also participate in the AGM but shall not be entitled to cast their vote again.

15. The e-voting period commences on Thursday, December 22, 2022 at 9:00 a.m. and ends on Sunday, December 25, 2022 at 5:00 p.m. During this period, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off of date i.e. December 19, 2022, may cast their vote electronically. The e-voting module shall be disabled by KFinTech for voting thereafter. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. December 19, 2022. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.

16. Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date, December 19, 2022, may obtain the user ID and password by sending a request at evoting@kfintech.com. However, if he/she is already registered with KFinTech for remote e-voting, then he/she can use his/her existing user ID and Password for casting the vote as per instructions mentioned hereinafter.

In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date i.e. December 19, 2022, may follow steps mentioned hereinafter.

17. **Instructions for remote e-voting and participation in the AGM through VC:**

(i) **Login method for remote e-voting for individual members holding securities in demat mode:** In terms of Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 issued by the SEBI on the e-voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-voting process has been enabled to all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories/websites of depositories/depository participants. Members are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-voting facility. Following is the login method for remote e-voting for individual members holding securities in demat mode:

Type of members	Login Method
Individual members holding securities in demat mode with NSDL	**(i) User already registered for IDeAS facility:** (a) Visit URL: https://eservices.nsdl.com (b) Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. (c) On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" (d) Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. **(ii) User not registered for IDeAS e-Services:** (a) To register click on link : https://eservices.nsdl.com (b) Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp (c) Proceed with completing the required fields. (d) Follow steps given in above point (i) **(iii) Alternatively by directly accessing the e-Voting website of NSDL** (a) Open URL: https://www.evoting.nsdl.com/ (b) Click on the icon "Login" which is available under 'Shareholder/Member' section. (c) A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. (d) Post successful authentication, you will requested to select the name of the company and the e-voting service provider name, i.e. KFinTech. (e) On successful selection, you will be redirected to KFinTech e-voting page for casting your vote during the remote e-voting period.
Individual members holding securities in demat mode with CDSL	**(i) Existing user who have opted for Easi/Easiest** (a) Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com (b) Click on New System Myeasi (c) Login with your registered user id and password. (d) The user will see the e-Voting Menu. The Menu will have links of e-voting service provider i.e. KFinTech e-voting portal. (e) Click on e-voting service provider name to cast your vote. **(ii) User not registered for Easi/Easiest** (a) Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration (b) Proceed with completing the required fields. (c) Follow the steps given in above point (i) **(iii) Alternatively, by directly accessing the e-Voting website of CDSL** (a) Visit URL: www.cdslindia.com (b) Provide your demat Account Number and PAN No. (c) System will authenticate user by sending OTP on registered mobile and e-mail as recorded in the demat account. (d) After successful authentication, user will be provided links for the respective e-voting service provider i.e. KFinTech where the e-voting is in progress.
Individual members login through their demat accounts/Website of Depository Participant	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for remote e-voting facility. Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL site after successful authentication, wherein you can see e-voting feature. Click on options available against company name or e-voting service provider i.e. KFinTech and you will be redirected to e-voting website of KFinTech for casting your vote during the remote e-voting period without any further authentication.

Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at respective websites of NSDL/CDSL. Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 and please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43.

(ii) Login method for remote e-voting for non-individual members or members holding securities in physical mode: The non-individual members or members holding securities in physical mode desiring to exercise their vote(s) through remote e-voting process are requested to refer to the detailed procedure given as under:

(a) Open your web browser during the voting period and navigate to https://evoting.kfintech.com.

(b) Enter the login credentials (i.e. User ID and password sent with this Notice through e-mail). If you have already registered with KFinTech for e-voting, you can use your existing User ID and password for casting your votes.

(c) After entering these details appropriately, click on "LOGIN".

(d) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

(e) You need to login again with the new credentials.

(f) On successful login, the system will prompt you to select the "EVENT" i.e. SpiceJet Limited.

(g) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned therein. You may also choose the option ABSTAIN. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

(h) Members holding multiple Folios/Demat Accounts need to choose the voting process separately for each Folios/Demat Accounts.

(i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

(j) You may then cast your vote by selecting an appropriate option and click on "Submit".

(k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the resolution(s).

(l) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID mkg1999@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT No."

(m) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and remote e-voting User Manual for shareholders available at the download section of http://evoting.kfintech.com or contact Ms. C Shobha Anand, at evoting@kfintech.com or call KFintech's toll free No. 1800-309-4001 for any further clarifications.

(iii) Participation in the AGM through VC: Instructions for all the members for attending the AGM of the Company through VC are as follows:

(a) Member may attend the AGM through VC by accessing https://emeetings.kfintech.com and using the e-voting login credentials provided in the e-mail received from the Company. After logging in, click on the Video Conference Tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and password for e-voting or have forgotten the User ID and password may retrieve the same by following the remote e-voting instructions mentioned above.

(b) Facility for joining AGM though VC shall open at least thirty minutes before the commencement of the AGM.

(c) Members are encouraged to join the AGM through Laptops/Desktops with Google Chrome (preferred browser), Safari, Internet

Explorer, Microsoft Edge, Mozilla Firefox 22. Members will be required to grant access to the webcam to enable VC. Further, members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

(d) As the AGM is being conducted through VC, for the smooth conduct of proceedings of the AGM, members are encouraged to express their views/send their queries in advance mentioning their name, demat account details, folio number, e-mail ID.

(e) The members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform. The members may click on the voting icon displayed on the screen to cast their votes.

(f) A member can opt for only single mode of voting i.e., through remote e-voting or e-voting at the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

(g) Speaker Registration: The members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the User ID and password provided in the mail received from the Company. On successful login, select 'Speaker Registration' which will opened from 9:00 a.m. to 5:00 p.m. on December 22, 2022. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those members who have registered themselves, depending on the availability of time for the AGM.

18. The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchange, KFinTech and will also be displayed on the website of the Company at www.spicejet.com under the "Investors" section.

Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS – 2 issued by the Institute of Company Secretaries of India in respect of re-appointment of director:

Name	Mr. Ajay Singh
DIN	01360684
Date of Birth	December 29, 1965
Date of first Appointment on the Board of SpiceJet Limited	May 21, 2015#
Qualification	B. Tech from IIT, Delhi M.B.A. from Cornell University LL.B. from University of Delhi
Brief resume and experience	Mr. Singh is a first generation entrepreneur. He has extensive experience in the information technology and airline operations having successfully contributed to the launch of the Company during the year 2005. Previously, Mr. Singh has served in government as Advisor to the Ministry of Communication and Information Technology and the Ministry of Information and Broadcasting. He has also served on the Board of the Delhi Transport Corporation. He was appointed as Managing Director of the Company on May 21, 2015. Through his extensive and rich experience, he successfully turnaround the Company by undertaking and implementing various measures in revenue and cost management, customer retention and employee welfare.
No. of Board meetings attended during the year 2021-22	5 (Five)
Relationship with directors and Key Managerial Personnel	Mr. Ajay Singh is relative (Husband) of Mrs. Shiwani Singh
Directorship in other companies as on March 31, 2022	Canvin Real Estate Private Limited, Crosslink Finlease Private Limited, Flebo.In Private Limited, Gamez With Friends Private Limited, Greenline Communication Private Limited, Greenline Transit System Private Limited, I2N Technologies Private Limited, Indiverse Broadband Private Limited, Intel Constructions Private Limited, Pan India Motors Private Limited, SpiceJet Merchandise Private Limited, SpiceJet Technic Private Limited, SpiceJet Interactive Private Limited, SpiceTech System Private Limited, SpiceXpress and Logistics Private Limited, Spice Club Private Limited, Spice Ground Handling Services Private Limited, Spice Shuttle Private Limited and Star Bus Services Private Limited.
Chairperson/Member of the Committee of the Board of Directors of SpiceJet Limited as on March 31, 2022	Corporate Social Responsibility Committee – Member Nomination and Remuneration Committee – Member Risk Management Committee – Chairperson Stakeholder Relationship Committee – Member
Chairperson/Member of the Committee of other companies in which he is a Director as on March 31, 2022	Nil
Shareholding in the company (equity shares of ₹10 each) as on March 31, 2022	30,43,33,450 equity shares (50.57%)
Remuneration to be paid	₹72.00 million
Remuneration last drawn	During the financial year 2021-22, Mr. Singh, has drawn total remuneration of ₹42.00 million as against approved remuneration of ₹72.00 million. The Company has taken provisions for remaining remuneration of ₹30.00 million.

#Mr. Ajay Singh was originally appointed as director on November 4, 2004 and subsequently resigned on August 27, 2010. Thereafter, he was appointed as Managing Director of the Company on May 21, 2015.

Board's Report

Dear Members,

Your Directors are pleased to submit this report of the business and operations of your Company, along with the audited financial statements for the financial year 2021-22. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. Financial Performance

The financial performance of the Company for the financial year 2021-22, on a standalone and consolidated basis, is summarised below:

(Amount in ₹ million)

Particulars	Standalone		Consolidated	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
TOTAL INCOME	**75,445.60**	**59,458.74**	**75,717.15**	**59,514.86**
Expenses				
Operating Expenses	57,943.65	39,075.14	57,671.36	38,990.47
Cost of inventory consumed	608.92	734.73	1,008.30	910.93
Employee Benefit Expenses	7,273.99	6,762.36	7,536.42	6,852.78
Selling Expenses	1,220.49	758.30	1,219.46	766.76
Other Expenses	7,796.32	2,260.36	7,775.02	2,332.66
Earnings before interest, tax, depreciation and amortization	**1,883.85**	**9,867.85**	**506.59**	**9,661.26**
Depreciation and amortisation expense	12,897.32	15,579.56	12,933.36	15,611.93
Finance Income	(640.81)	(538.57)	(588.27)	(468.38)
Finance Cost	4,825.79	4,809.87	4,829.61	4,816.57
Profit/ (Loss) before taxation and extraordinary items	**(16,480.07)**	**(9,983.02)**	**(16,668.11)**	**(10,298.86)**
Tax Expenses	-	-	-	-
Exceptional items	(774.58)	-	(774.58)	-
Profit/ (Loss) after taxation	(17,254.65)	(9,983.02)	(17,442.69)	(10,298.86)
Profit/ (Loss) brought Forward	**(17,254.65)**	**(9,983.02)**	**(17,442.69)**	**(10,298.86)**
Depreciation expense adjusted against reserves	-	-	-	-
Profit/ (Loss) for the year	(17,254.65)	(9,983.02)	(17,442.69)	(10,298.86)
Other comprehensive income	35.63	16.99	32.56	16.99
Transferred from general reserve	-	-	-	-
Other	-	-	-	-
Amount transferred to retained earning	(17,219.02)	(9,966.03)	(17,410.13)	(10,281.87)

Notes: The above figures are extracted from the audited standalone and consolidated financial statements of the Company. The amount shown in bracket () in the above table are negative in value.

The standalone and consolidated financial statements of the Company for the financial year 2021-22, have been prepared in accordance with the Indian Accounting Standards as notified by the Ministry of Corporate Affairs and as amended from time to time.

On a standalone basis, the Company achieved total income of ₹75,445.60 million during the current financial year as against ₹59,458.74 million in the previous financial year and reported standalone loss of ₹17,254.65 million during the current financial year as against ₹9,983.02 million in the previous financial year. On consolidated basis, the Company achieved total income of ₹75,717.15 million during the current financial year as against ₹59,514.86 million in the previous financial year and reported consolidated loss of ₹17,442.69 million during the current financial year as against ₹10,298.86 million in the previous financial year. The Company's revenue continued to be impacted by Covid-19 and high fuel price during the financial year ended March 31, 2022.

The operating environment during the financial year ended March 31, 2022 remained extremely challenging and was marked by uncertainty and volatility due to the Covid-19 pandemic and high fuel prices. Geopolitical tensions towards the end of the financial year exacerbated the situation, while the Company demonstrated remarkable resilience and navigated the dynamic environment leveraging the experiences from prior waves of the pandemic.

2. State of Affairs and Material Development

(i) The Company is engaged in business of schedule airline services and has completed its seventeenth years of operation on May 23, 2022. During the financial year ended March 31, 2022, the Company maintained highest load factor of 80.4% for domestic schedule flights and increased its load factor by 4% as compared to last financial year. The Company also operated more than 100 charter flights on wide body Boeing 767 carrying 30,000 passengers to Toronto (Canada), Maldives, Rome & Bergamo.

(ii) The Company is also engaged in cargo business and operates on both domestic and international routes and is powered by fully integrated transportation network including air cargo, ground transportation and warehousing facilities across the country. During the financial year 2021-22, the Company continues to remain leading air cargo operator in India. The Company was awarded as best Cargo Carrier by the Associated Chambers of Commerce & Industry of India in February 2022 and best Cargo Air Carrier by the Ministry of Civil Aviation in March 2022.

(iii) The members of the Company earlier approved transfer of cargo business undertaking to its subsidiary SpiceXpress and Logistics Private Limited along with all related assets and liabilities, *inter-alia*, know-how, trademark, licenses, franchises, customer contracts, distribution network etc. This transfer of cargo business undertaking to SpiceXpress and Logistics Private Limited will provide greater and differentiated focus to cargo and logistics business and will allow raising capital for the business to accelerate its growth. This transfer of cargo business undertaking is in progress and the Company is awaiting approval from one of its lender as per the terms of the financial facilities availed from them.

(iv) Dispute with erstwhile promoters: The Company had, in earlier financial years, received amounts aggregating to ₹5,790.9 million from its erstwhile promoters as advance money towards proposed allotment of certain securities (189,091,378 share warrants and 3,750,000 non-convertible cumulative redeemable preference shares, issuable based on approvals to be obtained), to be adjusted at the time those securities were to be issued. Pursuant to the legal proceedings in this regard before the Hon'ble High Court of Delhi (**"Court"**) between the erstwhile promoters, the present promoter and the Company, the Company was required to secure an amount of ₹3,290.89 million through a bank guarantee in favour of the Registrar General of the Court (**"Registrar"**) and to deposit the balance amount of ₹2,500 million with the Registrar. The Company has complied with these requirements.

The parties to the aforementioned litigation concurrently initiated arbitration proceedings before a three-member arbitral tribunal (the **"Tribunal"**), which pronounced its award on July 20, 2018 (the **"Award"**). In terms of the Award, the Company was required to (a) refund an amount of approximately ₹3,082.19 million to the counterparty, (b) explore the possibility of allotting non-convertible cumulative redeemable preference shares in respect of approximately ₹2,708.70 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be ₹924.66 million (being interest on the amount stated under (a) above, in terms of the Award). The amounts referred to under (a) and (b) above, aggregating ₹5,790.89 million, continue to be carried as current liabilities without prejudice to the rights of the Company under law. Further, the Company was entitled to receive from the counterparty, under the said Award, an amount of ₹290.00 million of past interest/servicing charges. Consequent to the Award, and without prejudice to the rights and remedies it may have in the matter, the Company accounted for ₹634.66 million as an exceptional item (net) during the year ended March 31, 2019, being the net effect of amount referred to under (c) and interest/servicing charges receivable of ₹290.00 million, above. During the year ended March 31, 2019, the Court had ordered release of ₹2,500 million, out of the amount deposited by the Company, to the counterparty, subject to certain conditions as enumerated by the Court in its order. Further, pursuant to an order of the Court dated September 20, 2019, the Company has remitted an additional ₹582.19 million out of the guarantee placed with the Court, to the counterparty, in October 2019. All such payments made have been included under other non-current assets.

The Company, its present promoter and the counterparties have challenged various aspects of the Award, including the above-mentioned interest obligations and rights, petitions for which have been admitted by the Court, as a result of which the matter is currently *sub-judice*.

Further, the Court vide its order dated September 2, 2020 in the said matter, directed the Company to deposit an amount of ₹2,429.37 million of interest component under the Award (including the amount of ₹924.66 million provided for as indicated earlier, without prejudice to the rights of the Company under law). The Company preferred a Special Leave Petition before the Hon'ble Supreme Court of India against the aforesaid Order and the Hon'ble Supreme Court of India pursuant to its order dated November 6, 2020, has stayed the deposit of ₹2,429.37 million. Further, the Hon'ble Supreme

Court of India vide its order dated August 16, 2022, on the joint request of the parties, has appointed a meditator to explore the possibilities of amicable settlement of the disputes between the parties.

(v) Boeing 737 MAX aircraft: The Directorate General of Civil Aviation in August 2021 approved the long awaited entry into service of the grounded fleet of fuel efficient Boeing 737 MAX aircraft. Consequently, the Company received various cash and non-cash accommodation from the aircraft manufacturer to settle the outstanding claims related to the grounding of Boeing 737 MAX aircraft and its return to service. This settlement not only brought back into operations the grounded Boeing 737 MAX aircraft but also allowed induction of more efficient and younger MAX aircraft into the fleet. The settlement also ensures the resumption of new aircraft deliveries from our order of 155 MAX aircraft.

(vi) Covid-19 pandemic: The global travel & tourism industry has been severely impacted by the Covid-19 pandemic over the last two years. As per Government guidelines, the Company had stopped all passenger travel from March 25, 2020 to May 24, 2020. The Government allowed operations of the domestic flights effective May 25, 2020 in a calibrated manner. The operation was ramping up in a phased manner in accordance with Government directions, however, starting March 2021, the second wave of the Covid-19 had hit the country which led to significant drop in demand and as per revised Government guidelines the domestic operation was also restricted which continued to have severe impact on the Company's revenue and profitability in the first two quarters. Subsequently, the third wave of the Covid-19 in December 2021/January 2022 again impacted the passenger travel demand and consequently Company's revenue and cash flow were adversely impacted.

The impact of Covid-19 is not specific to the Company but is applicable across the entire aviation industry within and outside India. While there is uncertainty in the revenue operation in the short-term, the same is expected to normalise in the long-term. While generally the passenger business was subdued, the Company enhanced its cargo operations through dedicated fleet of freighter aircraft and passenger converted aircraft. The management is confident that they have considered all known potential impacts arising from the Covid-19 pandemic on the Company's business, and where relevant, have accounted for the same in the financial statements of the Company. However, the Company continues to monitor any material change to future economic conditions on account of Covid-19 to assess any possible impact on the Company.

(vii) Ransomware attack: The Company witnessed a ransomware attack on Information Technology (IT) system(s) on May 25, 2022 which affected the completion of the audit process within the stipulated time. Immediately, the Company took corrective measures with assistance of cyber experts and authorities and also informed CERT-In (Indian Computer Emergency Response Team) about the ransomware attack to investigate the root causes and to further suggest remedial steps. Basis the corrective measures, the Company was able to retrieve the IT system(s) after the said ransomware attack. The Company has also revalidated the books of accounts in order to detect any possible error as a result of said ransomware attack.

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

3. Board of Directors

(i) In terms of the provision of Section 152(6) of the Companies Act, 2013, Mr. Ajay Singh is liable to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

(ii) The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(iii) The Nomination and Remuneration Committee conducted the Board evaluation for the year. The evaluation of all the directors, committees, chairman of the Board, and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

(iv) During the financial year 2021-22, the composition of the Board was not as per the requirement of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the Company could not appoint one independent woman director and the total number of directors are less than six. The Company is looking for a suitable woman candidate for appointment as independent director and in terms of Civil Aviation Requirements, will file necessary application with Ministry of Civil Aviation, Government of India to obtain security clearance once the candidature for such appointment is finalised.

4. Share Capital

During the financial year 2021-22, the paid-up share capital of the Company has increased from ₹6,009.37 million to ₹6,017.97 million pursuant to allotment of 8,59,712 equity shares of ₹10 each under SpiceJet Employee Stock Option Scheme - 2017.

There is no change in authorised share capital of the Company during the financial year 2021-22.

5. Dividend

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company has adopted the Dividend Distribution Policy of the Company which is available on the website of the Company at www.spicejet.com under the "Investors" section.

The Board of Directors have not recommended any dividend for the financial year 2021-22.

6. Transfer to Reserves

The Company has made no transfers to reserves during the financial year 2021-22.

7. Public Deposits

The Company has not accepted any fixed deposits, including from the public, and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date. Accordingly no disclosure or reporting is required in respect of details relating to deposits covered under Chapter V of the Companies Act, 2013.

8. Annual Return

In accordance with the Companies Act, 2013, the annual returns of the Company in the prescribed format are available on the website of the Company at www.spicejet.com under the "Investors" section. Annual return of the Company for the financial year 2021-22, as required under Section 92 (3) of the Companies Act, 2013, shall also be placed on website of the Company.

9. Particulars of Contracts or Arrangement made with Related Parties

The Board of Directors of the Company has formulated a policy on materiality of related party transactions and also on dealing with related party transactions pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the same is available on the website of the Company at www.spicejet.com under the "Investors" section.

All related party transactions that were entered into during the financial year under review were on arm's length basis and were in the ordinary course of business. All related party transactions have been placed before the Audit Committee and Board for their approval as per the provisions of the Companies Act, 2013. No material related party transactions (i.e. transactions exceeding the thresholds as defined under the Companies Act, 2013), were entered during the financial year 2021-22 by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

10. Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

The Company has not granted any loan, given guarantee or security or made investment under the provisions of Section 186 of the Companies Act, 2013 during the financial year under review except (i) investment in subsidiary companies as stated in Annexure - A to this report and (ii) an investment of ₹0.17 million in class B-shares of Aeronautical Radio of Thailand Limited to become member airline for availing advantageous rate on air navigation charges in Thailand.

As on March 31, 2022, the Company has also provided loan to its subsidiaries as per below details:

S. No.	Name of the Company	(Amount in ₹ million)
1.	SpiceJet Merchandise Private Limited	103.28
2.	SpiceJet Technic Private Limited	25.28
3.	Canvin Real Estate Private Limited	238.90
4.	SpiceXpress and Logistics Private Limited	1.00

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

11. Subsidiaries

As on March 31, 2022, following are the subsidiaries of the Company:

S. No.	Name	Business Activity
1.	SpiceJet Merchandise Private Limited	Business of consumer merchandise and goods through various channels
2.	SpiceJet Technic Private Limited	Engineering related service including but not limited to maintenance, repair and overhaul services of aircraft and its parts
3.	Canvin Real Estate Private Limited	Real estate business
4.	SpiceJet Interactive Private Limited	Information and communication technology
5.	Spice Club Private Limited	Loyalty and rewards programme management
6.	Spice Shuttle Private Limited	Charter operation by aeroplanes and/or helicopters
7.	SpiceXpress and Logistics Private Limited	Cargo transportation and logistics
8.	Spice Ground Handling Services Private Limited	Ground handling services
9.	SpiceTech System Private Limited	IT Services

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared the consolidated financial statements of the Company, which form part of this Annual Report. Further, a statement containing the salient features of the financial statements of the subsidiaries in the prescribed format AOC-1 is appended as Annexure - A to this report. The statement also provides details of the performance and financial position of each of the subsidiaries.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on the website of the Company at www.spicejet.com under the "Investors" section.

In order to ensure governance of material subsidiary companies, the Board of Directors of the Company has adopted the policy and procedures for determining 'material' subsidiary companies in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the same is available on the website of the Company at www.spicejet.com under the "Investors" section.

12. Number of Meetings of the Board

During the financial year 2021-22, five (5) board meetings were held, the details of which are given in the Corporate Governance Report that forms part of this report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

13. Directors' Responsibility Statement

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS). The Ind AS are prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for year ended March 31, 2022, the Directors of your Company hereby state that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis;

(v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. Reporting of frauds by Auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

15. Corporate Governance and Management Discussion and Analysis

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on the Management Discussion and Analysis and Corporate Governance Report along with Practicing Company Secretary's Certificate regarding compliance of conditions of corporate governance forms an integral part of this report.

16. Particulars of Employees

The Company's goal is to stay invested in employee's growth, provide them with development opportunities, recognise their efforts and enable them to absorb our value system. The Company focus on the workplace that promotes a transparent and participative organisation culture.

The Company has constituted an internal committee to consider and resolve all sexual harassment complaints reported by women and has also adopted a policy as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year 2021-22, 15 complaints were received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and as on March 31, 2022, none of the complaint was pending for its disposal.

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report and annexed as Annexure - B.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. In terms of the provisions of

Section 136(1) of the Companies Act, 2013 read with the rules made thereunder, this report is being sent to all members of the Company excluding the said annexure. Any member interested in obtaining a copy of the annexure may write to the Company.

17. Employees Stock Option Scheme

The members of the Company in its meeting held on November 27, 2017 authorized the Board to introduce, offer, issue and provide stock options to eligible employees of the Company and its subsidiaries under 'SpiceJet Employee Stock Option Scheme - 2017'. The maximum number of shares under this scheme shall not exceed 10,000,000 equity shares. During the year under review no grant was made under this scheme.

There has been no material variation in the terms of the options granted under this scheme and this scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (now SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021). The details of this scheme including terms of reference, and requirement specified under the SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the website of the Company at www.spicejet.com under the "Investors" section.

18. Corporate Social Responsibility

We believe that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society. With an objective of socio-economic development in India, the Board has adopted a Corporate Social Responsibility (**"CSR"**) Policy which is available on the website of the Company at www.spicejet.com under the "Investors" section.

The Company has also constituted CSR Committee comprising of Mr. Ajay Aggarwal as Chairperson and Mr. Ajay Singh and Mrs. Shiwani Singh as Member which *inter-alia* monitors the Company's CSR Policy and recommend the amount of CSR expenditure. During the year under review, the CSR Committee met once on February 15, 2022 with necessary quorum being present at the meeting. As per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, annual report on CSR activities is attached as Annexure – C and forms an integral part of this Report.

19. Conservation of Energy and Technology Absorption

Conservation of Energy: The management is sensitive to the criticality of the conservation of energy at all operational levels particularly of aviation turbine fuel which is leading source of energy for aviation activity. Adequate measures are taken to reduce energy consumption whenever possible by using energy efficient equipment and technology infusion. These measures among other includes maintenance of engine and airframe, flight planning, training to operational staff, regular analysis etc.

Technology absorption: The Company has used information technology comprehensively in its operations, for more details please refer to Section 9 (Information Technology) of Management Discussion and Analysis.

20. Statutory Auditors

(i) The present Statutory Auditors of the Company, M/s. Walker Chandlok & Co LLP, Chartered Accountants, (ICAI Firm Registration No.: 001076N/N500013), was appointed by members of the Company at its 36th Annual General Meeting held on December 24, 2020 to hold office till the conclusion of 41st Annual General Meeting of the Company.

(ii) In accordance with Section 134(3)(f) of the Companies Act, 2013, information and explanations to various comments made by the Statutory Auditors in their Report to the members are mentioned in the Notes to the Accounts, which form part of the Balance Sheet for the year ended March 31, 2022.

21. Secretarial Auditors

(i) Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed Mr. Mahesh Kumar Gupta, Practicing Company Secretary to undertake the Secretarial Audit of the Company for financial year ended on March 31, 2022. The Report of the Secretarial Auditor is annexed as Annexure - D to this Report.

(ii) In accordance with Section 134(3)(f) of the Companies Act, 2013, response (wherever necessary) to the observations in the Secretarial Audit Report are as under:

Observation regarding composition of Board: The Company is still looking for a suitable candidature for woman independent director and after finalization of such candidature, the Company will file necessary application for security clearance of such candidature as mandated by Civil Aviation Requirements of Ministry of Civil Aviation.

Observation regarding receipt of money from erstwhile promoter: In view of the uncertainties involved in the matter, management believes that the manner, timing and other related aspects of adjustment of these amounts, are currently not determinable. Based on their assessment and legal advice obtained, management is of the view that any possible consequential effects, including penal consequences and any compounding thereof, will not have a material impact on the financial statements.

(iii) In terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circulars bearing nos. CIR/CFD/CMD1/27/2019 and CIR/CFD/CMD1/114/2019 dated February 8, 2019 and October 18, 2019 respectively, the Secretarial Auditor has also issued a Secretarial Compliance Report for the year ended March 31, 2022.

22. Cost records and cost audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 are not applicable for the business activities carried out by the Company.

23. Secretarial Standards

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

24. Business Responsibility Report

Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate the inclusion of Business Responsibility Report as part of Annual Report by the Company. In compliance with the said Regulation, we have annexed the Business Responsibility Report for financial year ended March 31, 2022 as Annexure - E.

25. Foreign Exchange Earnings and Outgo

The details of Foreign Exchange earnings and outgo for the financial year ended March 31, 2022 are set out below:

Particulars	Amount (₹ in millions)
Foreign Exchange Earnings	24,639
Foreign Exchange Outgo	42,885

26. Internal Controls and Risk Management

The Company believes that strong internal control systems that are commensurate with the scale, scope and complexity of its operations are correlated to the principle of governance and freedom of management and therefore the Company remains committed to ensuring a mature and effective internal control environment that, *inter-alia*, provides assurance on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds/errors, accuracy and completeness of accounting records and Management Information Systems, timely preparation of reliable financial information, adherence with relevant statutes and compliance with related party transactions.

The Company has aligned its systems of internal financial control with the requirement of Companies Act, 2013. This is intended to increase transparency and accountability in the organisation process of designing and implementing a system of internal control. The framework requires a company to identify and analyse risks and manage appropriate responses. The company has successfully laid down the framework and ensured its effectiveness.

The Company also recognises that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The Company has established a framework to actively manage all the material risks faced by the Company, in a manner consistent with the company's strategy. This covers all business risks including strategic risk, operational risks including fraud and cyber risks, foreign exchange risk, fuel price risk and financial risks. The Company has laid down procedures to inform Board of Directors about risk assessment and minimisation procedures. These procedures are periodically reviewed to ensure that executive management is controlling risks through properly defined framework. The system of risk assessment and follow-up procedure is in place and considering its increased operations the Company continues to reassess its risk management plan.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the Internal Auditor, Statutory Auditors and Secretarial Auditor and external consultants, including the audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended March 31, 2022.

The Company's risk management process is designed to identify and mitigate risks that have the potential ability to materially impact our business objectives. The Company adopts mitigation measures to reduce the adverse effects of risks. The Company has a risk management policy which acts as a guiding document for the purpose of identifying and mitigating risk.

27. Acknowledgement

We thank our valued customers, partners, vendors, investors and bankers for their continued confidence and support during the year and playing a significant role in the continued business excellence achieved by the Company. We place on record our appreciation of the contribution made by our employees at all fronts. Our sustaining momentum was made possible by their resilience and perseverance.

We thank the Government of India particularly the Ministry of Civil Aviation, Ministry of Corporate Affairs, Ministry of Finance, Directorate General of Civil Aviation and other regulatory authorities for timely acknowledgement of the challenges faced by the industry and taking corrective actions to sustain our operations.

For and on behalf of the Board

Sd/-

Place : Gurugram | Ajay Singh

Date : November 14, 2022 | Chairman & Managing Director

ANNEXURE - A

Form No. AOC – 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

(Amount in ₹ million except % of shareholding)

Name of the subsidiary	SpiceJet Merchandise Private Limited	SpiceJet Technic Private Limited	Canvin Real Estate Private Limited	SpiceJet Interactive Private Limited	Spice Club Private Limited	Spice Shuttle Private Limited	SpiceXpress and Logistics Private Limited	Spice Ground Handling Services Private Limited	SpiceTech System Private Limited
Date of Incorporation	July 18, 2016	October 5, 2016	November 16, 2017	April 29, 2019	October 23, 2019	October 25, 2019	December 30, 2019	October 13, 2020	November 11, 2020
Reporting period	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR
Share Capital	0.10	20.10	0.10	0.10	0.10	0.10	0.10	0.10	0.15
Reserve and surplus	(272.43)	(237.09)	(142.50)	(0.23)	(0.23)	(87.88)	(0.73)	(0.15)	(9.00)
Total assets	181.14	559.75	220.66	0.02	0.02	9.86	2.77	0.01	60.95
Total liabilities	453.47	776.74	363.06	0.15	0.14	97.64	3.41	0.06	61.65
Investments	-	-	-	-	-	-	-	-	-
Turnover	454.63	1004.19	-	-	-	0.12	-	-	159.15
Profit before taxation	(32.08)	(92.00)	(30.54)	(0.11)	(0.11)	(0.18)	(0.31)	(0.08)	(4.60)
Provision for taxation	-	-	-	-	-	-	-	-	-
Profit after taxation	(32.08)	(92.00)	(30.54)	(0.11)	(0.11)	(0.18)	(0.31)	(0.08)	(4.60)
Proposed Dividend	-	-	-	-	-	-	-	-	-
Percentage of shareholding	100.00	100.00	100.00	100.00	100.00	100.00	98.00	100.00	68.00

ANNEXURE - B

Disclosures pertaining to remuneration under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2022

A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S. No.	Name of Director	Designation	Ratio of Remuneration to the median remuneration of the employees	Percentage increase in remuneration
1.	Mr. Ajay Singh	Chairman & Managing Director	400	Nil
2.	Mrs. Shiwani Singh	Non-Executive Director	3	Nil
3.	Mr. Anurag Bhargava	Independent Director	2	Nil
4.	Mr. Ajay Aggarwal	Independent Director	2	Nil
5.	Mr. Manoj Kumar	Independent Director	3	Nil

B. The percentage increase in the median remuneration of employees in the financial year: 4.73%

C. The number of employees on the rolls of Company: 8,723

D. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   (i) Average percentile increase in the salaries of employees other than the managerial personnel is 11.48%

   (ii) Average percentile increase in managerial personnel is Nil

E. Affirmation that the remuneration is as per the remuneration policy of the Company: It is hereby confirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

ANNEXURE - C

Annual Report on Corporate Social Responsibility Activities

1. **Brief outline on CSR Policy:** We are committed to operate and grow our business in a socially responsible way and basis this commitment, we have adopted the CSR Policy which is available on our website at www.spicejet.com in 'Investors' section. The objective of this Policy is to pro-actively support meaningful socio-economic development and enable a larger number of people to participate in and benefit from economic progress.

2. **Composition of CSR Committee:** CSR Committee comprises of Mr. Ajay Aggarwal (Independent Director) as Chairperson and Mr. Ajay Singh (Chairman & Managing Director) and Mrs. Shiwani Singh (Non-Executive Director) as Members.

   During the financial year 2021-22, one (1) meeting of CSR Committee was held on February 15, 2022 which was attended by all the Members of the Committee.

3. **Web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed:** These details are available on the website of the Company at www.spicejet.com under the "Investors" section.

4. **Details of impact assessment of CSR Projects carried out in pursuance of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014:** Not applicable [The average CSR obligation of the Company in the three immediately preceding financial years is less than ten crore rupees in pursuance of Section 135(5) of the Companies Act, 2013]

5. **Details of the amount available for set off in pursuance of Rule 7(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Nil

6. **Average net profit of the Company as per Section 135(5) of the Companies Act, 2013:** Nil

7. **Following financial details:**

S. No.	Particulars	Amount
A	Two percent if average net profit of the Company as per Section 135(5) of the Companies Act, 2013	Nil
B	Surplus arising out of the CSR Projects or Programmes or Activities of the previous financial years	Nil
C	Amount required to be set off for the financial year, if any	Nil
D	Total of CSR obligation for the financial year (A+B-C)	Nil

8. (a) **CSR amount spent or unspent for the financial year:** Nil

   (b) **Details of CSR amount spent against ongoing projects for the financial year:** Nil

   (c) **Details of CSR amount spent against other than ongoing projects for the financial year:** Nil

   (d) **Amount spent in Administrative overheads:** Nil

   (e) **Amount spent on Impact Assessment, if applicable:** Not applicable

   (f) **Total amount spent for the financial year (b+c+d+e):** Nil

   (g) **Excess amount for set off, if any:** Not applicable

9. (a) **Details of unspent CSR amount for the preceding financial years:** Nil

   (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Nil

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Nil

11. **Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) of the Companies Act, 2013:** Not applicable

Sd/-

Ajay Singh
Chairman & Managing Director

Sd/-

Ajay Aggarwal
Chairman of CSR Committee

ANNEXURE - D

Secretarial Audit Report for financial year ended on March 31, 2022

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
SpiceJet Limited,
Indira Gandhi International Airport,
Terminal 1D, New Delhi – 110037

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SpiceJet Limited (the **"Company"**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the **"Act"**) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (**"SCRA"**) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**"SEBI Act"**);

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Nil**#

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and/ or the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and/or the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 – **Nil**#

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Nil**#

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and/or the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021– Nil#

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Nil**#

   #No event took place under these regulations during the financial year under review.

(vi) The Company is engaged in the business of scheduled air transport services. The management has identified and confirmed the following laws as being specifically applicable to the Company:

- The Aircraft Act, 1934 and Rules made thereunder;
- The Aircraft (Carriage of Dangerous Goods) Rules, 2003;
- The Carriage by Air Act, 1972;
- The Regulations, Circulars, Requirements, Orders, Notifications, issued by Ministry of Civil Aviation, Bureau of Civil Aviation Security and the Directorate General of Civil Aviation.

I have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"Listing Regulations"**).

I report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to following observation:

1. The composition of the Board of Directors of the Company is not as per the requirement of the Regulation 17(1) of the Listing Regulations as the Company has not appointed one independent woman director and the total number of directors are less than six.

2. As on date of this report, the Company was evaluating various available option to maintain structural digital database under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

3. As reported in the Secretarial Audit Report for financial year ended on March 31, 2022, the Company had, in earlier financial years, received amounts aggregating ₹5,790.9 million from its erstwhile promoters as advance money towards proposed allotment of certain securities (18,091,378 share warrants and 3,750,000 non-convertible cumulative redeemable preference shares, issuable based on approvals to be obtained), to be adjusted at the time those securities were to be issued. In this regard, we draw your attention to Note No. 48 of the financial statements of the Company for financial year ended March 31, 2022.

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors except as stated above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision at Board Meeting and Committee Meetings are carried out unanimously and the views of dissenting members, if any, are captured and recorded as part of the minutes of the Meetings of Board of Directors or Committees of the Board, as the case may be.

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance reports taken on record by the Board of Directors of the Company, there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the paid-up share capital of the Company has increased from ₹6,009.37 million to ₹6,017.97 million pursuant to allotment of 8,59,712 equity shares of ₹10 each under SpiceJet Employee Stock Option Scheme – 2017.

I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

For Mahesh Gupta & Company
Company Secretaries

Sd/-

Mahesh Kumar Gupta
Proprietor
FCS 2870::CP 1999
UDIN: F002870D001687201

Date : November 14, 2022
Place : New Delhi

This report is to be read with our letter of even date which is annexed as Appendix – I and forms an integral part of this report.

APPENDIX – I

To,
The Members,
SpiceJet Limited,
Indira Gandhi International Airport,
Terminal 1D, New Delhi – 110037

Our Secretarial Audit Report for the financial year ended March 31, 2022 is to be read along with this Appendix.

1) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Where ever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.

5) The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on the test basis.

6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Mahesh Gupta & Company
Company Secretaries

Sd/-

Mahesh Kumar Gupta
Proprietor
FCS 2870::CP 1999
UDIN: F002870D001687201

Date : November 14, 2022
Place : New Delhi

ANNEXURE - E

Business Responsibility Report

We believe that a corporate enterprises must be managed not merely in the interests of its owners, but equally in those of their employees, customers, the local community and other stakeholders and therefore in our pursuit to equitably deliver benefits of the growth, we have adopted the principles of business responsibility, as prescribed under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, Government of India, in our code of conduct.

The Business Responsibility Report is one of the avenues to communicate our obligations and performance to all our stakeholders. The Business Responsibility Report for financial year ended March 31, 2022 comprises our responses to key principles demarcated under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Section A: General Information

1.	Corporate Identity Number of the Company	L51909DL1984PLC288239
2.	Name of the Company	SpiceJet Limited
3.	Registered address	Indira Gandhi International Airport, Terminal 1D, New Delhi – 110037
4.	Website	www.spicejet.com
5.	E-mail ID	investors@spicejet.com
6.	Financial year reported	April 1, 2021 to March 31, 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Air Transportation [NIC Code: 51101 (passenger airway), 51201 (freight air transport services) and 52243 (cargo handling incidental to air transport)
8.	List three key products/services that the Company manufactures/provides	Air transport services of passengers Air transport services of cargo
9.	Total no. of locations where business activity is undertaken by the Company as on March 31, 2022	
	(a) No. of International Locations (Provide details of major 5)	10
	(b) No. of National Locations	57
10.	Markets served by the Company	The Company has national and international presence

Section B: Financial Details

1.	Paid up Capital	₹6,017.97 million
2.	Total Turnover	₹75,445.60 million
3.	Total profit after taxes	₹(17,254.65) million
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Nil
5.	List of activities in which expenditure in 4 above has been incurred	Not applicable

Section C: Other Details

1.	Does the Company have any subsidiary company(s)?	Yes. As on March 31, 2022, the Company has nine subsidiary companies.
2.	Do the subsidiary company(s) participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	No.

Section D: BR Information

1. Details of Director/Directors responsible for BR

The Corporate Social Responsibility Committee comprises Mr. Ajay Aggarwal as Chairperson and Mr. Ajay Singh and Mrs. Shiwani Singh as members.

The Committee *inter-alia* is responsible for the implementation of the Corporate Social Responsibility Policy of the Company and to recommend the amount of expenditure to be incurred on the Corporate Social Responsibly activities. The details of the Committee members are as follows:

S. No.	Name	Designation	DIN
1.	Mr. Ajay Aggarwal	Independent Director	00001122
2.	Mr. Ajay Singh	Chairman & Managing Director	01360684
3.	Mrs. Shiwani Singh	Non-Executive Director	05229788

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (reply in Y or N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for*	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	The Code of Conduct and certain other polices are available on Company's website www.spicejet.com in 'Investors' section. Internal policies are available at intranet.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

** The Company embedded the principles of business responsibility, as prescribed under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, Government of India, in its code of conduct and has adopted all the policies in compliance with the Companies Act, 2013 or other applicable laws.*

***The spirit and content of all the policies and practices are in compliance with and are based on the applicable regulatory requirements and international laws and standards.*

Principle wise index as per the NVGs:

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability: This forms part of the Code of Conduct of the Company.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle: The Company has a Safety Policy in accordance with applicable regulations prescribed by Directorate General of Civil Aviation.

P3: Businesses should promote the wellbeing of all employees: The Company have various internal policies for well-being of employees.

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized: The Company has adopted the principles Stakeholder Engagement. There is no specific policy on this.

P5: Businesses should respect and promote human rights: This forms part of the Code of Conduct of the Company.

P6: Business should respect, protect, and make efforts to restore the environment: This is covered under CSR Policy. There is no specific policy on this.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner: The Company has adopted the principles of responsible advocacy.

P8: Businesses should support inclusive growth and equitable development: This is covered under CSR Policy. There is no specific policy on this

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner: The Company have internal policy to resolve customer's complaint as per Civil Aviation Requirements.

(b) If answer to the question at serial no. 1 against any principle, is 'No', please explain why: Not applicable

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

Corporate Social Responsibility Committee of the Company oversees the Business Responsibility Performance on an annual basis.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report is available on the website of the Company at www.spicejet.com in 'Investors' section.

Section E: Principle-wise Performance

The Company's business performance and its impact are disclosed based on the principles prescribed under the National Voluntary Guidelines (NCGs):

Principle 1: Ethics, Transparency and Accountability

We are committed towards conducting business and dealing with all its stakeholders, with highest ethical standards and in compliance with all applicable laws and regulations. The directors and employees of the Company as well as the directors and employees of the subsidiary companies are expected to abide by the Company's code of conduct which *inter-alia* set out how we behave with our customers, suppliers, service providers, business associates, financial stakeholders, the communities and the environment in which we operate. It also extends to our suppliers and business partners.

We have adopted a whistle blower policy which allows our employees and directors to raise concerns about any unethical behaviour, actual or suspected fraud, event of misconduct, and violation of the Company's code of conduct or business practices observed in respect of the Company's operations. We have also in place various mechanisms for receiving and resolving complaints from different stakeholders. The details of investor complaints are available in our corporate governance report. The Company did not receive any significant external stakeholder complaint in during the financial year ended March 31, 2022.

Principle 2: Product Life Cycle Sustainability

In order to promote sustainability from a holistic view, we are committed to address social and environmental concerns through our services. Safety and social well-being has been our highest priority and at the core of our philosophy of sustainable business. Therefore, we firmly observes all regulations as enumerated by the Directorate General of

Civil Aviation and other regulatory bodies. We comply with all airworthiness directives issued by regulatory bodies and appropriate measures to minimise the risks associated with aviation sector are enforced on a regular basis. We ensure that all our employees adhere to the safety standards and policies and aims to adopt environment-friendly operation to ensure sustainability in our operations.

We are cognizant of the alarming levels of pollution and growing importance on the usage of clean and renewable sources of energy. We undertake adequate measures to reduce energy consumption at all operational levels, particularly in respect of aviation turbine fuel which is the primary energy source in aviation industry. We are committed to use energy efficient equipment to reduce carbon footprint.

We also operate several flight under regional connectivity scheme of Government of India which connect the country's under-served and unserved airports and develop the regional aviation market. It provides affordability, connectivity and employment to various stakeholders of the community.

Principle 3: Employee Well-being

We believes that employees are its greatest asset and crucial for the success of the Company. Focussed on this, we strive to foster a safe and conducive environment to boost employee morale and ensure their professional growth. We firmly believe that a healthier and happier workforce is more productive and delivers best results.

As on March 31, 2022, the Company has a total of 12,000 employees, of which 3,277 employees are on contractual basis. About 2,849 permanent women employees are working with Company. We encourage employees to disclose their disabilities to provide reasonable support to them to perform to their full potential. The number of such employees stands at 5 as on March 31, 2022.

Our policies does not permit any engagement of child labour, forced labour or involuntary labour and therefore we neither employ any child or forced labour nor engage vendors and suppliers who resort to child and /or forced labour. Details relating to complaints received during the financial year 2021-22 are as follows:

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	-	-
2.	Sexual harassment	15	-
3.	Discriminatory employment	-	-

The Company endeavours to upskill and augment the capabilities of its employees through several learning programmes. Such training programs cover all our employees irrespective of race, gender, or physical disability. During the financial year 2021-22, the Company imparted safety and skill upgradation training to 4,435 employees (including training imparted to employee more than once).

We recognise that employees may be interested in joining associations or involving themselves in civic or public affairs in their personal capacities, provided such activities do not create an actual or potential conflict with the interests of our company. As on March 31, 2022, we do not have any employee association recognized by the Company.

Principle 4: Stakeholder Engagement

We strive to be responsible and sensitive to our stakeholders. Depending on a direct relationship of impact, influence and proximity or relevance, we identified various stakeholder groups like customers, employees, investors, suppliers and other value chain partners, local communities for engagement. To evaluate, prioritise and address the concerns of our stakeholders in an effective and systematic manner, we have mapped our internal and external stakeholders and have adopted well-framed systems and procedures. We have also identified disadvantaged, vulnerable and marginalised stakeholders to follow a system of timely feedback and response through formal and informal channels of communication to ensure that the stakeholders information remains current and updated.

We have devised a separate and dedicated mechanism to engage with each stakeholders (including shareholders, investors, vendors, customers, employees, government and other local authorities). It is our continuous, constructive and responsible engagement with our each stakeholders which help us to expand our efforts to realise a sustainable future for ourselves and for our stakeholders.

Principle 5: Human Rights

We believe that it is our responsibility to protect the human rights of our employees and therefore our code of conduct enunciate adherence of applicable laws and to uphold the spirit of human rights. . It also extends to all our subsidiaries, suppliers and business partners.

We safeguard our employee from any form of discrimination based on age, gender, race or religion and protect their interest and entitles them with the right to privacy and fair remuneration. Additionally, we have a grievance redressal procedure to address concerns, if any, pertaining to human rights and decent labour practices. All the stakeholders can access our Whistle Blower Policy available its website under the 'Investors' section.

Principle 6: Environment

Our environment stewardship extends beyond our premises and we take due cognisance of the ecosystem in which we operate. We understand the importance of operating in an environmentally sustainable manner and therefore recognizes our responsibility to contain the climate change impacts of increasing carbon emissions and supports the industry initiatives in this regard.

We are conscious of the alarming levels of pollution and growing importance on the usage of clean and renewable sources of energy. We undertake adequate measures to reduce energy consumption at all operational levels, particularly in respect of aviation turbine fuel which is the primary energy source in aviation industry. We continuously undertake adequate measures to reduce greenhouse gas emissions by using fleet renewal, investment in cleaner vehicles and equipment, maintenance of engine and airframe, flight planning, training to operational staff, etc. By investing in a modern, more energy and fuel-efficient fleet, emission free battery-operated ancillary equipment, we are improving both our economic and environmental performance.

We are working with Boeing and CSIR-Indian Institute of Petroleum to explore opportunities for the use of Sustainable Aviation Fuel in the Indian aviation industry, as part of the organisations' commitment to help reduce carbon emissions, contributing to the Indian Government's environmental goals. In our efforts to go green, we have encouraged the use of digital flight manuals in place of paper manuals to remove considerable paper load across our fleet and reduce wastage.

Principle 7: Policy Advocacy

We are member of Federation of Indian Airlines (FIA) and International Air Transport Association (IATA). FIA is an industry body formed by scheduled carriers in India and generally represents key industry issues whereas IATA is a trade association for the world's airlines and supports aviation with global standards for safety, security, efficiency and sustainability.

We engage with government and regulators in constructive manner to promote good governance and reforms, and all our interaction with government, legislators and regulators are always done with honesty, integrity, openness and in compliance with applicable laws. We allow only authorised and appropriately trained individuals to interact with these organisations.

Principle 8: Inclusive Growth and Equitable Development

Our corporate social responsibility initiatives supports inclusive growth and holistic development not only of society in which we operate but also covers the overall development of societies and human capabilities. We have formulated a CSR policy covering different social needs. To encourage inclusive growth and equitable development, the focus of our CSR initiatives has been in the areas of education, healthcare, rehabilitation and rural development.

We has been undeterred in our efforts towards bringing about a positive change in the society, even though our profitability and cash flow was impacted by Covid-19 pandemic. Contributing to the country's efforts towards fighting the Covid-19 pandemic, we airlifted oxygen concentrators and Covid-19 relief material and was also offering discount to healthcare professionals for certain time period.

Principle 9: Customer Value Creation

We believes customer focus is the key to success for any business. Our commitment of providing safe and comfortable journey to our customers is supported by our concern for the safety of our customers. We provide our services as per applicable laws and the details of our services including terms of carriage, price of air tickets, special services, etc. are published on our website as well as on the tickets as per the prevailing laws and regulations.

We always strives to have a cordial relationship with our customers and attempts to have an amicable settlement of the dispute or best possible solution of services issues. However, in our ordinary course of business, several customers may have service related issues which could result in them filing a consumer complaint before appropriate forum alleging deficiency in services. There are no cases in relation to unfair trade practices and irresponsible advertising behaviour during the last five years and pending as on end of financial year.

A well-established system is in place for dealing with customer complaint. Customers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. We have received 684 complaints during the financial year ended March 31, 2022 relating to various subject matters such as cancellation of tickets, incorrect bookings, refund of fares, flight delays, baggage mishandling and flight cancellation, which were resolved subsequently.

Creating an excellent customer experience is one of our key objective and in order to keep our business processes as close as possible to customer needs, we conduct feedbacks surveys after each completed flight through SMS. Such survey enable us to understand customers' expectations, satisfaction levels and overall experience for flying with us.

Corporate Governance Report

In terms of Regulation 34(3) read with Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"SEBI Listing Regulations"**) the details of compliance by the Company with the norms on Corporate Governance during financial year 2021-22 are as under:

1. Philosophy on Corporate Governance

The pillars of successful corporate governance are accountability, fairness, transparency, assurance, leadership and stakeholder management. All these are critical for successfully running a company and forming solid professional relationships among its stakeholders which include board of directors, employees and most importantly, shareholders.

We believe that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, we endeavor to ensure that highest standards of ethical and responsible conduct are met throughout the organisation. This is also reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board and keep our governance practices under continuous review.

Integrity and transparency are key to our corporate governance practice to ensure that we gain and retain the trust of all stakeholders at all time. Our corporate governance framework ensures that we make timely disclosures and share accurate information about our financials and performance as well as governance of the Company. Our corporate structure, business, operations and disclosure practices have been strictly aligned to our corporate governance philosophy.

2. Board of Directors

The primary role of the Board is to protect and enhance stakeholders' value through strategic supervision of the Company and to ensure that the Company has clear goals aligned to stakeholders' value and its growth. The Board sets strategic goals and seeks accountability for fulfilment of the same. It also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The Board, as part and parcel of its functioning, annually reviews its role, evaluates its performance and also that of the Committees and the Directors.

The Company believes that its Board needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence and separate its functions of governance and management. None of the Directors on the Board hold directorships in more than ten public companies and member of more than ten committees or chairperson of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding the Board and Committee positions in other public companies as on March 31, 2022 have been made by the all the directors. None of the Director on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

(a) Composition of the Board

As on March 31, 2022, the Board comprised five members with an Executive Chairman & Managing Director, besides three Independent Directors and one Non-Executive Non-Independent Director, of which one is a women director. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

Category-wise composition of the Board of Directors of the Company is given below:

S. No.	Name of the Director	Category[1]
1.	Mr. Ajay Singh	Executive Director (Chairman & Managing Director)
2.	Mrs. Shiwani Singh	Non - Executive and Non-Independent Director
3.	Mr. Anurag Bhargava	Independent Director
4.	Mr. Ajay Aggarwal	Independent Director
5.	Mr. Manoj Kumar	Independent Director

[1]As at March 31, 2022, the composition of the Board was not as per the requirement of Regulation 17(1) of the SEBI Listing Regulations as the Company has not appointed one independent woman director and the total number of directors are less than six. The Company is looking for a suitable candidature for woman independent director and after finalization of such candidature, the Company will file necessary application for security clearance of such candidature as mandated by Civil Aviation Requirements of Ministry of Civil Aviation, Government of India.

(b) Board Meetings and attendance of Directors

All meetings of Board and Committees are governed by a structured agenda prepared by the Company Secretary in consultation with the Chairman. The Board members, in consultation with the Chairman, may bring up any other matter for the consideration of the Board. Sensitive subject matters are discussed at the meeting without written material being circulated in advance. Agenda papers are generally circulated seven days prior to the meeting except for meetings called at a shorter notice. In addition to information required under Regulation 17(7) of the SEBI Listing Regulations, all statutory and other significant and material information are placed before the Board members to enable them to discharge their responsibility of strategic supervision of the Company.

During the financial year 2021-22, five (5) Board Meetings were held on June 30, 2021; August 13, 2021; November 12, 2021; December 30, 2021 and February 15, 2022 and the time gap between two consecutive meetings did not exceed one hundred and twenty days.

Requisite information, as per the requirements of Schedule V of the SEBI Listing Regulations is provided below:

Name of the Director[2]	No. of Board Meeting attended	Directorship in other companies[3]	Committees membership/ chairpersonship in other public companies[4]	Directorship in other listed entity (Category of directorship)
Mr. Ajay Singh	5	-	-	-
Mrs. Shiwani Singh	5	1	1	Multipurpose Trading and Agencies Ltd. (Non-Executive Director)
Mr. Anurag Bhargava	4	-	-	-
Mr. Ajay Aggarwal	4	-	-	-
Mr. Manoj Kumar	5	1	1	DCM Shriram Industries Ltd. (Non-Executive Non-Independent Director)

[2]None of the Directors are related to each other except Mr. Ajay Singh and Mrs. Shiwani Singh.
[3]Excluding directorships in private companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013 and subsidiaries of SpiceJet Limited.
[4]For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered.

The last Annual General Meeting of the Company was held on December 30, 2021 through video conference and other audio visual means which was attended by all Directors of the Company.

(c) Shares held by Non-Executive Directors

Details of equity shares of the Company held by Non-Executive Directors as on March 31, 2022 are given below:

Name	Category	No. of Equity Shares
Mrs. Shiwani Singh	Non - Executive and Non-Independent Director	6,001
Mr. Ajay Aggarwal	Independent Director	15,000
Mr. Manoj Kumar	Independent Director	8,000

(d) Familiarisation Programmes

The Company believes that a Board, which is well informed and familiarised with the Company and its affairs, can contribute significantly to effectively discharge its role in a manner that fulfils stakeholders' aspirations and societal expectations. Therefore, the Directors of the Company are updated on changes and developments in the domestic and global corporate and industry scenario including those pertaining to statutes and economic environment, and on matters significantly affecting the Company, to enable them to take well informed and timely decisions. The Board members are given full opportunity to interact with management personnel and are provided with all the documents required and/or sought by them to have a good understanding of the Company, its business model and its operations. The Company's Policy of conducting the familiarisation programmes has been disclosed on the website of the Company at www.spicejet.com under the "Investors" section.

(e) Independent Directors

All Independent Directors on the Board are Non-Executive Directors as defined under the Companies Act, 2013 (the **"Act"**) and SEBI Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Act and SEBI Listing Regulations. All the Independent Directors have confirmed that they meet the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, as amended, and provided the required declaration under Section 149(7) of the Act. Based on the disclosures received from the Independent Directors, it is hereby confirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI Listing Regulations and are independent of the management and are also in compliance with the limit on Independent Directorships of listed Companies as prescribed under Regulation 17A of the SEBI Listing Regulations.

The Company has laid down the terms and conditions of the appointment of Independent Directors stipulating their roles, responsibilities and duties which are consistent with the provisions of the SEBI Listing Regulations, Section 149 and Schedule IV of the Act. The said terms and conditions set out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment. It emphasises the importance of independence. The Company has issued letter of appointment to all the Independent Directors and terms and conditions of their appointment have been disclosed on the website of the Company at www.spicejet.com under the "Investors" section.

(f) Core skills/expertise/competencies of Directors

The Company believes that it is the collective effectiveness of the Board that impacts Company performance and therefore members of the Board amongst themselves should have a balance of skills, experience and diversity of perspectives appropriate to the Company.

The Directors on the Board of the Company are adequately skilled and have relevant expertise as per industry norms and have rich experience. The Company's Board has identified the following skills/ expertise/ competencies to function and discharge its responsibilities effectively:

Skills and its description	Ajay Singh	Shiwani Singh	Anurag Bhargava	Ajay Aggarwal	Manoj Kumar
Finance and Accounting Experience (Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge)	✓	✓	✓	✓	✓
Leadership (Strong management and leadership experience including in areas of business development, strategic planning, investments and finance, international business, senior level government experience and academic background.)	✓	✓	✓	✓	✓
Diversity (Diversity of thoughts, experience, knowledge, perspective, gender and culture. Varied mix of strategic perspectives, and geographical focus with knowledge and understanding of key geographies.)	✓	✓	✓	✓	✓
Global Business (Understanding of diverse business environment, economic conditions, culture and regulatory framework and a broad prospective on global market opportunities)	✓	✓	✓	✓	✓
Corporate Governance (Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders' interests and Company's responsibilities towards customers, employees, suppliers, regulatory bodies and the communities in which it operates.)	✓	✓	✓	✓	✓
Information Technology (Information Technology expertise with knowledge of current and emerging technologies)	✓	✓	✓	✓	✓

(g) Resignation of Independent Directors

During the financial year under review, none of the director has resigned from the Board.

(h) Board Committees

The Board has constituted the Committees of the Board with specific terms of reference as per the requirements of the Act and the SEBI Listing Regulations and other applicable provisions. During the year under review, all recommendations of the Board Committees were duly accepted by the Board.

Board Committees play an important role in the effective compliance and governance of the Company in line with their specified and distinct terms of reference and roles and responsibilities. The Chairpersons of the respective Committee reports to the Board on the deliberations and decisions taken by the Committee and conduct themselves under the supervision of the Board. The minutes of the meetings of all Board Committees are also placed before the Board for its perusal on a regular basis.

The details of various Board Committees in the Company as on the date of this report can be referred from below mentioned chart:

The Constitution of the Board Committees are available on the website of the Company i.e. www.spicejet.com under the "Investors" section and are also stated hereinafter.

3. Audit Committee

The primary objective of the Audit Committee is to monitor and provide an effective supervision to the management's financial reporting process. The Committee oversees and reviews the reports of various auditors of the Company and access the quality of financial reporting in the Company. As on March 31, 2022, the Audit Committee comprised of four Directors, three being Independent Directors and one being Non-Executive Non-Independent Director. The Chairperson of the Audit Committee has sound financial knowledge as well as many years of experience in general management. All members of Audit Committee, including the Chairperson, have accounting and financial management expertise. The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations. Key responsibilities of the Audit Committee, *inter-alia*, includes:

(i) The Committee oversees the work carried out in the financial reporting process by the management, the Internal Auditors and the Statutory Auditors, and to take note of the processes and safeguards employed by each of them.

(ii) To monitor and provide an effective supervision of the financial reporting process and to ensure that the financial statements are correct, sufficient and credible.

(iii) To ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.

(iv) The Committee has all powers, roles, duties etc. as enumerated under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

(v) The Audit Committee is responsible to select, evaluate and, where appropriate, replace the independent auditors in accordance with the law.

(vi) The Committee recommends the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors.

The Company Secretary of the Company acts as the secretary to the Committee. The Chief Financial Officer and the representatives of the Internal Auditor and the Statutory Auditors are invitees to the meetings of the Audit Committee.

During the financial year 2021-22, four (4) Audit Committee Meetings were held on June 30, 2021; August 13, 2021; November 12, 2021 and February 14, 2022. The necessary quorum was present for all the meetings.

The composition of the Audit Committee as on March 31, 2022 and the attendance of members at the meetings held during financial year 2021-22 are given below:

Name of the Member	Category	Status	No. of Meetings[5]	
			Held	Attended
Mr. Anurag Bhargava	Independent Director	Chairperson	4	3
Mrs. Shiwani Singh	Non - Executive and Non-Independent Director	Member	4	4
Mr. Ajay Aggarwal	Independent Director	Member	4	4
Mr. Manoj Kumar	Independent Director	Member	4	4

[5] *The Audit Committee Meeting held on February 14, 2022 was adjourned due to paucity of time and concluded on February 15, 2022.*

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee, *inter alia*, identifies persons qualified to become directors, and recommends to the Board the appointment, remuneration and removal of the directors and senior management including key managerial personnel. The Committee's role also includes formulation of criteria for evaluation of performance of the directors and the Board as a whole, and administration of the Employee Stock Option Schemes of the Company.

As on March 31, 2022, the Nomination and Remuneration Committee comprised four Directors, of whom two members are Independent Directors and one is Executive Director and one is Non-Executive Non-Independent Director. The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

The Nomination and Remuneration Committee's powers, role and terms of reference covers the area as contemplated under Section 178 of the Companies Act, 2013 and Regulation 19 the SEBI Listing Regulations, as amended from time to time. The Committee has the following powers, roles and terms of reference:

(i) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.

(ii) To recommend to the Board for appointment and removal of directors and senior management.

(iii) To recommend to the Board the appointment/ re-appointment and removal of managerial person (i.e. director or whole time director) including the payment of remuneration to them.

(iv) To carry out evaluation of every director's performance and to formulate the criteria for determining, positive attributes and independence of a director and to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

(v) To formulate, administer and implement the Employee Stock Option Scheme and also recommends to the Board in the matter related to the areas as specified.

Two (2) meeting of the Nomination and Remuneration Committee were held during the financial year 2021-22 on June 7, 2021 and November 12, 2021. The necessary quorum was present during the meeting.

Details of the composition, meeting and attendance of the members at the Nomination and Remuneration Committee meeting held during the year under review are as under:

Name of the Member	Category	Status	No of Meetings	
			Held	Attended
Mr. Ajay Aggarwal	Independent Director	Chairperson	2	1
Mr. Ajay Singh	Chairman & Managing Director	Member	2	2
Mrs. Shiwani Singh	Non-Executive and Non-Independent Director	Member	2	2
Mr. Manoj Kumar	Independent Director	Member	2	2

Note: Nomination and Remuneration Committee was reconstituted on August 31, 2022 and now comprises of Mr. Ajay Aggarwal (Independent Director) as Chairperson and Mr. Manoj Kumar (Independent Director) and Mr. Ajay Singh (Chairman & Managing Director) as members.

5. Remuneration of Directors

The Nomination and Remuneration Committee determines and recommends to the Board the amount of remuneration payable to managerial personnel. The recommendations of the Committee are based on evaluation of certain parameters of managerial personnel. Any remuneration payable to managerial personnel is approved by the shareholders of the Company as per the requirement of the Companies Act, 2013.

The Nomination and Remuneration Committee of the Company has framed a policy for selection and appointment of directors including determining qualifications of director, key managerial personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Act. The Nomination and Remuneration Policy is available on the website of the Company at www.spicejet.com under the "Investors" section.

During the financial year ended March 31, 2022, there is no pecuniary relationship or transactions of the non-executive director's vis-à-vis the Company except payment of sitting fees of Rupees one lakh for attending each Board Meeting.

During the financial year 2021-22, Mr. Ajay Singh, Chairman & Managing Director, has drawn total remuneration of ₹42.00 million as against approved remuneration of ₹72.00 million and has taken provisions for remaining remuneration of ₹30.00 million.

6. Performance evaluation of Directors

In compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, Nomination and Remuneration Committee has approved the process, attributes, criteria and format for the performance evaluation of the Board, Board Committees and individual Directors including the Chairman and Managing Director. The process provides that the performance evaluation shall be carried out on an annual basis. For the financial year ended March 31, 2022, the Directors completed the evaluation process which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairman and Managing Director.

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness.

Performance of individual Directors including the Independent Directors, was evaluated on parameters such as standards of ethics and integrity, participation and contribution, responsibility towards stakeholders and independent judgement. The criteria for performance evaluation covers the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation was done by the entire Board of Directors and in the evaluation of directors, the directors subject to evaluation, had not participated.

7. Stakeholders' Relationship Committee

The primary objective of Stakeholders' Relationship Committee is to consider and resolve the grievances of stakeholders including complaints relating to non-receipt of annual report, transfer or transmission of securities, issuance of share certificates etc.

In compliance with requirements of the SEBI Listing Regulations and provisions of Section 178 of the Companies Act, 2013, the Company has constituted Stakeholders' Relationship Committee. As on March 31, 2022, the Committee comprised three members, out of whom two are Non-Executive Directors and one is Independent Director. Key responsibilities of the Stakeholders' Relationship Committee, *inter-alia*, includes following:

(i) Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;

(ii) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

One (1) meeting of the Stakeholders' Relationship Committee was held during the financial year 2021-22 on February 15, 2022. The necessary quorum was present during the meeting.

Details of the composition, meeting and attendance of the members at the Stakeholders Relationship Committee meeting held during the year under review are as under:

Name of the Member	Category	Status	No of Meetings	
			Held	Attended
Mr. Manoj Kumar	Independent Director	Chairperson	1	1
Mrs. Shiwani Singh	Non-Executive and Non-Independent Director	Member	1	1
Mr. Ajay Singh	Chairman & Managing Director	Member	1	1

Mr. Chandan Sand, Sr. VP (Legal) & Company Secretary is the Compliance Officer.

During the financial year 2021-22, the complaints and queries received by the Company were general in nature, including issues relating to non-receipt of annual reports and others, which were resolved to the satisfaction of the shareholders. The Company has received 5 complaints from shareholders and replied/ redressed the same to the satisfaction of shareholders. No complaint of investor is pending at the end of the financial year ended March 31, 2022.

In order to provide efficient services to investors, and for speedy redressal of the complaints, the Committee has delegated the power of approving transfer and transmission of shares and other matters like sub-division and consolidation of shares certificate, issue of share certificates on re-materialization or loss etc. and for dematerialization to the Company Secretary of the Company.

8. Risk Management Committee

The objective of the Risk Management Committee is to formulate a detailed risk management policy and approve any amendment/ modification thereof. The Committee monitors and oversees implementation of risk management policy including evaluating adequacy of risk management systems. As on March 31, 2022, the Risk Management Committee comprised Mr. Ajay Singh (Chairman & Managing Director) as Chairperson and Mr. Anurag Bhargava (Independent Director) and Mr. Chandan Sand (Sr. VP (Legal) & Company Secretary) as members.

The Risk Management Committee's powers, role and terms of reference covers the area as contemplated under Regulation 21 the SEBI Listing Regulations, as amended from time to time. The Committee has the following powers, roles and terms of reference:

(i) To formulate a detailed risk management policy which shall include (a) framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee, (b) Measures for risk mitigation including systems and processes for internal control of identified risks, and (c) Business continuity plan.

(ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(iii) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(iv) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(v) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(vi) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Committee.

(vii) Such other items as may be prescribed by applicable law or the Board of Directors of the Company in compliance with applicable law, from time to time.

Two (2) meetings of the Risk Management Committee was held during the financial year 2021-22 on February 15, 2022 and March 30, 2022. The necessary quorum was present during the meeting.

Details of the composition, meeting and attendance of the members at the Risk Management Committee meeting held during the year under review are as under:

Name of the Member	Category	Status	No of Meetings	
			Held	Attended
Mr. Ajay Singh	Chairman & Managing Director	Chairperson	2	2
Mr. Anurag Bhargava	Independent Director	Member	2	2
Mr. Chandan Sand[6]	Sr. VP (Legal) & Company Secretary	Member	2	2
Mr. Sanjeev Taneja[7]	Chief Financial Officer	Member	NA	NA

[6]*Appointed as member of the Risk Management Committee effective July 1, 2021.*

[7]*Appointed as member of the Risk Management Committee effective July 1, 2021. Thereafter, he ceased to be member of the Risk Management Committee effective February 15, 2022.*

9. General Body Meetings

Details of the Annual General Meetings held in the last three years:

Category	Date and Time	Location of the meeting	Special Resolutions Passed
37th AGM (2020-21)	December 30, 2021 at 11:30 a.m.	Through video conference and other audio visual means.	Nil
36th AGM (2019-20)	December 24, 2020 at 04:00 p.m.	Through video conference and other audio visual means.	Transfer of Cargo business to its wholly-owned subsidiary
35th AGM (2018-19)	September 30, 2019 at 04:00 p.m.	PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110016	Remuneration to Mr. Ajay Singh (DIN: 01360684), Managing Director of the Company in case of no profits/ inadequacy of profits of the Company

10. Postal Ballot

During the year under review a postal ballot exercise was initiated in the month of August 2021 and completed in September 2021. Following special resolutions were passed through this postal ballot exercise:

(i) Transfer of cargo business undertaking to SpiceXpress and Logistics Private Limited, as going concern, on slump sale basis;

(ii) To make loan(s) and to give guarantee(s), provide security(ies) or make investment(s) in terms of Section 185 and Section 186 of the Companies Act, 2013;

(iii) Dilution of shareholding of the Company in SpiceXpress and Logistics Private Limited (a subsidiary of the Company) post transfer of cargo business undertaking;

(iv) Fund raising by issue of eligible securities through Qualified Institutions Placement;

(v) Remuneration to Mr. Ajay Singh (DIN: 01360684), Managing Director of the Company in case of no profits/ inadequacy of profits of the Company; and

(vi) Re-appointment of Mr. Anurag Bhargava (DIN: 01297542) as an Independent Director of the Company

In accordance with Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and General Circular No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020 and No. 10/2021 dated June 23, 2021 issued by the Ministry of Corporate Affairs, Government of India (**"MCA Circulars"**), the Postal Ballot Notice along with statement under Section 102 of the Companies Act, 2013 was sent only through electronic mode to those members whose names were appearing in the register of members/records as on August 13, 2021. In terms of MCA Circulars, the Company extended the facility of remote e-voting to its members through KFin Technologies Private Limited (now known as KFin Technologies Limited) to enable them to cast their votes electronically instead of submitting the Postal Ballot Form physically.

The postal ballot exercise was conducted by Mr. Mahesh Kumar Gupta, Practicing Company Secretary, who was appointed as Scrutinizer by the Board. The result of the postal ballot was announced by the Chairman & Managing Director on September 17, 2021 and same was published in newspapers and also posted on the website of the Company, www.spicejet.com under the "Investors" section.

As per the report of Scrutinizer dated September 17, 2021 details of voting pattern are as under:

S. No.	Description	Votes in favour of the resolution		Votes against the resolution	
		Number of Votes	(%)	Number of votes	(%)
1.	Transfer of cargo business undertaking to SpiceXpress and Logistics Private Limited, as going concern, on slump sale basis: Special resolution	29,44,14,265	98.57	42,72,745	1.43
2.	Related party transaction in order to transfer cargo business undertaking to SpiceXpress and Logistics Private Limited: Ordinary resolution	1,98,66,516	82.30	42,71,788	17.70
3.	To make loan(s) and to give guarantee(s), provide security(ies) or make investment(s) in terms of Section 185 and Section 186 of the Companies Act, 2013: Special resolution	29,43,85,133	98.56	42,86,697	1.44
4.	Related party transaction(s) post transfer of cargo business undertaking to SpiceXpress and Logistics Private Limited (a subsidiary of the Company): Ordinary resolution	1,98,61,473	82.30	42,71,050	17.70
5.	Dilution of shareholding of the Company in SpiceXpress and Logistics Private Limited (a subsidiary of the Company) post transfer of cargo business undertaking: Special resolution	29,36,91,340	98.33	49,83,588	1.67
6.	To approve raising of funds by issue of eligible securities through Qualified Institutions Placement: Special resolution	29,77,61,056	99.69	9,27,399	0.31
7.	Remuneration to Mr. Ajay Singh (DIN: 01360684), Managing Director of the Company in case of no profits/ inadequacy of profits of the Company: Special resolution	29,46,13,613	98.65	40,32,160	1.35
8.	Re-appointment of Mr. Anurag Bhargava (DIN: 01297542) as an Independent Director of the Company: Special resolution	29,15,81,208	97.63	70,92,081	2.37

None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing a Resolution through Postal Ballot.

No special resolution is proposed to be passed through postal ballot.

11. Means of Communication

The quarterly, half-yearly and annual results of the Company are sent to the stock exchange for the information of the shareholders and also published in leading newspapers in India which include Financial Express (English - all edition) and Jansatta (Hindi - Delhi edition). The results of the Company are also displayed on the website of stock exchange i.e. BSE Limited (www.bseindia.com) and the Company (www.spicejet.com).

All the press releases of the Company are sent to the stock exchange for dissemination to shareholders and are subsequently displayed on the website of the Company at www.spicejet.com. Investor presentations, if any, are also displayed on the website of the Company.

12. Subsidiary Companies

The Audit Committee reviews the financial statements of the subsidiary companies. It also reviews, the investments made by the subsidiary companies, statement of all significant transactions and arrangements entered into by the subsidiary companies and the status of compliances by the respective subsidiary companies, on a periodic basis.

Pursuant to Section 129 (3) of the Companies Act, 2013 and IND-AS 110 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of its subsidiaries.

The Company does not have any material subsidiary in terms of the provisions of the SEBI Listing Regulations. The Board of Directors of the Company has adopted the policy and procedures for determining 'material' subsidiary companies in accordance with the provisions of the SEBI Listing Regulations. The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The Policy on Material Subsidiaries is available on the website of the Company at www.spicejet.com under the "Investors" section.

13. General Shareholder Information

(a)	**Venue, date and time of the 38th Annual General Meeting**	:	Venue: Through Video Conferencing Date: December 26, 2022 Time: 11:30 a.m.
(b)	**Financial Year**	:	April 1, 2021 to March 31, 2022
(c)	**Book Closure date**	:	December 20, 2022 to December 26, 2022 (both days inclusive)
(d)	**Dividend Payment Date**	:	Not applicable
(e)	**Name of Stock Exchange**	:	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 (Equity Shares)
(f)	**Listing fees for Financial Year 2022-23**	:	Paid
(g)	**Stock Code**	:	BSE: 500285 Reuters: SPJT.BO Bloomberg: SJET ISIN in NSDL and CDSL: INE285B01017
(h)	**Reasons for suspension of securities from trading**	:	Not applicable
(i)	**Registrar and Transfer Agents**	:	KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
(j)	**Dematerialisation of Shares and Liquidity**	:	Over 99.38% of the outstanding equity shares have been dematerialised up to March 31, 2022. The equity shares of the Company are listed at BSE Limited only; where they are actively traded.
(k)	**Outstanding Global Depository Receipts/American Depository Receipts/warrants and convertible bonds, conversion date and likely impact on equity**	:	The Company has no outstanding Global Depository Receipts/American Depository Receipts/warrants and convertible bonds.
(l)	**Plant location**	:	The Company does not have any plant location.
(m)	**Address for Correspondence**	:	**For shares in physical/ demat mode:** KFin Technologies Limited, Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Email: einward.ris@kfintech.com Tel: +91 40 67162222 Fax: +91 40 23001153 **For any query on Annual Report** Legal & Company Affairs SpiceJet Limited 319, Udyog Vihar, Phase IV, Gurugram - 122 016 Haryana Email: investors@spicejet.com Tel: +91 124 3913939 Fax: +91 124 3913844
(n)	**Details of shares in the demat suspense account or unclaimed suspense account**	:	Nil

14. Market Price Data

The market capitalisation of the Company is included in the computation of BSE 500 Index. The table below sets out the monthly high and low quotations of the shares traded at BSE Limited (www.bseindia.com) during the period under review:

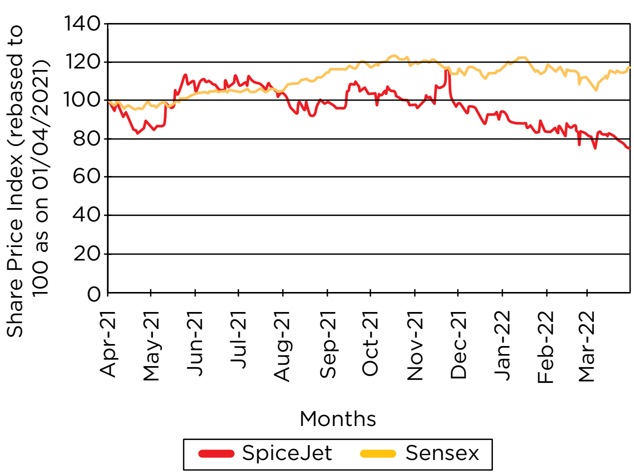
Month	Open Price	High Price	Low Price	Close Price
Apr-21	70.55	72.60	59.40	62.90
May-21	62.25	83.90	60.75	79.60
Jun-21	80.00	83.90	67.95	81.00
Jul-21	81.00	82.55	73.35	75.15
Aug-21	75.95	76.40	63.55	71.35
Sep-21	71.90	82.65	69.00	75.15
Oct-21	74.00	79.50	62.00	70.80
Nov-21	70.80	87.25	69.30	70.10
Dec-21	70.70	72.40	61.90	68.10
Jan-22	66.50	68.25	57.70	60.85
Feb-22	61.15	66.10	55.45	60.20
Mar-22	60.25	62.70	53.30	54.35

15. Performance in Comparison to broad-based Indices - BSE Sensex

The chart below sets out price performance of equity shares of the Company relative to BSE Sensex based on daily closing values during April 1, 2021 to March 31, 2022.

The stock price performance shown in the graph below should not be considered indicative of potential future stock price performance.

SpiceJet Share Price vs. BSE Sensex



16. Share Transfer System

To expedite the process of share transfers, the Board of the Company has delegated the power of share transfer to the Compliance Officer of the Company and Registrar and Share Transfer Agent. Share transfer requests which are received in physical form are processed and the share certificate are returned on a fortnight basis from the date of receipt, provided the documents submitted are valid and complete in all respect.

17. Shareholding Pattern as on March 31, 2022

S. No.	Category	No. of Shares	Percentage (%)
1.	Promoters	35,74,59,793	59.40
2.	Resident Individuals	19,90,25,890	33.07
3.	Bodies Corporates	1,70,37,047	2.83
4.	Non Resident Indians	81,88,635	1.36
5.	Foreign Portfolio – Corp.	69,56,606	1.16
6.	Hindu Undivided Family	46,09,973	0.77
7.	Clearing Members	28,45,920	0.47
8.	Non-Resident Indian Non Repatriable	27,15,345	0.45
9.	Employees	17,99,869	0.31
10.	NBFC	6,92,216	0.12
11.	Mutual Fund	2,25,968	0.04
12.	Foreign Institutional Investors	1,07,400	0.02
13.	Foreign Portfolio Investors	75,002	0.01
14.	Directors	29,001	0.00
15.	Directors and relatives of Directors	20,000	0.00
16.	Trusts	7,650	0.00
17.	Foreign National	300	0.00
	Total	**60,17,96,615**	**100.00**

18. Distribution of Shareholding as on March 31, 2022

Category	Shareholders		Shares	
	Number	% of total	Number	% of total
1-5000	3,42,347	84.94	4,13,49,299	6.87
5001-10000	30,533	7.58	2,46,26,317	4.09
10001-20000	15,762	3.91	2,39,45,424	3.98
20001-30000	5,173	1.28	1,33,08,384	2.21
30001-40000	2,354	0.58	84,75,641	1.41
40001-50000	1,940	0.48	91,68,938	1.52
50001-100000	2,826	0.70	2,08,29,353	3.46
100001 and above	2,111	0.52	46,00,93,259	76.45
Total	**4,03,046**	**100.00**	**60,17,96,615**	**100.00**

19. Commodity price risk or foreign exchange risk and hedging activities

The Company has significant exposure to price movement of Aviation Turbine Fuel which is a derivative of crude oil. The Company has established a framework to actively manage these fuel price risk and foreign exchange risk. All hedging activities of the Company, if any, are as per applicable guidelines.

20. Details of total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor during the financial year under review is as follows:

S. No.	Particulars	Amount in .million
1.	Audit fees to statutory auditor	11.03
2.	Tax audit fees	0.93

21. Credit Rating:

During the year under review, the banking facilities availed by the Company were rated to BB- with "Stable" outlook (for long term instruments) and A4+ (for short term instruments) by Acuité Ratings & Research Limited. Subsequent to financial year, the credit agency has downgraded the long-term rating to 'B' and the short term rating to 'A4' for bank facilities availed by the Company.

22. Other Disclosures

(a) Related Party Transactions: All transactions entered into with related parties as defined under the Companies Act, 2013 and the SEBI Listing Regulations during the financial year 2021-22 were in the ordinary course of business and on an arm's length pricing basis or were approved by the Board/ Audit Committee under specific provisions of the Companies Act, 2013. None of the transactions with any of the related parties were in conflict with the interest of the Company.

The Policy on Related Party Transactions is available on the website of the Company at www.spicejet.com under the "Investors" section.

(b) Details of non-compliance by the Company: There has been no instance of non-compliances by the Company and no penalties and / or strictures has been imposed by stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years except penalty of ₹5,900 for one day delay in submission unaudited financial results for the quarter ended December 31, 2021.

As at March 31, 2022, the composition of the Board was not as per the requirement of Regulation 17(1) of the SEBI Listing Regulations as the Company has not appointed one independent woman director and the total number of directors are less than six. The stock exchange has imposed fine for each quarter effective September 30, 2019 in terms of SEBI guidelines with respect to penal actions prescribed under the SEBI Listing Regulations. However, the stock exchange has waived/exempted the fines for certain quarters basis application filed by the Company in terms of exchange policy for exemption of fines.

(c) Vigil mechanism: The Company has a robust and independent vigil mechanism to promote ethical conduct in its business activities and in line with the good governance practices. It outlines the method and process for stakeholders to voice genuine concerns about unethical conduct that may be in breach with company's code of conduct or ethics policy. The policy aims to ensure that genuine complainants can raise their concerns in full confidence, without any fear of retaliation or victimisation. No personnel has been denied access to the Audit Committee. The Company has provided dedicated e-mail address whistleblower@spicejet.com for reporting such concerns. Alternatively, employees can also send written communication to the Compliance Officer of the Company. The Audit Committee of the Company oversees the implementation and proper functioning of this Policy. The Whistle Blower Policy is available on the website of the Company at www.spicejet.com under the "Investors" section.

(d) Compliance with the mandatory and non-mandatory requirements: The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Part C and Part D of Schedule V of the SEBI Listing Regulations except that the composition of the Board of Directors of the Company is not as per the requirement of the Regulation 17(1) of the SEBI Listing Regulations as the Company has not appointed one independent woman director and the total number of directors are less than six.

(e) Certificate from Practicing Company Secretary: A certificate from Mr. Mahesh Kumar Gupta, Practicing Company Secretary, regarding compliance of the conditions of Corporate Governance, as stipulated under Schedule V of the SEBI Listing Regulations is also attached as Annexure I and forms part of this report.

A certificate has been received from Mr. Mahesh Kumar Gupta, Practicing Company Secretary, pursuant to Schedule V of the SEBI Listing Regulations that none of the Director on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The same is annexed as Annexure II to this report.

(f) Prevention of Sexual Harassment: The Company's commitment towards creating a respectful workplace that is free from any form of harassment and discrimination is exemplified by its 'zero-tolerance' approach towards any act of sexual harassment. The Company has a comprehensive policy which is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. An Internal Complaints Committee has been constituted as per procedure prescribed in the law. All such investigations are conducted as per the tenets of the law and the Company's policy. During the financial year 2021-22, 15 complaints were received under the Sexual Harassment of Women at

Workplace (Prevention, Prohibition and Redressal) Act, 2013 and as on March 31, 2022, no complaints were pending for its disposal.

(g) Code of Conduct: In compliance with the SEBI Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management Personnel. The code is available on the Company's website www.spicejet.com under the "Investors" section. The Code is applicable to all Board Members and Senior Management. The Code is circulated to all Board members and Senior Management personnel and its compliance is affirmed by them annually.

A declaration signed by the Chairman and Managing Director, regarding affirmation of the compliance with the Code of Conduct by Board Members and Senior Management for the financial year ended March 31, 2022, is annexed as Annexure III to this report.

(h) Dividend Distribution Policy: As per Regulation 43A of SEBI Listing Regulations, the Company is required to formulate a dividend distribution policy. Accordingly, the Company has adopted Dividend Distribution Policy in terms of the requirement of the SEBI Listing Regulations. The Dividend Distribution Policy of the Company, as approved by the Board of Directors of the Company, is available on the website of the Company at www.spicejet.com under the "Investors" section.

(i) Other policies: The Company has also in place other policies including policy for determination of materiality of events or information, document retention and archival policy, policies under SEBI (Prohibition of Insider Trading) Regulations, 2015 etc. All these policies are in compliance with applicable laws and are available on the website of the Company at www.spicejet.com under the "Investors" section.

(j) Certificate in terms of Regulation 17(8) of SEBI Listing Regulations: In terms of Regulation 17(8) of the SEBI Listing Regulations, the Managing Director and Sr. VP - Finance have certified to the Board of Directors of the Company with regard to the financial statements and other matters specified in the said regulation, for the financial year 2021-22. The said certificate is attached with this report as Annexure IV.

(k) Non-mandatory requirements: The Company did not have a non-executive chairman during the financial year 2021-22, hence, the requirement of maintaining a chairman's office was not applicable to the Company. The Internal Auditors of the Company reports to the Audit Committee of the Company. Other provisions of non-mandatory requirements are under consideration of the Board of the Company.

ANNEXURE I

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members,
SpiceJet Limited,
Indira Gandhi International Airport,
Terminal 1D, New Delhi – 110037

I have examined the compliance of conditions of Corporate Governance by SpiceJet Limited (the **"Company"**), for the year ended on March 31, 2022, as stipulated under Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"SEBI Listing Regulations"**).

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the SEBI Listing Regulations. This Certificate is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my findings from the examination of the records produced and explanations and information furnished to me and the representation made by the management of the Company, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended March 31, 2022 except that the composition of the Board of Directors of the Company is not as per the requirement of the Regulation 17(1) of the SEBI Listing Regulations as the Company has not appointed one independent woman director and the total number of directors are less than six.

For Mahesh Gupta & Company
Company Secretaries

Sd/-

Mahesh Kumar Gupta
Proprietor
FCS 2870::CP 1999
UDIN: F002870D001687245

Date : November 14, 2022
Place : New Delhi

ANNEXURE II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

To
The Members,
SpiceJet Limited,
Indira Gandhi International Airport,
Terminal 1D, New Delhi – 110037

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SpiceJet Limited (the **"Company"**), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(i) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of our information and according to the verifications (including Directors Identification Number) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2022 have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority:

S. No.	Name of Director	DIN	Date of appointment in the Company
1.	Mr. Ajay Singh*	01360684	May 21, 2015
2.	Mrs. Shiwani Singh*	05229788	May 21, 2015
3.	Mr. Anurag Bhargava	01297542	September 7, 2016
4.	Mr. Ajay Aggarwal	00001122	February 11, 2019
5.	Mr. Manoj Kumar	00072634	May 28, 2019

**These directors were flagged under Section 164(2)(a) of the Companies Act, 2013 for non-filing of financial statement/annual return of certain companies in which they were/are directors. In accordance with the order passed by the Hon'ble High Court of Delhi and the Condonation of Delay Scheme, 2018, the necessary filing has been completed.*

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification.

For Mahesh Gupta & Company
Company Secretaries

Sd/-

Mahesh Kumar Gupta
Proprietor
FCS 2870::CP 1999
UDIN: F002870D001687157

Date : November 14, 2022
Place : New Delhi

ANNEXURE III

DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT

I, Ajay Singh, Chairman & Managing Director of the Company hereby certify that the Board of Directors of SpiceJet Limited has adopted a Code of Conduct (the **"Code"**) for the Board Members and Senior Management of the Company. The Code is available on the website of the Company at www.spicejet.com.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board Members and Senior Management personnel have affirmed compliance with the Code for the financial year ended March 31, 2022.

Sd/-

Ajay Singh
Chairman & Managing Director

Date : August 31, 2022
Place : Gurugram

ANNEXURE IV

CERTIFICATION IN TERMS OF REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Ajay Singh, Chairman & Managing Director and Joyakesh Podder, Sr. VP – Finance of the Company, to the best of our knowledge and belief certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee:

  (i) significant changes in internal control over financial reporting during the year;

  (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

Ajay Singh
Chairman & Managing Director

Sd/-

Joyakesh Podder
Sr. VP - Finance

Date : August 31, 2022
Place : Gurugram

Management Discussion & Analysis

1. Economy and Prospects

India has been witness to difficult times ever since the outbreak of Covid-19 pandemic and the recurrent waves of infection, supply-chain disruptions and the recent inflation have created challenging times for policy makers. House of over billion people, India though demonstrated great resilience and one of the greatest comeback from the severe pandemic conditions. The Government was faced with multiple challenges to protect the interest of wide section of vulnerable population, social and business. However, India's response with the biggest vaccination drive covering majority of the population, stable and accommodative monetary policy, and fiscal support by the Government have helped reduce the impact. As per Economic Survey FY 2021-22, the Indian economy is in a good position to witness GDP growth of 8.0-8.5 percent in FY 2022-23, making it one of the fastest growing economies globally.

However, geopolitical tensions from the Russia-Ukraine war, fueling a significant rise in crude oil prices and high inflation have dented growth prospects. Nonetheless, the country has done well in navigating through some of these challenges. The steady decline in Covid-19 cases and the subsequent withdrawal of restrictions across states continue to strengthen economic activity.

The Government of India announced host of initiatives to stimulate growth and increase spending across sectors. The Emergency Credit Line Guarantee Scheme was also launched and amended from time to time to extend support to business enterprises and MSMEs. The country seems in a better position given the cleansed balance sheets, improving asset quality of the banks, easing commodity prices, recovery in consumer goods and auto sales, higher Goods & Services Tax (GST) collections, and growth in freight and air cargo - all pointing towards the brighter side. Additionally, there are levers in place for capex cycle revival, credit off-take, and the likelihood of a manufacturing resurgence due to the Production Linked Incentive (PLI) and other Government reforms.

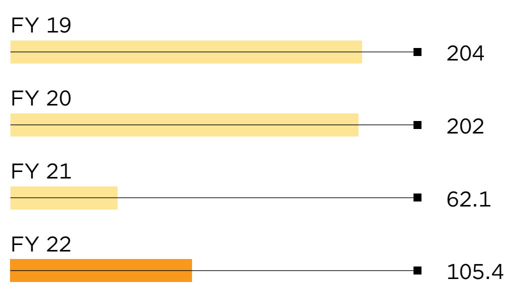
2. Indian Aviation

a. Industry Overview

The civil aviation sector was significantly impacted by the Covid-19 pandemic with operations being halted globally in various stages with many countries still having restricted border access. With mild to minimal domestic services being carried out, the aviation sector was severely affected due to the ban on air travel. All these facets led to significant fall in demand during the pandemic. However, the high pace of vaccinations, easing of Covid-19 restrictions, and pent-up demand resulted in recovery, mainly in domestic travel, in the second and third quarter of FY 2021-22. With the removal of Covid-19 related travel restrictions and opening of scheduled international operations effective from March 2022, the demand for air travel has returned and the sector witnessed strong rebound in the business aided by leisure travel and gradual pickup in business travel. India's aviation industry is on the path of steady recovery from the demand contraction caused by the pandemic, as both corporate and leisure travel returns rapidly and more countries ease travel restrictions and open up their markets.

The Government of India has taken various initiatives to strengthen aviation which include privatization and expansion of airports, a boost to the regional connectivity scheme - UDAN, and incentive to Maintenance, Repair and Overhaul (MROs) organization within the country and extension of Government guaranteed emergency line of credit for the aviation sector. According to the Ministry of Civil Aviation, air passenger traffic in India, both domestic and international, witnessed strong recovery in FY 2021-22 and registered a growth from 62.1 million passengers in FY 2020-21 to 105.4 million passengers in FY 2021-22, an increase of 70%. These growth parameters year on year basis are encouraging however the same is yet to reach the pre-pandemic levels.

Air Passenger Traffic in India (million)



(Source: DGCA)

However, the rising oil prices, war in Ukraine, and weakening of the Indian Rupee may pose short-term challenges. With increasing vaccination coverage, the waning of the pandemic, relaxations in travel restrictions, and resumption of scheduled international services, the Indian aviation sector seems to be on a strong footing and is expected to drive India's economic growth and prosperity.

Air cargo traffic continues to grow in year-on-year terms, but growth softened in the second half of the FY 2021-22. Air cargo grew strongly in the beginning of 2021, outperforming the wider goods trade, primarily because demand for goods rebounded strongly, and businesses did not have enough inventory to meet that demand, inducing them to turn to air cargo for rapid restocking. This inventory restocking cycle tapered off at the end of 2021 into early 2022 as the rebound in economic activity slowed and inflation began to rise.

(Source: IATA)

b. Government initiatives

Recognising that an efficient and strong civil aviation sector is vital for the economic development of the country, the Government modified the Emergency Credit Line Guarantee Scheme (ECLGS) to enhance the maximum loan amount eligibility for airlines under ECLGS 3.0 to 100% of their fund based or non-fund-based loan outstanding or ₹1,500 crore, whichever is lower subject to certain conditions. This provided the much needed support for the sector and the modifications introduced are aimed to give necessary collateral-free liquidity at reasonable interest rates to tide over present cash flow problems of the airlines.

Earlier in March 2022, the ECLGS was extended beyond March 2022, till March 2023, to implement the announcement made in the Union Budget 2022-23. Keeping in view the high proportion of non-fund based credit in the overall credit of the civil aviation sector, the eligible borrowers were permitted to avail up to 50% of their highest total fund and non-fund based credit outstanding, subject to a maximum of ₹400 crore per borrower.

The Airports Authority of India (AAI) and other airport developers have envisaged a capital outlay of ₹91,000 crore for the development of the airport industry along with aviation navigation services by 2026. The Government has set a target of increasing the number of airports from 140 to 220 by 2025. Investments worth ₹36,000 crore have been planned under the public-private partnership (PPP) mode for the development of Greenfield airports and related infrastructure. Further, 25 additional airports have been envisaged for asset monetisation over 2022-2025.

The Union Budget has earmarked ₹10,667 crore for the aviation industry for FY 2022-23. Of the total allocation, ₹600 crore has been set aside for the regional connectivity scheme UDAN (Ude Desh ka Aam Naagrik), while ₹9,259 crore has been earmarked for servicing the loans transferred to the special purpose vehicle (SPV) for the financial restructuring of Air India. In a significant move, the Budget also announced the rollout of e-passports with embedded chips and futuristic technology in FY 2022-23. The rollout is expected to enhance security and convenience for Indian citizens.

c. Input costs

Oil prices soared to record highs after the onset of the Russia-Ukraine war and heightened global economic uncertainty to USD 135 per barrel resulting in a significant rise in aviation turbine fuel (ATF) prices. However, prices moderated to USD 102 per barrel in the second half of FY 2021-22 as inflationary and recessionary pressures in some parts of the world dampened demand. Lower demand from China owing to the extended lockdowns and rising Covid-19 cases pulled down crude oil prices from their highs. The U.S. Energy Information Administration (EIA) predicts that Brent crude oil prices will average USD 95 per barrel in 2023, keeping the ATF prices at sustainable levels.

3. Developments at SpiceJet

a. Performance

Last year was a period of restructuring and settlements and we successfully completed and implemented settlements with most of our major partners including manufacturers and lessors setting the stage for our seamless growth and expansion.

As we move ahead we are encouraged with the strong travel demand and our focus for the next year would be to induct more fuel efficient Boeing 737 MAX aircraft and concentrate on our regional and international routes.

The cargo and logistics arm of SpiceJet continued with its growth and profitability trajectory and provided the much needed impetus to our operations. The upcoming hive-off of the cargo and logistics business into a separate entity SpiceXpress shall unlock value for us and provide us with the ability to establish SpiceXress as a strategic and key player in the region.

b. Cost reduction measures

The Company continues to innovate and improvise to implement various cost rationalisation measures such as fleet rationalisation, optimising aircraft utilisation, redeployment of capacity in key focus markets, renegotiation of contracts and other costs control measures, to establish positive cash flows.

c. Brand consolidation

To celebrate India's historic milestone of administering 100 crore Covid-19 vaccine doses, SpiceJet dedicated a special livery on 3 Boeing 737 aircraft. During the year, it also introduced a new service for its passengers-mid-air cab bookings. As part of this initiative, passengers can book cabs for airport transfer during their flight, using the airline's in-flight entertainment platform SpiceScreen.

In another initiative, SpiceJet introduced Spice Plus, an add-on service to provide priority services-check-in, boarding and bag-out, meal and beverage, and preferred seat options for domestic and international flights.

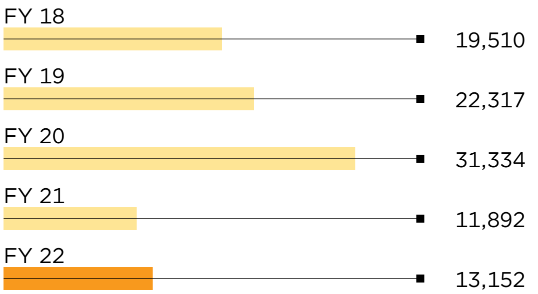
SpiceFlex was introduced to give customers the flexibility to modify their travel programmes without worrying about the change fees including unlimited free date changes along with amazing benefits.

SpiceJet joined hands with EEE-Taxi to deploy E-taxis for the transportation of the crew. This is yet another step in contributing towards sustainability and taking its vision forward. The EEE-Taxi will help to reduce Scope III carbon emissions tremendously and contribute to a cleaner, greener, and better world.

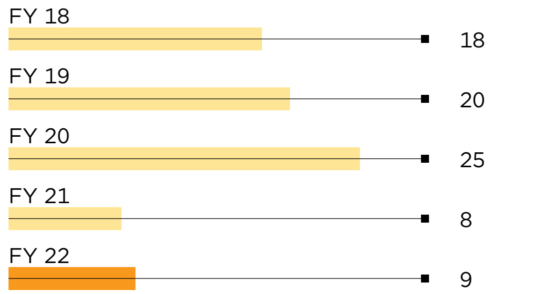
4. Operational and Financial Highlights

a. Operational Highlights

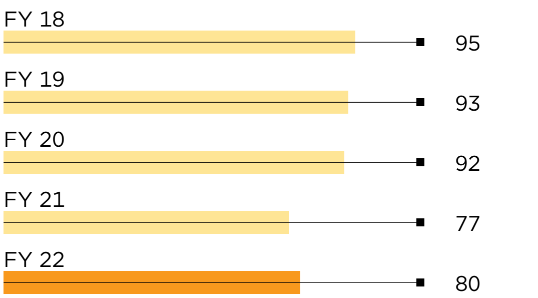
Available Seat Kilometres (million)



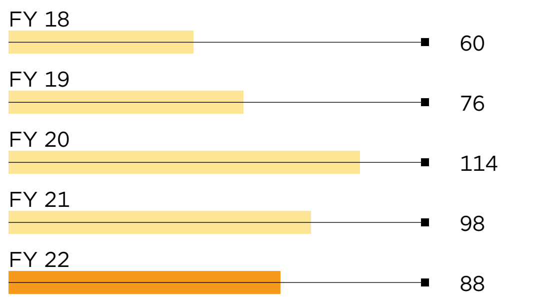
Passengers Carried (million)



Load Factor (%)

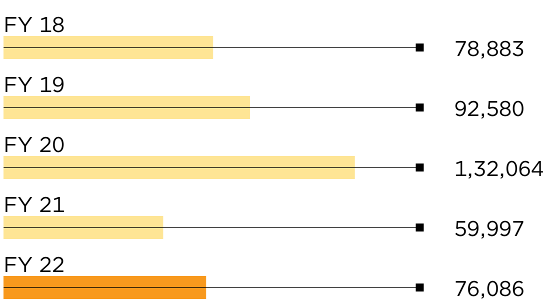


Aircraft at End (nos.)

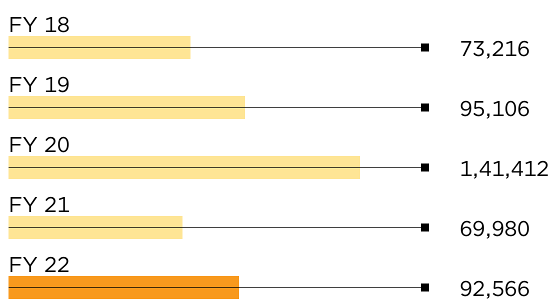


b. Financial Highlights

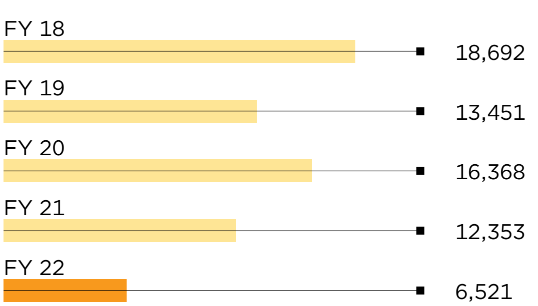
Total Income (₹ million)



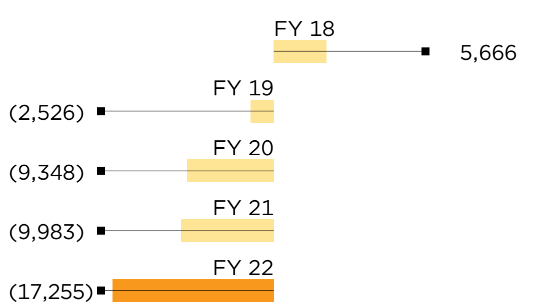
Total Expenses (₹ million)



EBITDAR (₹ million)



Net Earnings (₹ million)



c. **Revenues**

SpiceJet's total income increased by 27% to ₹76,086 million in FY 2021-22 from ₹59,997 million in FY 2020-21.

Revenue from operations increased by 28% to ₹65,573 million in FY 2021-22 from ₹51,334 million in FY 2020-21. During this period, the Company also enhanced its freighter operations and saw significant growth in revenue which was fulfilled by a dedicated fleet of freighter aircraft. Revenue from freighter operations increased by 74% from ₹11,175 in FY2020-21 to ₹19,436 million in FY2021-22.

Other income increased by 22% to ₹9,872 million in FY 2021-22 from ₹8,125 million in FY 2020-21.

d. **Expenses**

i. **Aircraft Fuel and Oil:** Expenditure on aircraft fuel increased by 93% to ₹29,458 million in FY 2021-22 from ₹15,288 million in FY 2020-21 primarily on account of high fuel prices and operations.

ii. **Lease-Rental Aircraft and Engines:** Expenditure on lease rental on aircraft and engines increased by 138% to ₹5,919 million in FY 2021-22 from ₹2,484 million in FY 2020-21 mainly due to induction of short-term wide body aircraft for our freighter operations which correspondingly also increased freighter revenue.

iii. **Aircraft Maintenance Cost:** Expenditure on aircraft maintenance cost decreased by 1% to ₹11,100 million in FY 2021-22 from ₹11,221 million in FY 2020-21.

iv. **Employee Benefit/Expenses:** Employee remuneration and benefits/expenses increased by 8% to ₹7,274 million in FY 2021-22 from ₹6,762 million in FY 2020-21 mainly due to inflationary correction and restoration of employee benefits.

v. **Selling expenses:** Selling expenses increased by 61% to ₹1,220 million in FY 2021-22 from ₹758 million in FY 2020-21 with an increase in operations and a strong rebound in the business post-pandemic.

vi. **Other expenses:** Other expenses increased by 15% to ₹5,175 million in FY 2021-22 from ₹4,498 million in FY 2020-21 due to increase in operations.

vii. **Finance Cost:** Finance Cost marginally increased by 0.33% to ₹4,826 million in FY 2021-22 from ₹4,810 million in FY 2020-21.

viii. **Depreciation and amortization:** Depreciation and amortization decreased by 17% to ₹12,897 million in FY 2021-22 from ₹15,580 million in FY 2020-21 mainly due to termination and restructuring of certain long-term aircraft/ engine leases.

5. Opportunities, Risks, Concerns and Threats:

Despite the pandemic slowing demand for air travel, India's civil aviation industry has emerged as one of the fastest-growing indigenous sectors in recent years. Demand for air travel is growing in India, and there are several reasons for this growth. India's rising working population along with burgeoning middle-class demography are expected to be the major contributors to growth in the Indian aviation sector. Increased private sector investment in airports is also expected to give an unprecedented push to the Indian aviation industry.

The potential risks and challenges include newer outbreaks of Covid-19 variants and restricted movement of people; variation in fuel prices and adverse movement in foreign exchange; increasing competition in the airline industry; technology failure; talent crunch and unfavourable government regulations.

6. Future Outlook for SpiceJet

We are encouraged with the strong travel demand and our outlook for the next year would continue to induct more fuel efficient Boeing 737 MAX aircraft and concentrate on our regional and international routes.

We are optimistic about our future and our continued recovery and in order to achieve our future plans the Company is engaged with investment bankers for a potential raise of up to USD 200 million. SpiceJet has sustained momentum and with the induction of new Boeing 737 MAX aircraft and hive-off of cargo and logistics business we expect significant improvements in our operating environment and are well placed to script a new phase of accelerated growth and meet the resurgent demand from passenger and cargo customers.

Our growth driver in cargo and logistics business will come from scaling and securing long term freight capacity and also transform into a full-scale logistics platform.

SpiceJet continues to remain largest regional player in the country under the regional connectivity scheme and will plan to start newer and exclusive routes with enhanced connectivity.

In conclusion, we hold a positive outlook and the management of the Company will be taking effective steps to overcome the present challenges and emerge as more efficient passenger and logistics platform with highest level of customer satisfaction.

7. Internal Controls

The internal control framework of the Company is commensurate with the size and complexity of its operations and has been designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of operations
- Adequacy of safeguarding of assets
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records
- Timely preparation of reliable financial information

An independent internal audit is carried out to ensure the adequacy of the internal control system and adherence to policies and practices. The scope of the internal audit activity is guided by the internal annual audit plan, which is approved by the Audit Committee of the Board. The Audit Committee reviews the reports submitted by the independent internal auditor and takes appropriate action.

8. Human Resources

SpiceJet, as an organization, strongly believes that Human Resources (HR) are the principal drivers of change. It focuses on providing individual development and growth in a professional work culture that enables innovation and empowerment and ensures high performance. HR has been a key enabler for SpiceJet as it works towards creating a digitally empowered and future-ready organization. The Company believes that upskilling, empowering, and unleashing talent will trigger path-breaking achievements and help sustain the Company's growth trajectory and market leadership.

FY 2021-22 has been tough as employees adapted to the post Covid-19. As an organization, despite huge revenue losses in the last two years owing to the pandemic, SpiceJet ensured that not even a single employee was laid off and all possible efforts were made to take care of employees during the crisis. As the world adapts to the new normal, SpiceJet makes all possible efforts to rebuild and emerge stronger and resilient than ever before.

As a future-ready organization, SpiceJet is consolidating and streamlining its processes while digitising the HR functions making the employee interface with HR seamless, quicker, and easier. SpiceJet has always encouraged learning on the job and facilitates various training programmes anchored around the competency framework. The leadership competency framework for the organization has been fully integrated with various HR processes like recruitment and people review process. The Company has worked towards streamlining Job Descriptions and Key Result Areas for all roles in the organization that ensures a transparent performance appraisal system. SpiceJet prides itself in being an equal opportunity and women-friendly organization. It has zero tolerance for sexual harassment. It ensures a safe and secure work environment for the women employees by regularly training all existing and new employees on the Prevention of Sexual Harassment policy. The Company also encourages employees to participate in CSR initiatives (done in collaboration with renowned NGOs) for the underprivileged and the environment.

The Company also works towards accelerating employee career development in several ways besides creating an environment where people feel valued and included. In FY 2021-22 as well, SpiceJet has continued to progress in the key areas of human resources management, reinforcing its reputation as an employer of choice through numerous initiatives both for attracting new talent and retain the best talent. During the year, SpiceJet continued to focus on various health management initiatives given the Covid-related challenges along with other strategic learning programmes and employee engagement initiatives and to aid overall professional and personal development of its employees.

SpiceJet strives to hire and retain the best talent and become the industry's leading employer. To achieve this, it promotes a collaborative, transparent, and participative culture and rewards individual contribution and innovation. The FY 2021-22 was about rebuilding and consolidation of resources unlike the last year which saw a stark downward trend in hiring due to the pandemic. The focus of the human resources management has always been to enable employees to navigate their next, not just for customers but also for themselves.

9. Information Technology

During the year, SpiceJet launched its revamped loyalty programme Spice Club with state-of-the-art, in-house technology. The Company also launched a co-branded card for its loyalty members along with Visa and Axis Bank.

A product called pilot docs was launched after approval from the Directorate General of Civil Aviation (DGCA). This product digitises important pilot documentation and automatically updates it on their tablets. The Company's version of e-tech log was also finalised and submitted to the DGCA for approval. This replaces the traditional paper tech logs with electronic forms and ensures availability of data on a real-time basis.

Web DCS is a product that replaces the traditional desktop-installed product at airports with a browser-based product. This obviates the need to install a new product at every airport in case of enhancements and ensures the availability of newer features/functions to the customers.

SpiceJet continues to make investments in Data and Artificial Intelligence (AI). An example is a profitability dashboard that monitors the costs and revenues for each flight on a real-time basis thereby providing useful information to the finance and planning teams. SpiceJet has created a big data platform that cuts down processing time for ample data from several days to minutes. This has enabled the Company to work on new technologies based on processing large amounts of DFDR (Black Box) data which is captured for each flight. This product will enhance safety for all SpiceJet flights by automatically monitoring pilot performance for each flight and flagging pilots that may need additional training in certain areas thus preventing any safety incident. SpiceJet believes that its innovative products and technologies give it a competitive edge while enhancing safety and efficiency of its operations.

Independent Auditor's Report

To the Members of SpiceJet Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of SpiceJet Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2022, 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 a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone 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, 2022 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. As stated in Note 49 to the accompanying standalone financial statement, the management of the Company had recognized recoverable of ₹15,549.03 million over the period up to September 30, 2021 for recovery of rent, maintenance and other expenses incurred on Boeing 737 Max aircrafts, which have been grounded since March 2019. As further explained in the said note, the Company has settled the aforesaid claims with Boeing and 737 Max aircraft lessors during the quarter ended December 31, 2021 and has recognised further amounts as 'other income'. In our assessment, there was no virtual certainty to recognise any recoverable until September 30, 2021, as required under Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets' and accordingly, upon settlement of the said claims, the Company should have restated the comparative periods to reverse the recoverable along with consequent reversal of 'other income' and related 'foreign exchange gain/(loss)' impact recorded in such earlier periods, and should have recorded the entire settlement amount in the year ended March 31, 2022 in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Had the Company recognised the entire settlement gain during the year ended March 31, 2022 with restatement of earlier periods, the reported loss for the year ended March 31, 2022 would have been lower by ₹12,419.18 million. Our opinion for the year ended March 31, 2022 was also qualified in respect of this matter.

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 Standalone 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 standalone 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 2A(a)(iii) to the accompanying standalone financial statements which describes that the Company has incurred a net loss (after other comprehensive income) of ₹17,219.02 million for the year ended March 31, 2022 and, as of that date, the Company's accumulated losses amounts to ₹59,076.58 million which have resulted in complete erosion of its net worth of the Company and the current liabilities have exceeded its current assets by ₹64,086.67 million as at March 31, 2022. 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 the factors mentioned in the aforesaid note including re-negotiation of payment terms to various parties, management is of the view that the going concern basis of accounting is appropriate.

   In relation to the above key audit matter, our audit work included, but was not restricted to, the following procedures:

   - Obtained an understanding of the management's process for identification of events or conditions that may cast significant doubt over the Company's ability to continue as a going concern and the process to assess the corresponding mitigating factors existing against each such event or condition;
   - Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management;
   - Obtained the cash flow projections for the next twelve months from the management, basis their future business plans;
   - Held discussions with the management personnel to understand the assumptions used and estimates

made by them for determining the cash flow projections for the next twelve months;

- Evaluated the reasonableness of the key assumptions such as expected growth in the revenue, expected saving in the costs etc. based on historical data trends, future market trends, existing market conditions, business plans and our understanding of the business and the industry;
- Tested the arithmetical accuracy of the calculations and performed sensitivity analysis around possible variation in the above key assumptions; and
- Evaluated the appropriateness and adequacy of disclosures in the standalone financial statements with respect to this matter in accordance with the applicable accounting standards.

Our opinion is not modified in respect of this matter.

Emphasis of Matters

6. We draw attention to the following notes to the standalone financial statements:

   a) Note 48 which describes the uncertainty relating to the outcome of ongoing litigation with erstwhile promoters which is pending with the Hon'ble High Court of Delhi and certain resultant possible non- compliances of applicable provisions of the Act. The final outcome of these litigations is presently unascertainable. Further, based on internal assessment and legal advice obtained, the management is of the view that any possible consequential effects (including penal consequences and any compounding thereof) are not likely to have a material impact on the standalone financial statements of the Company and accordingly, no adjustment has been made to the standalone financial statements in respect of aforesaid matters.

   b) Note 50 which describes the effects of uncertainties relating to the outbreak of Covid-19 pandemic and the management's evaluation of its impact on the Company's operations and the standalone financial statements of the Company as at March 31, 2022.

   Our opinion is not modified in respect of above matters.

Key Audit Matters

7. Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

8. In addition to the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Recognition of passenger revenue We refer to notes 2 and 31 to the standalone financial statements for accounting policies and disclosures relating passenger revenue. The Company recognizes passenger revenue on flown basis i.e., when the service is rendered. Till that time, the money received is presented as deferred revenue (i.e., contract liabilities) in the balance sheet under the head other current liabilities and is measured basis the net sales price to the customer. In accounting for its passenger revenue, the Company relies on the effectiveness of the integrated Information Technology ('IT') system which processes large volumes of individually low value transactions. Based on the data provided by the said IT system, the journal entries are manually posted into the general ledger (financial reporting IT system) for recognition of passenger revenue. Considering the significance of amount involved and complicated IT systems that handle large volumes of transaction data, including exchange of information with online travel agents, recognition of passenger revenue has been identified as a key audit matter for current year's audit.	Our procedures in relation to passenger revenue included, but not limited to the following: • Obtained and updated our understanding of the business process for each stream of revenue; • Understood the revenue recognition policy of the Company and ensured that it is in line with Ind AS 115 'Revenue from Contracts with Customers'; • Involved our IT specialists to evaluate design and test operating effectiveness of IT general controls and key automated controls of the Company's IT system and third-party systems (assessed the SSAE 16 assurance report) which govern revenue recognition, and tested key manual internal controls over passenger revenue recognition; • Verified the reconciliation of data between the third-party system and the general ledger (financial reporting IT system) to corroborate the completeness of revenue; • Performed data analytics to identify unusual patterns by comparing the trend in monthly revenue, sector-wise revenue and average revenue per passenger; • For samples selected during the year and samples selected in reference to cut-off procedures, tested the supporting documents; and • Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements for passenger revenue recognised during the year.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Provision for maintenance in relation to aircrafts

We refer to notes 2, 23 and 30 of the standalone financial statements for accounting policies, disclosures and information related to accounting judgements, assumptions and estimates relating to provision for aircraft maintenance.

The Company operates aircrafts held under lease arrangements and incurs liabilities for maintenance costs in respect of these aircrafts during the term of the lease. As at March 31, 2022, the Company has recognised provisions for aircraft maintenance amounting to ₹3,816.00 million. These costs arise from regulatory and contractual obligations relating to the condition of the aircrafts and/or specific components when they are returned to the lessors.

At each reporting date, the calculation of the maintenance provision includes a number of variable factors and assumptions including: anticipated utilisation of the aircraft; the cost of the expected heavy maintenance check; the condition of the aircraft engine, contractual return condition and the expected drawdown from the supplemental rental contribution.

Considering the inherent level of complexity and subjectivity involved in the management estimates and judgements for assessing the variable factors, in order to quantify the provision amounts and hence, provision for aircraft maintenance has been selected as a key audit matter for the current year's audit.</td><td>Our audit procedures in relation to provision for aircraft maintenance included, but not limited to the following:

• Obtained an understanding from the management with respect to process and controls followed by the Company to ensure appropriateness of recognition, measurement and completeness of provision for maintenance in relation to aircrafts;

• Evaluated the design and tested the operating effectiveness of the internal financial controls over maintenance process including accounting for provision for aircrafts maintenance held under the lease contract;

• Read the maintenance contracts with third parties to gain an understanding of the significant terms relating to maintenance of aircrafts and its components;

• Obtained information from engineering department about the aircrafts utilisation pattern (basis analysis of historical flight hours) and expected condition of the aircraft (basis underlying engine inspections and results) in reference to the expected future maintenance event dates and expected estimated cost of maintenance work;

• Evaluated the consistency and reasonableness of the above judgements, assumptions and estimates by testing the input data basis historical available trends/information, contract terms and Company's past experience;

• Tested the arithmetical accuracy of the calculation for provision balance outstanding as at March 31, 2022; and

• Evaluated appropriateness and adequacy of the disclosures made in standalone financial statements with respect to the provision for aircrafts maintenance.</td></tr>
<tr><td>Accounting of lease rent concessions/ modifications

We refer to notes 2 and 45 of the standalone financial statements for accounting policies and disclosures relating to leases.

During the current year, due to the impact of Covid-19, the Company has negotiated various concession/benefits with the various lessors in respect of aircrafts and engines taken on lease. These amendments in lease agreements included extension in lease period, rent waivers, rent reduction, deferment of payment and change in the nature of rent.

The management evaluated each lease addendum for application of practical expedient guidance prescribed in amendments related to Ind AS 116 and wherever it's met, the Company has recognised the benefit in statement of profit and loss and wherever it's not met, the Company applied the modification principles prescribed in Ind AS 116 and accordingly accounted.

The Company has recognised ₹718.98 million in statement of profit and loss and ₹774.37 million in the carrying value of right-of-use assets for 'modification'.

Considering the judgement involved in assessment of appropriate accounting, such lease rent concessions/ modifications has been identified as a key audit matter for the current year's audit.</td><td>Our audit procedures in relation to lease rent concession/ modifications included, but not limited to the following:

• Obtained an understanding from the management with respect to process and controls followed by the Company to ensure appropriateness of accounting of lease rent concessions;

• Evaluated the design and tested the operating effectiveness of the internal controls over accounting of leases as per the requirement of Ind AS 116;

• Obtained the lease addendums and held discussions with appropriate client personnel to understand the revised terms;

• Evaluated whether each lease addendum met the practical expedient guidance or modification related principles as prescribed in Ind AS 116;

• Obtained Company's calculation of revised right of use assets and lease liabilities for such concessions/ modification and tested the calculations and arithmetical accuracy for the balance outstanding as at March 31, 2022; and

• Evaluated appropriateness and adequacy of the disclosures made in standalone financial statements with respect to lease rent concessions/modifications.</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
Impairment of non-financial assets We refer to notes 2, 3 and 4 of the standalone financial statements for accounting policies and information related to accounting judgements, assumptions and estimates relating to impairment of non-financial assets. During the current year, due to the Covid-19 pandemic, impairment indicators were identified in reference to non-financial assets namely right-of- use (ROU) assets and property, plant and equipment (PPE). The Company has identified its fleet of passenger aircrafts and freighter aircrafts as separate cash generating units (CGUs) and accordingly performed impairment assessment in accordance with the accounting principles and determined the value-in-use of its cash generating units (CGUs) and compared with the carrying values of the respective assets. The future cash flow projections and its discounting involved significant inputs such as expected fuel prices, foreign exchange rates, growth rate and discount rate, the determination of these inputs were inherently uncertain due to Covid-19 related travel restrictions. The management has concluded that the recoverable amount of the CGU is higher than its carrying amount and accordingly, no impairment provision has been recorded as at March 31, 2022. Considering significant management judgements involved in determination of said inputs used in computation, impairment of non-financial assets has been identified as a key audit matter for the current year's audit.	Our audit procedures in relation to impairment assessment included, but not limited to the following: • Obtained an understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing and the management process of determining the Value-in- Use (VIU); • Evaluated design and tested the operating effectiveness of relevant internal financial controls implemented for impairment assessment; • Obtained and assessed the management's impairment assessment computation by testing the underlying assumptions used in determining the cash flow projections and VIU; • Together with our valuation specialists, challenged the management on the underlying key assumptions used for cash flow projections and discount rate, considering evidence available to support these assumptions and our understanding of the business; • Engaged in discussions with the management to assess the impact of Covid-19 on cash flow projections; • Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management; • Tested the arithmetical accuracy of the cash flow projections; and • Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements with respect to impairment of non-financial assets.

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

9. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

10. The accompanying standalone 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 standalone 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 standalone

financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the standalone 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.

14. 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

15. 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.

16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

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

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

b) Except for the effects of the matter described in the Basis for Qualified Opinion section, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The standalone 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 standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) The matters described in paragraph 3, 5 and 6 under the Basis for Qualified Opinion section, Material uncertainty related to Going concern section and Emphasis of Matters section respectively, 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 are disqualified as on March 31, 2022 from being appointed as director in terms of section 164(2) of the Act;

g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;

h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on March 31, 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed a modified 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, as detailed in note 47 and 48 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2022;

   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, 2022.;

   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, 2022;

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

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

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

   v. The Company has not declared or paid any dividend during the year ended March 31, 2022.

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

Neeraj Goel
Partner
Membership Number: 099514
UDIN: 22099514AQKHKZ2031
Place: Gurugram
Date: August 31, 2022

ANNEXURE A REFERRED TO IN PARAGRAPH 19 OF THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF SPICEJET LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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, capital work-in-progress and right of use assets.

(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 and right of use assets 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 and right of use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the standalone financial statements are held in the name of the Company. For title deeds of immovable properties in the nature of land situated at Gurgaon, Haryana with gross carrying values of ₹171.37 million as at March 31, 2022, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

(d) The Company has not revalued its property, plant and equipment and right of use assets or intangible assets during the year.

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

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

(b) As disclosed in note 25 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of five crore rupees by banks or financial institutions based on the security of current assets during the year. Pursuant to the terms of the sanction letters, the Company is not required to file any quarterly return or statement with such banks or financial institutions.

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

Particulars	Amount [In ₹ Million]
Aggregate amount provided during the year to subsidiaries	0.20
Balance outstanding as at balance sheet date in respect of subsidiaries	368.46

(b) The Company has not made any investment, provided any guarantee or given any security or granted any advances in the nature of loans during the year. However, the Company has granted loans to one entity amounting to ₹0.20 million (year-end balance of ₹368.46 million) and in our opinion, and according to the information and explanations given to us, such loans made are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and principal and interest amount is not due for repayment currently.

(d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.

(e) The Company has granted loans which had fallen due during the year and such loans were extended during the year. The details of the same has been given below:

Name of the party	Total amount granted during the year* [In ₹ Million]	Aggregate amount of overdues of existing loansextended** [In ₹ Million]	Nature of extension (i.e.,renewed/ extended/freshloan provided)	Percentage of the aggregate to the total loans granted during the year
Canvin Real EstatePrivate Limited	250.00	238.90	Extended	65%
SpiceJet MerchandisePrivate Limited	300.00	102.93	Extended	28%
SpiceJet TechnicPrivate Limited	100.00	25.28	Extended	7%

** This represents total principal amount which has been sanctioned till date.*
*** This represents the amount outstanding as at March 31, 2022.*

(f) The Company has not granted any loans or advance in the nature of 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 186 of the Act in respect of investments made and loans granted, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantees and security.

(v) In our opinion, and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India ('the RBI'), the provisions of sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted or amounts which have been deemed to be deposits, except for the non-compliance as detailed in note 48 of the standalone financial statements relating to advances which were received towards securities proposed to be issued. However, on account of ongoing litigation as detailed in the aforesaid note, such securities have not been issued till date and accordingly, such amounts are considered as deemed deposits under the provisions of the Act. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any Court or any other Tribunal, in this regard.

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

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

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

Name of the statute	Nature of the dues	Amount (In ₹ Million)	Period to which the amount relates	Due Date	Date of Payment
The Income-tax Act, 1961	Tax deducted at source	192.59	April 2020 to March 2021	Multiple dates	Not paid
The Income-tax Act, 1961	Tax deducted at source	522.27	April 2021 to September 2021	Multiple dates	Not paid
Central Goods and Services Tax Act, 2017	Goods and services tax	563.38	February 2020 to March 2021	Multiple dates	Not paid
Central Goods and Services Tax Act, 2017	Goods and services tax	318.59	April 2021 to September 2021	Multiple dates	Not paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	110.30	April 2021 to September 2021	Multiple dates	Not paid
Payment of Bonus act (1965)	Statutory Bonus Act	33.74	April 2020 to March 2021	Multiple dates	Not paid

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (In ₹ Million)	Amount paid under Protest (In ₹ Million)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax (including penalty for delay)	154.57	-	April 2006 to March 2012	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax (including penalty for delay)	255.61	-	2009-10 to 2011-12	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Customs (including penalty for delay)	36.38	-	December 2012 to March 2017	Customs, Excise and Service Tax Appellate Tribunal
Goods and Services Tax Act, 2017	Integrated goods and services tax	2,583.46	2,583.46	August 2017 to March 2021	GST Appellate Tribunal

Name of the statute	Nature of dues	Gross Amount (In ₹ Million)	Amount paid under Protest (In ₹ Million)	Period to which the amount relates	Forum where dispute is pending
Goods and Services Tax Act, 2017	Goods and services tax	5.61	-	FY 2017-18	GST Appellate Tribunal
Goods and Services Tax Act, 2017	Goods and services tax	11.17	-	FY 2018-19	GST Appellate Tribunal
Goods and Services Tax Act, 2017	Goods and services tax	10.63	-	FY 2018-19	GST Appellate Tribunal
Income-tax Act, 1961	Tax deducted at source	222.54	-	FY 2008-09	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Tax deducted at source	122.01	-	FY 2009-10	Commissioner of Income-tax (Appeals)

(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, pursuant to receiving the approvals for rescheduling its loan from the lender, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender, except for the below:

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date [₹ In Million]	Whether principal or interest	Number of days delay or unpaid till the date of audit report
Overdraft facility	City Union Bank Limited	1010.54	Principal	Refer note 25 for details

(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, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

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

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

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

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

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

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

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, 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.

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

(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) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3 (xvi) (a), (b) and (c) of the Order are not applicable to the Company. (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to ₹15,528.25 million and ₹5,102.93 million respectively. For the purpose of reporting under this clause, the amount of cash losses have been arrived at after considering the effects of the qualifications as described in 'Basis for Qualified Opinion' sections of the audit reports on the financial statements for the current year and immediately preceding financial year respectively.

(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 realization of financial assets and payment of financial liabilities, other information accompanying the standalone 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 material uncertainty exists as on the date of the audit report with respect to Company's capacity 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. Further, refer paragraph 5 under section 'Material uncertainty related to going concern' in our audit report. We, further state that this is not an assurance as to the future viability of the Company. We further state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, the Company has met the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

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

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

Neeraj Goel
Partner
Membership Number: 099514
UDIN: 22099514AQKHKZ2031
Place: Gurugram
Date: August 31, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF SPICEJET LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

1. In conjunction with our audit of the standalone financial statements of SpiceJet Limited ('the Company') as at and for the year ended March 31, 2022, 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 ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

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, 2022:

The Company's internal financial control system over recognition of other income as required by Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and restatement of the comparative periods in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', were not operating effectively, which has resulted in material misstatements in other income, other receivables, related foreign exchange gain/loss on restatement and its consequential impact on earnings, equity and related disclosures, as explained in Note 49 to the accompanying standalone financial statements.

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

9. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at March 31, 2022, based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls 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, 2022.

10. 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 March 31, 2022, standalone financial statements of the Company, and the material weakness has affected our audit of the standalone financial statements of the Company and we have issued a qualified opinion on the aforesaid standalone financial statements.

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

Neeraj Goel
Partner
Membership Number: 099514
UDIN: 22099514AQKHKZ2031
Place: Gurugram
Date: August 31, 2022

Standalone Balance Sheet

as at March 31, 2022

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

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,166.42	14,525.29
Capital work-in-progress	5A	60.27	58.35
Right of use assets	4	42,212.16	55,381.47
Intangible assets	5	23.56	94.69
Financial assets			
(i) Investments	6	21.07	21.51
(ii) Loans	7	368.46	552.26
(iii) Other financial assets	8	9,907.08	9,899.08
Income-tax assets	9	881.78	304.26
Other non-current assets	10	7,357.58	7,134.13
Total non-current assets		**73,998.38**	**87,971.04**
Current assets			
Inventories	11	1,450.73	1,558.28
Financial assets			
(i) Investments	12	4.33	4.16
(ii) Trade receivables	13	2,501.94	3,464.22
(iii) Other receivables	14	9,853.85	16,933.84
(iv) Cash and cash equivalents	15A	95.79	296.00
(v) Bank balances other than (iv) above	15B	507.20	24.33
(vi) Other financial assets	16	2,661.22	1,690.52
Other current assets	17	4,130.31	1,653.59
Total current assets		**21,205.37**	**25,624.94**
Total assets		**95,203.75**	**113,595.98**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	6,017.97	6,009.37
Other equity	19	(48,902.29)	(31,724.67)
Total equity		**(42,884.32)**	**(25,715.30)**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	3,128.81	3,026.74
(ii) Lease liabilities	21	43,322.85	53,615.67
(iii) Trade payables	22		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		3,473.29	2,263.13
Provisions	23	2,752.50	2,786.81
Other non-current liabilities	24	118.58	135.62
Total non-current liabilities		**52,796.03**	**61,827.97**
Current liabilities			
Financial liabilities			
(i) Borrowings	25	7,664.95	7,652.38
(ii) Lease liabilities	26	29,185.38	30,846.57
(iii) Trade payables	27		
- total outstanding dues of micro enterprises and small enterprises		542.60	518.22
- total outstanding dues of creditors other than micro enterprises and small enterprises		24,991.20	19,309.74
(iv) Other financial liabilities	28	899.52	413.31
Other current liabilities	29	18,055.70	16,250.80
Provisions	30	3,952.69	2,492.29
Total current liabilities		**85,292.04**	**77,483.31**
Total liabilities		**138,088.07**	**139,311.28**
Total equity and liabilities		**95,203.75**	**113,595.98**

Summary of significant accounting policies 2

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

As per our report of even date.

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 31, 2022

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 31, 2022

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 31, 2022

Joyakesh Podder
Senior Vice President - Finance
Place: Gurugram
Date: August 31, 2022

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

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

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	31	65,573.27	51,333.77
Other income	32	9,872.33	8,124.97
Total income		**75,445.60**	**59,458.74**
Expenses			
Operating expenses	34A	57,943.65	39,075.14
Purchases of stock-in-trade	34B	601.24	697.59
Changes in inventories of stock-in-trade	34C	7.68	37.14
Employee benefits expense	35	7,273.99	6,762.36
Sales and marketing expenses	36	1,220.49	758.30
Other expenses	37	5,174.49	4,497.53
Net foreign exchange loss/(gain)	39	2,621.83	(2,237.17)
Total expense		**74,843.37**	**49,590.89**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**602.23**	**9,867.85**
Depreciation and amortisation expense	40	(12,897.32)	(15,579.56)
Finance income	33	640.81	538.57
Finance costs	38	(4,825.79)	(4,809.88)
Loss before exceptional items and tax		**(16,480.07)**	**(9,983.02)**
Exceptional items	41	(774.58)	-
Loss before tax		**(17,254.65)**	**(9,983.02)**
Tax expense		-	-
Loss for the year		**(17,254.65)**	**(9,983.02)**
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss:			
Remeasurement gains on defined benefit obligations		35.63	16.99
Income tax impact		-	-
Other comprehensive income for the year		35.63	16.99
Total comprehensive income for the year		**(17,219.02)**	**(9,966.03)**
Earnings per equity share	42		
- Basic		(28.69)	(16.61)
- Diluted		(28.69)	(16.61)

Summary of significant accounting policies 2

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

As per our report of even date.

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 31, 2022

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 31, 2022

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 31, 2022

Joyakesh Podder
Senior Vice President - Finance
Place: Gurugram
Date: August 31, 2022

Standalone Cash Flow Statement

for the year ended March 31, 2022

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities		
Loss before tax	**(17,254.65)**	**(9,983.02)**
Adjustments for:		
Depreciation and amortisation expense	12,897.32	15,579.56
Impairment of trade receivables	36.55	2.93
Property, plant and equiptment written off	53.70	-
Loss on sale of property, plant and equipment (net)	6.13	0.90
Advances/other balances written off	128.51	26.59
Share based payment expense	41.40	52.29
Liabilities/provision no longer required written back	(1,568.59)	(1,838.32)
Interest on lease liabilities	2,901.37	2,819.05
Finance cost - others	1,924.42	1,990.83
Interest income from financial assets measured at amortised cost	(253.37)	(15.39)
Interest income	(387.44)	(523.18)
Net gain on financial assets measured at fair value through profit or loss	(0.17)	(0.27)
Unrealised foreign exchange loss/(gain)	2,917.73	(2,363.33)
Operating profit before working capital changes	**1,442.91**	**5,748.64**
Movements in working capital :		
Trade and other receivables	(489.22)	(4,669.66)
Inventories	107.55	217.59
Other financial assets	430.37	525.94
Other assets	(629.64)	369.55
Trade payables	6,036.98	223.35
Other financial liabilities	374.75	(154.59)
Other liabilities	1,787.86	409.68
Provisions	1,292.79	(777.01)
Cash flows from operations	**10,354.35**	**1,893.49**
Income taxes (paid)/received (net of refunds)	(577.52)	365.68
Net cash flows from operating activities (A)	**9,776.83**	**2,259.17**
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress (including capital advances)	(331.89)	(744.57)

Standalone Cash Flow Statement (Contd.)

for the year ended March 31, 2022

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Proceeds from sale of property, plant and equipment	51.32	130.95
Loans received back/(given) to subsidiaries (net)	213.80	(42.06)
Sale/(purchase) of investments (net)	0.44	(0.11)
Movement in bank deposits (net)	(482.87)	95.89
Movement in margin money	(1,012.61)	1,976.67
Finance income received	330.60	688.27
Net cash (used in)/flows from investing activities (B)	**(1,231.21)**	**2,105.04**
Cash flows from financing activities		
Proceeds from issue of equity shares on exercise of stock options	8.60	8.61
Proceeds from long-term borrowings	1,475.18	-
Movement in short-term borrowings (net)	(1,708.23)	(75.27)
Repayment of lease liabilities (including interest)	(7,992.19)	(3,778.81)
Finance costs paid	(542.19)	(499.61)
Net cash used in financing activities (C)	**(8,758.83)**	**(4,345.08)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(213.21)**	**19.13**
Effects of exchange difference on cash and cash equivalents held in foreign currency	13.00	(4.68)
Cash and cash equivalents at the beginning of the year	296.00	281.55
Cash and cash equivalents at the end of the year	**95.79**	**296.00**
Components of cash and cash equivalents (refer 15A)		
Balance with banks in current accounts	92.94	241.15
Fixed deposits	0.43	1.06
Cash on hand	2.42	53.79
	95.79	**296.00**

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

As per our report of even date.

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

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 31, 2022

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 31, 2022

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 31, 2022

Joyakesh Podder
Senior Vice President - Finance
Place: Gurugram
Date: August 31, 2022

Standalone Statement of Changes in Equity

for the year ended March 31, 2022

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

a. Equity Share Capital:

Equity shares of ₹10 each issued, subscribed and fully paid	Number	Amount
As at April 01, 2020	**600,076,299**	**6,000.76**
Issued during the year pursuant to exercise of employee stock options	860,604	8.61
At March 31, 2021	**600,936,903**	**6,009.37**
Issued during the year pursuant to exercise of employee stock options	859,712	8.60
At March 31, 2022	**601,796,615**	**6,017.97**

b. Other equity

For the year ended March 31, 2022

Particulars	Reserves and surplus					Total other equity
	Securities premium	General reserve	Share options out-standing account	Retained earnings	Foreign currency monetary item translation difference account (FCMITDA)	
As at April 01, 2021	**10,054.58**	**-**	**78.31**	**(41,857.56)**	**-**	**(31,724.67)**
Loss for the year	-	-	-	(17,254.65)	-	(17,254.65)
Other comprehensive income	-	-	-	35.63	-	35.63
Total comprehensive income	**10,054.58**	**-**	**78.31**	**(59,076.58)**	**-**	**(48,943.69)**
Share based payment expense	-	-	41.40	-	-	41.40
Transfer to securities premium on exercise of stock options	79.51	-	(79.51)	-	-	-
As at March 31, 2022	**10,134.09**	**-**	**40.20**	**(59,076.58)**	**-**	**(48,902.29)**

For the year ended March 31, 2021

Particulars	Reserves and surplus					Total other equity
	Securities premium	General reserve	Share options out-standing account	Retained earnings	Foreign currency monetary item translation difference account (FCMITDA)	
As at April 01, 2020	**9,949.45**	**49.09**	**131.15**	**(31,940.93)**	**17.83**	**(21,793.41)**
Loss for the year	-	-	-	(9,983.02)	-	(9,983.02)
Other comprehensive income	-	-	-	16.99	-	16.99
Total comprehensive income	**9,949.45**	**49.09**	**131.15**	**(41,906.96)**	**17.83**	**(31,759.44)**
Transfer to retained earnings	-	(49.09)	-	49.09	-	-
Share based payment expense	-	-	52.29	-	-	52.29
Transfer to securities premium on exercise of stock options	105.13	-	(105.13)	-	-	-
Recognised in the statement of profit and loss	-	-	-	-	(17.83)	(17.83)
Others	-	-	-	0.31	-	0.31
As at March 31, 2021	**10,054.58**	**-**	**78.31**	**(41,857.56)**	**-**	**(31,724.67)**

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

As per our report of even date.

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 31, 2022

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 31, 2022

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 31, 2022

Joyakesh Podder
Senior Vice President - Finance
Place: Gurugram
Date: August 31, 2022

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

1. Corporate information

SpiceJet Limited ('SpiceJet' or 'the Company') was incorporated on February 9, 1984 as a limited company under the Companies Act and is listed on the BSE Limited ('BSE'). The Company is principally engaged in the business of providing air transport services for the carriage of passengers and cargo. The Company is a low-cost carrier ('LCC') operating under the brand name of 'SpiceJet' in India since May 23, 2005. The Company has a reasonable fleet size operating across various routes in India and abroad as at March 31, 2022. The registered office of the Company is located at Indira Gandhi International Airport, Terminal 1D, New Delhi – 110037.

The standalone financial statements were approved for issue by the board of directors on August 31, 2022.

2. A. Summary of significant accounting policies

a) Basis of preparation of financial statements

i. Statement of compliance

The standalone financial statements ('financial statements') of the Company for the year ended March 31, 2022 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 (₹) (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.

iii. Going concern assumption

The Company has incurred a net loss (after other comprehensive income) of ₹17,219.02 million for the year ended March 31, 2022, and as of that date, the Company has negative retained earnings of ₹59,076.58 million and negative net worth of ₹42,884.32 million. The negative retained earnings have been primarily driven by adjustments on account of implementation of Ind AS 116 during financial year 2019-20, adverse foreign exchange rates, fuel prices, pricing pressures, other business factors and the impact of Covid-19, whose effects have continued to have an impact on the financial statements for the year ended March 31, 2022.

On account of its operational and financial position, and the impact of the Covid-19 pandemic, the Company has deferred payments to various parties, including lessors and other vendors and its dues to statutory authorities. Where determinable, the Company has accrued for additional liabilities, if any, on such delays in accordance with contractual terms/applicable laws and regulations and based on necessary estimates and assumptions. Additionally, the Company has also accounted for liabilities arising out of various litigation settlements. The impact arising out of event mentioned in note 63 has also been considered by the management in its evaluation. However, it is not practically possible to determine the amount of all such costs or any penalties or other similar consequences resulting from contractual or regulatory non-compliances. The management is confident that they will be able to negotiate settlements in order to minimize/avoid any or further penalties. In view of the foregoing, no amounts of such penalties have been recorded in these financial statements.

The Company continues to implement various measures such as enhancing customer experience, improving selling and distribution, revenue management, fleet rationalization, optimizing aircraft utilization, redeployment of capacity in key focus markets, management and employee compensation revision, renegotiation of contracts and other costs control measures, to help the Company establish consistent profitable operations and cash flows in the future.

With increase in freighter operation and yields, the Company has earned revenue of ₹19,436.10 million for the year ended March 31, 2022 as compared to ₹11,175.39 million for the year ended March 31, 2021. The Company has earned revenue from passenger business of ₹46,340.40 million for the year ended March 31, 2022 as compared to ₹40,494.38 million for the year ended March 31, 2021. During the year ended March 31, 2022, the Company has been able to raise an amount of ₹1,470.00 million, under Emergency Credit Line Guarantee Scheme ('ECLGS') scheme. Further, the Company is in continuous discussions with banks/financial institution to raise additional funds under ECLGS 3.0 (extension) scheme and such discussions

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

are in very advance stage. The Board of Directors has also approved raising of fresh capital through issue of eligible securities in accordance with applicable law. Based on the foregoing and its effect on business plans and cash flow projections, the management is of the view that the Company will be able to achieve positive cash flow from operations and raise funds as necessary, in order to meet its liabilities as they fall due. These conditions indicate the existence of uncertainty that may create doubt about the Company's ability to continue as a going concern. However, based on the factors mentioned in this note including re-negotiation of payment terms to various parties, the management is of the view that the going concern basis of accounting is appropriate. The auditors have included 'Material Uncertainty Related to Going Concern' paragraph in their audit report.

iv. Critical accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation/uncertainty and judgements in applying accounting policies that have the most significant effect on the standalone financial statements are as follows:

Note 2(A) (h)(iii)(a) and 44 – measurement of defined benefit obligations: key actuarial assumptions.

Note 2(A) (k)(ii) – judgement required for leases.

Note 2(A) (c) and (d) – measurement of useful life and residual values of property, plant and equipment and useful life of intangible assets.

Note 2(A) (l) and (p) – estimation of provision of maintenance.

Note 2(A) (q) – judgement required in impairment assessment.

Note 2(A) (i) – judgement required to determine probability of recognition of deferred tax assets.

Note 2(A) (k)(i) – estimation of provision for aircraft redelivery.

Note 2(A) (w) – judgment relation to contingent liabilities.

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The Company has identified twelve months as its operating cycle.

c) Property, plant and equipment

Recognition and measurement

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

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

For depreciation purposes, the Company identifies and determines cost of asset significant to the total

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

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 year during which such expenses are incurred.

The Company has opted to avail the exemption under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in financial statements for the year ended immediately before beginning of first Ind AS financial reporting period as per Indian GAAP (i.e., till 31 March 2016). Consequent to which exchange differences arising on long-term foreign currency monetary items related to acquisition of certain Bombardier Q400 aircraft are capitalized and depreciated over the remaining useful life of the asset.

Depreciation

The Company, based on technical assessment made by experts and management estimates, depreciates certain items of property, plant and equipment over-estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. 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 estimated by the management (years)
Plant and equipment	15
Rotable and tools	20
Office equipment	5
Computers	3 - 6
Furniture and fixtures	10
Motor vehicles	8
Leasehold improvements	Over the period of lease
Aircraft, engines and landing gear (excluding cost of major inspection)	8 - 20
Cost of major inspection	Over the expected period from current shop visit to next shop visit

Derecognition

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

d) Intangible assets

Recognition and measurement

Intangible assets (software) are stated at 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 2/3 years, or over the license period of the software, whichever is shorter.

De-recognition

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

e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

asset's recoverable amount is the higher of an asset's or cash-generating units ('CGU') fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

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

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

f) Borrowing Costs

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

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

g) Revenue from contracts with customer

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

Rendering of services

Passenger revenues and cargo revenues are recognised on flown basis i.e. when the service is rendered. Amounts received in advance towards travel bookings/reservations are shown under other current liabilities as contract liability.

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.

The Company recognizes an expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer. Breakage revenue represents the amount of unexercised rights of customers which are non-refundable in nature.

The unutilized balances in unearned revenue is recognized as income based on past statistics, trends and management estimates, after considering the Company's refund policy.

Fees charged for cancellations or any changes to flight tickets and towards special service requests are recognized as revenue on rendering of related

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

services.

Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. The grant which is revenue in nature is recognised as other operating revenue on a systematic basis over the period for which such grant is entitled.

Other revenues

Income in respect of hiring/renting out of space in premises and equipment is recognised at rates agreed with the customers, as and when related services are rendered.

Contract assets

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

Sale of food and beverages

Revenue from sale of food and beverages is recognised when the goods are delivered or served to the customer. Revenue from such sale is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Amounts received in advance towards food and beverages are shown under other current liabilities as unearned revenue.

Training income

Revenue from training income is recognized proportionately with the degree of completion of services, based on management estimates of the relative efforts as well as the period over which related training activities are rendered.

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.

h) Employee benefits

i. Short-term employee benefits

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

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

ii. Other long-term employee benefits

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

iii. Post-employment benefits

The Company operates the following post-employment schemes:

a. Defined benefit plans – gratuity

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

Unit Credit method) at the end of each year. This is based on standard rates of inflation, salary growth rate and mortality.

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

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

b. Defined contribution plan – provident fund

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

i) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred tax

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

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

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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

j) Earnings per share

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

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

k) Leases

The Company's lease asset classes primarily consist of leases for aircrafts, aircraft components (including engines) and buildings. 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

Company as a lessee

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

i) Right of use assets

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

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

Aircrafts - 1 to 12 years

Aircraft components - 1 to 10 years

Buildings - 2 to 10 years

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

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

ii) Lease liabilities

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

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

iii) Lease term

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

iv) Sale and leaseback transactions

Where sale proceeds received are judged to reflect the aircraft's fair value, any gain or loss arising on disposal is recognised in the income statement, to the extent that it relates to the rights that have been transferred. Gains and losses that relate to the rights that have been retained are included in the carrying amount of the right of use assets recognised at commencement of the lease. Where sale proceeds received are not at the aircraft's fair value, any below market terms are recognised as a prepayment of lease payments, and above market terms are recognised as additional financing provided by the lessor.

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

The Company applies the short-term lease recognition exemption to its short-term leases

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

of building and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis which is more representative of the pattern of use of underlying asset.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l) Supplementary rentals and aircraft repair and maintenance

i) Supplementary rentals

The Company accrues monthly expenses in the form of supplementary rentals which are based on aircraft utilisation that is calculated with reference to the number of hours or cycles operated during each month. Accrual of supplementary rentals are made for heavy maintenance visits, engine overhaul and landing gear overhaul for aircraft taken on lease.

ii) Aircraft repair and maintenance

Aircraft repairs and maintenance includes additional accrual, beyond supplementary rentals, for the estimated future costs of engine maintenance checks. These accruals are based on past trends for costs incurred on such events, future expected utilization of engine, condition of the engine and expected maintenance interval and are recorded over the period of the next expected maintenance visit.

The Company recognises aircraft repair and maintenance cost in the statement of profit and loss on incurred basis, except for aircraft maintenance covered by third party maintenance agreements, wherein a portion of the cost are charged to the statement of profit and loss at a contractual rate per hour in accordance with the terms of the agreements.

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 (₹) 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) 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

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.

p) Provisions

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

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

q) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

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

Debt instrument at FVTOCI

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

a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss. The Company does not have any debt instrument as at FVTOCI.

Debt instrument at FVTPL

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. The Company does not have any debt instrument at FVTPL.

Equity investments

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. The Company has classified its investments in mutual funds as investments at FVTPL and investments in unquoted equity instruments as investments in OCI.

Derecognition

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

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

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

For recognition of impairment loss on loans and 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.

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

All financial liabilities (except derivatives and fair value liabilities) are subsequently measured at amortised cost using the effective interest rate method.

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

Derecognition

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

Investments in equity instruments of subsidiaries

These are measured at cost in accordance with Ind AS 27 'Separate Financial Statements'.

r) Inventories

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

s) Manufacturers' incentives

Cash incentives

The Company receives incentives from original equipment manufacturers ('OEMs') of aircraft components in connection with acquisition of aircraft and engines. In case of owned aircraft, incentives are recorded as a reduction to the cost of related aircraft and engines. In case of aircraft held under leases, the incentives are recorded as reduction to the carrying amount of right to use assets at the commencement of lease of the respective aircraft.

Non-cash incentives

Non-cash incentives relating to aircraft are recorded as and when due to the Company by setting up a deferred asset and a corresponding

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

deferred incentive. These incentives are recorded as a reduction to the cost of related aircraft and engines in case of owned aircraft. In case of aircraft held under leases, the incentives are recorded as reduction to the carrying amount of right to use assets at the commencement of lease of the respective aircraft. The deferred asset explained above is reduced on the basis of utilization against purchase of goods and services.

t) 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.

u) Share-based payment expense

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised as employee benefits expense, together with a corresponding increase in stock options outstanding account in equity over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense (or reversal) for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of equity-settled transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

v) Segment reporting

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

w) 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.

x) Measurement of earnings before interest, tax, depreciation and amortization ('EBITDA')

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

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

New and amended standards and other guidance applied

Covid-19 related rent concessions beyond June 30, 2021, amendment notified vide notification dated June 18, 2021

Further, the Company has also elected to apply another practical expedient whereby it has assessed all the rent concessions occurring as a direct consequence of the Covid-19 pandemic, basis the following conditions prescribed under the standard:

a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) any reduction in lease payments affects only payments originally due on or before the June 30, 2022; and

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

c) there is no substantive change to other terms and conditions of the lease.

If all the rent concessions meet the above conditions, then, the related rent concession has been recognised in statement of profit and loss. The amendment prescribed the early application if the financial statements are yet to be approved before the date of amendment and accordingly, the Company has applied this amendment effective April 1, 2020.

Amendments to Schedule III of the Act

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

Recent accounting pronouncement [as applicable]

Amendment to Ind AS 16, Property, Plant and Equipment

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The Company is evaluating the requirement of the said amendment and its impact on these financial statements.

Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The Company is evaluating the requirement of the said amendment and its impact on these financial statements.

Amendment to Ind AS 103, Business Combinations

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities. The Company is evaluating the requirement of the said amendment and its impact on these financial statements.

Amendment to Ind AS 109, Financial Instruments

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 109 which clarifies which fees an entity should include when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The Company is evaluating the requirement of the said amendment and its impact on these financial statements.

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

3. Property plant & equipment (PPE)

Particulars	Plant and equipment**	Rotable and tools**	Office equipment	Computers	Furniture and fixtures	Motor vehicles**	Leasehold improvements	Aircraft#	Land	Total
Cost or valuation										
As at April 01, 2020	1,339.29	3,623.85	201.61	413.51	39.43	843.38	76.80	20,299.17	171.37	27,008.41
Additions #	42.76	135.74	49.23	43.19	1.76	35.32	16.73	254.73	-	579.46
Disposals	13.97	5.75	0.21	6.06	0.14	18.97	-	2,853.50	-	2,898.60
Exchange differences*	-	-	-	-	-	-	-	(188.42)	-	(188.42)
As at March 31, 2021	**1,368.08**	**3,753.84**	**250.63**	**450.64**	**41.05**	**859.73**	**93.53**	**17,511.98**	**171.37**	**24,500.85**
Additions#	0.59	132.63	23.21	20.46	4.07	0.01	13.04	170.06	-	364.07
Disposals	37.31	69.14	0.85	2.81	2.02	86.32	-	61.30	-	259.75
Exchange differences*	-	-	-	-	-	-	-	216.44	-	216.44
As at March 31, 2022	**1,331.36**	**3,817.33**	**272.99**	**468.29**	**43.10**	**773.42**	**106.57**	**17,837.18**	**171.37**	**24,821.61**
Accumulated depreciation										
At April 1, 2020	266.55	726.53	97.87	224.78	27.34	348.39	50.74	9,136.51	-	10,878.71
Depreciation charge for the year	98.70	242.94	36.25	91.50	3.72	104.65	15.36	1,060.10	-	1,653.22
Disposals	9.23	0.32	0.16	5.90	0.14	18.94	-	2,853.50	-	2,888.19
Exchange differences*	-	-	-	-	-	-	-	331.82	-	331.82
As at March 31, 2021	**356.02**	**969.15**	**133.96**	**310.38**	**30.92**	**434.10**	**66.10**	**7,674.93**	**-**	**9,975.56**
Depreciation charge for the year	97.09	247.08	39.91	79.06	3.14	91.79	14.78	1,002.15	-	1,575.00
Disposals	16.55	15.44	0.69	2.79	1.44	50.40	-	61.30	-	148.61
Exchange differences*	-	-	-	-	-	-	-	253.24	-	253.24
As at March 31, 2022	**436.56**	**1,200.79**	**173.18**	**386.65**	**32.62**	**475.49**	**80.88**	**8,869.02**	**-**	**11,655.19**
Net Block										
As at March 31, 2021	**1,012.06**	**2,784.69**	**116.67**	**140.26**	**10.13**	**425.63**	**27.43**	**9,837.05**	**171.37**	**14,525.29**
As at March 31, 2022	**894.80**	**2,616.54**	**99.81**	**81.64**	**10.48**	**297.93**	**25.69**	**8,968.16**	**171.37**	**13,166.42**

* Represents foreign exchange loss/(gain) capitalised during the year and depreciation thereon. Refer note 2(A) for details.

Additions to aircraft comprise of capitalisation of overhaul cost of ₹170.06 million for the year ended March 31, 2022 and ₹254.73 million for the year ended March 31, 2021.

**Rotables and tools, ground support equipment and motor vehicles are subject to a first charge to secure the facilities provided by Indian Bank (erstwhile Allahabad Bank).

Refer note 20 for details of first charge on property, plant and equipment on various loans.

Refer note 46 for contractual commitments for the acquisition of property, plant and equipment

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

4. Right of use assets

Particulars	Aircraft	Aircraft components	Buildings	Total
Gross block				
As at April 1, 2020	78,503.09	4,682.07	1,531.87	84,717.03
Additions	-	-	-	-
Deletions/modification	3,035.83	208.12	405.51	3,649.46
Balance as at March 31, 2021	**75,467.26**	**4,473.95**	**1,126.36**	**81,067.57**
Additions	1,089.08	-	27.96	1,117.04
Deletions/modification	5,413.63	11.76	515.41	5,940.80
Balance as at March 31, 2022	**71,142.71**	**4,462.19**	**638.91**	**76,243.81**
Accumulated depreciation				
As at April 1, 2020	**13,318.77**	**698.84**	**192.75**	**14,210.36**
Depreciation charge for the year	12,437.76	886.55	159.80	13,484.11
Deletions	1,880.34	27.97	100.06	2,008.37
Balance as at March 31, 2021	**23,876.19**	**1,557.42**	**252.49**	**25,686.10**
Depreciation charge for the year	10,178.64	693.48	125.80	10,997.92
Deletions	2,493.34	-	159.03	2,652.37
Balance as at March 31, 2022	**31,561.49**	**2,250.90**	**219.26**	**34,031.65**
Net block				
As at March 31, 2021	**51,591.07**	**2,916.53**	**873.87**	**55,381.47**
As at March 31, 2022	**39,581.22**	**2,211.29**	**419.65**	**42,212.16**

5. Intangible Assets

Particulars	Software	Total
Gross block		
As at April 01, 2020	349.92	349.92
Additions	31.94	31.94
Disposals	-	-
As at March 31, 2021	**381.86**	**381.86**
Additions	-	-
Disposals	-	-
As at March 31, 2022	**381.86**	**381.86**
Accumulated amortisation		
As at April 01, 2020	176.76	176.76
Amortisation charge for the year	110.41	110.41
Disposals	-	-
As at March 31, 2021	**287.17**	**287.17**
Amortisation charge for the year	71.13	71.13
Disposals	-	-
As at March 31, 2022	**358.30**	**358.30**
Net Block		
As at March 31, 2021	**94.69**	**94.69**
As at March 31, 2022	**23.56**	**23.56**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

5. A Capital work-in-progress

Particulars	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	60.27	58.35
	60.27	**58.35**

The following table represent ageing of capital work-in-progress as at March 31, 2022:

CWIP	Amount in capital work-in-progress for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.92	-	-	-	1.92
Projects temporarily suspended	-	3.47	50.83	4.05	58.35
Total	**1.92**	**3.47**	**50.83**	**4.05**	**60.27**

The following table represent ageing of capital work-in-progress as at March 31, 2021:

CWIP	Amount in capital work-in-progress for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	3.47	50.83	4.05	-	58.35
Total	**3.47**	**50.83**	**4.05**	**-**	**58.35**

6. Non-current investments (fully paid-up)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Unquoted equity investments in subsidiaries, measured at cost		
10,000 (March 31, 2021:10,000) equity shares of SpiceJet Merchandise Private Limited*#	0.10	0.10
2,010,000 (March 31, 2021:2,010,000) equity shares of SpiceJet Technic Private Limited*#	20.10	20.10
10,000 (March 31, 2021:10,000) equity shares of Canvin Real Estate Private Limited*#	0.10	0.10
10,000 (March 31, 2021:10,000) equity shares of SpiceJet Interactive Private Limited*#	0.10	0.10
10,000 (March 31, 2021:10,000) equity shares of Spice Shuttle Private Limited*#	0.10	0.10
10,000 (March 31, 2021:10,000) equity shares of Spice Club Private Limited*#	0.10	0.10
9,800 (March 31, 2021:10,000) equity shares of Spice Xpress Private Limited***#	0.10	0.10
102,000 (March 31, 2021:102,000) equity shares of SpiceTech System Private Limited**##	0.10	0.10
10,000 (March 31, 2021:10,000) equity shares of Spice Ground Handling Services Private Limited*#	0.10	0.10
	20.90	**20.90**

*These represent investments in wholly owned subsidiaries as at March 31, 2022, which are incorporated in India.

** This represents investment in subsidiary (68% stake) as at March 31, 2022, which is incorporated in India.

*** This represents investment in subsidiary (98% stake) as at March 31, 2022, which is incorporated in India.

Face value of ₹10 each

Face value of ₹1 each

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

Particulars	As at March 31, 2022	As at March 31, 2021
b. Unquoted equity investments, at fair value through profit or loss ('FVTPL')		
750 (March 31, 2021: 2,988) equity shares of Aeronautical Radio of Thailand Limited	0.17	0.61
	0.17	**0.61**
Aggregate amount of unquoted investments	21.07	22.12
Aggregate amount of impairment in value of investments	-	-

7. Non-current loans

(Unsecured, considered good unless stated otherwise)

Loan to subsidiaries		
Unsecured, considered good	368.46	552.26
Unsecured, credit impaired	-	30.00
	368.46	**582.26**
Impairment allowance		
Unsecured, considered good	-	-
Unsecured, credit impaired	-	(30.00)
	-	**(30.00)**
	368.46	**552.26**

Loan to subsidiaries is repayable in 2 to 5 years from the date of borrowing and carries an interest of 12.75% per annum.

8. Other non-current financial assets

(Unsecured, considered good unless stated otherwise)

Deposits with original maturity of more than 12 months (also refer note 15B)	5,982.12	4,969.51
Security deposits	3,800.97	4,858.31
Interest accrued but not due on loan to subsidiaries	123.99	71.26
	9,907.08	**9,899.08**

9. Income tax assets (net)

Advance income-tax	881.78	304.26
	881.78	**304.26**

10. Other non-current assets

(Unsecured, considered good unless stated otherwise)

Deposit with Delhi High Court (also refer note 48)	3,187.02	3,187.02
Goods and services tax paid under protest (refer note 47(iv))	580.70	2,556.29
Capital advances		
Unsecured, considered good	3,589.86	1,390.82
Unsecured, considered doubtful	109.32	109.32
	7,466.90	**7,243.45**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

Particulars	As at March 31, 2022	As at March 31, 2021
Impairment allowance		
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
	(109.32)	**(109.32)**
	(109.32)	**(109.32)**
	7,357.58	**7,134.13**

11. Inventories

(valued at lower of cost or net realisable value)

Engineering stores and spares	1,391.91	1,494.80
Stock held in trade - in flight inventory	30.36	38.04
Other stores	28.46	25.44
	1,450.73	**1,558.28**

12. Investments at fair value through profit or loss ('FVTPL')

Quoted investment in mutual funds		
7,122 (March 31, 2021: 7,122) units of ICICI Prudential Saving Funds - Direct Plan- Growth [NAV ₹437.71 (March 31, 2021: ₹419.69)]	3.12	2.99
52,700.92 (March 31, 2021: 52,700.92) units of L&T Low Duration Fund-Direct Plan-Growth [NAV ₹22.97 (March 31, 2021: ₹22.18)]	1.21	1.17
	4.33	**4.16**
Aggregate amount of quoted investments and market value thereof	4.33	4.16

13. Trade receivables

(Unsecured, considered good unless stated otherwise)

Trade receivables		
Unsecured, considered good	2,574.32	3,515.19
Unsecured, credit impaired	58.11	55.94
	2,632.43	**3,571.13**
Impairment allowance		
Unsecured, considered good	(72.38)	(50.97)
Unsecured, credit impaired	(58.11)	(55.94)
	(130.49)	**(106.91)**
	2,501.94	**3,464.22**

For information related to trade receivables from related parties, refer note 53.

For details of contract balances refer to note 31.

The carrying amount of trade receivables approximates their fair value, is included in note 54. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 56.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

As at March 31, 2022	Outstanding from the due date of invoice						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	708.84	359.15	767.35	448.12	37.22	181.26	2,501.94
Undisputed trade receivables – credit impaired	-	-	23.58	12.55	43.67	50.69	130.49
Total	**708.84**	**359.15**	**790.93**	**460.67**	**80.89**	**231.95**	**2,632.43**

As at March 31, 2022	Outstanding from the due date of invoice						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	820.86	1,479.83	875.50	10.93	72.49	204.61	3,464.22
Undisputed trade receivables – credit impaired	-	8.79	-	8.74	24.82	64.56	106.91
Total	**820.86**	**1,488.62**	**875.50**	**19.67**	**97.31**	**269.17**	**3,571.13**

14. Other receivables

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
Maintenance receivables	2,312.36	1,984.21
Insurance claim receivables	100.48	100.48
Other receivables (refer note 49)	7,441.01	14,849.15
	9,853.85	**16,933.84**

15. A. Cash and cash equivalents

Balances with banks:		
– In current accounts	92.94	241.15
– In deposit accounts (with original maturity upto 3 months)	0.43	1.06
Cash on hand	2.42	53.79
	95.79	**296.00**

15. B. Bank balances other than cash and cash equivalents

Deposits with original maturity for more than 3 months but less than 12 months	4.73	23.72
Deposits with original maturity more than 12 months	2.47	0.61
Margin money/security against fund and non-fund based facilities*	6,482.12	4,969.51
	6,489.32	**4,993.84**
Less: Amount disclosed under other non-current asset (refer note 8)	(5,982.12)	(4,969.51)
	507.20	**24.33**

*Margin money deposit have been placed with banks for non-fund based facilities sanctioned to the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

16. Other current financial assets

(Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Employee advances (refer note 53)	126.90	155.50
Interest accrued on bank deposits	182.38	178.27
Security deposits	1,788.23	342.70
Contract asset	563.71	1,014.05
	2,661.22	**1,690.52**

17. Other Current Assets

Prepaid expenses	454.93	675.92
Balance with government authorities	3,102.00	201.20
Advances to suppliers		
Unsecured, considered good	573.38	776.47
Unsecured, credit impaired	159.26	159.26
	4,289.57	**1,812.85**
Impairment allowance		
Unsecured, considered good	-	-
Unsecured, credit impaired	(159.26)	(159.26)
	(159.26)	**(159.26)**
	4,130.31	**1,653.59**

18. Equity Share Capital

Authorised	
(1,500,000,000 equity shares of ₹10 each)	
As at April 01, 2020	15,000.00
Increase during the year	-
As at March 31, 2021	15,000.00
Increase during the year	-
As at March 31, 2022	**15,000.00**
Issued, subscribed and paid-up capital	
Equity shares of ₹10 each issued, subscribed and fully paid	
As at April 01, 2020	6,000.76
Issued during the year pursuant to exercise of employee stock options	8.61
As at March 31, 2021	6,009.37
Issued during the year pursuant to exercise of employee stock options	8.60
As at March 31, 2022	**6,017.97**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

A. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Value (₹)	Number	Value (₹)
Shares outstanding at the beginning of the year	600,936,903	6,009.37	600,076,299	6,000.76
Issued during the year	859,712	8.60	860,604	8.61
Shares outstanding at the end of the year	**601,796,615**	**6,017.97**	**600,936,903**	**6,009.37**

B. Term/rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹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, if any, 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. Details of shareholders holding more than 5% in the Company:

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Mr. Ajay Singh	304,333,450	50.57%	304,333,450	50.64%
Mr. Ajay Singh (HUF)	52,846,838	8.78%	52,846,838	8.79%
Total	**357,180,288**	**59.35%**	**357,180,288**	**59.44%**

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

D. Aggregate number of bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

The Company has issued total 2,346,432 shares (March 31, 2021 - 1,486,720) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan ('ESOP') wherein part consideration was received in form of employee services.

E. Details of promoter shareholding

Particulars	As at March 31, 2022		
	Number of shares	% of total shares	% change during the year
Mr. Ajay Singh	304,333,450	50.57%	0.00%
Mr. Ajay Singh (HUF)	52,846,838	8.78%	0.00%
Mrs. Kalpana Singh	279,505	0.05%	0.00%

Particulars	As at March 31, 2021		
	Number of shares	% of total shares	% change during the year
Mr. Ajay Singh	304,333,450	50.64%	0.00%
Mr. Ajay Singh (HUF)	52,846,838	8.79%	0.00%
Mrs. Kalpana Singh	279,505	0.05%	0.00%

F. Shares reserved for issue under options

For details of shares reserved for issue under ESOP, refer note 43

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

19. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Reserves and surplus		
Securities premium	10,134.09	10,054.58
General reserve	-	-
Share options outstanding account	40.20	78.31
Retained earnings	(59,076.58)	(41,857.56)
Foreign currency monetary item translation difference account	-	-
	(48,902.29)	**(31,724.67)**

a. Securities premium

Securities premium is used to record the premium on issue of shares and the same is utilised in accordance with the provisions of the Act.

Balance at the beginning of the year	**10,054.58**	**9,949.45**
Additions during the year	79.51	105.13
Balance at the end of the year	**10,134.09**	**10,054.58**

b. General reserve

General reserve is a free reserve, created in earlier years as a transfer from Company's profits to meet future obligation

Balance at the beginning of the year	**-**	**49.09**
Transferred to retained earnings	**-**	**(49.09)**
Balance at the end of the year	**-**	**-**

c. Share options outstanding account

The balance represents reserves created to the extent of vested options based on the Employees Stock Option Scheme, 2017.

Balance at the beginning of the year	**78.31**	**131.15**
Share based payment expense	41.40	52.29
Transfer to securities premium on exercise of stock options	(79.51)	(105.13)
Balance at the end of the year	**40.20**	**78.31**

d. Retained earnings

Retained earnings comprises of current year and prior periods undistributed earning or losses after tax.

Balance at the beginning of the year	**(41,857.56)**	**(31,940.93)**
Loss for the year	(17,254.65)	(9,983.02)
Other comprehensive income	35.63	16.99
Transferred from general reserve	-	49.09
Others	-	0.31
Balance at the end of the year	**(59,076.58)**	**(41,857.56)**

e. Foreign currency monetary item translation difference account

Represents the exchange differences arising on other long-term foreign currency monetary item amortised to the statement of profit and loss over the remaining life of the concerned monetary item.

Balance at the beginning of the year	**-**	**17.83**
Recognised in the statement of profit and loss during the year	-	(17.83)
Balance at the end of the year	**-**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

20. Long term borrowings (secured)

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans		
Rupee loan from bank	1,975.17	500.00
Less: Current maturities of long term borrowings (refer note 25)	(500.00)	(500.00)
	1,475.17	**-**
Other loans		
External commercial borrowing	6,350.72	6,134.33
Less: Current maturities of long term borrowings (refer note 25)	(4,697.08)	(3,107.59)
	1,653.64	**3,026.74**
	3,128.81	**3,026.74**

Repayment terms (including current maturities) and security details for term loans from bank

a. The Company had taken a loan of ₹500 million from IDFC First Bank Limited ('IDFC Bank'). The loan is repayable after 3 years from the date of the borrowing and carries an floating interest rate based on IDFC MCLR plus a spread of 3%. The loan has been secured by first pari-passu charge on the land of the Company and one of the subsidiary and pledge on equity shares of the promoter of the Company for 1.0x of total facility. The loan agreement requires the Company to maintain debt service coverage ratio of 1.25. The Company has not complied with this financial covenant and accordingly, the borrowing has been reclassified to current maturities of long term borrowings.

b During the year, the Company has availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from Yes Bank Limited amounting to ₹1,275.17 million. The loan is repayable in 48 equal instalments commencing after 2 years from the date of the borrowing and carries an interest rate of 9.25% (0.80% spread over MCLR rate of the bank revised every year capped at 9.25%). The loan is secured as follows:

- Second charge on movable fixed assets;

- Second charge on current assets of the Company (both present and future) including all receipts in foreign currency and rupee credit (except lien marked deposits);

- Second charge on pledge of shares of the Company held by the Promoter; and

- 100% credit guarantee by National Credit Guarantee Trust Company Limited (NCGTC)

c During the year, the Company has availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from IDFC Bank Limited (""IDFC Bank"") amounting to ₹200 million. The loan is repayable in 48 equal instalments commencing after 2 years from the date of the borrowing and carries an interest rate of 9.25% (1.00% spread over MCLR rate of the bank revised every year capped at 9.25%). The loan is secured as follows:

- Second pari-passu charge movable fixed assets and current assets of the Company;

- Second charge on land of the Company and one of the subsidiary;

- Second charge on pledge of shares of the promoter of the Company (1.0x cover); and

- 100% credit guarantee by National Credit Guarantee Trust Company Limited (NCGTC)

Repayment terms (including current maturities) and security details for external commercial borrowings

d The External Commercial Borrowing ('ECB') relates to the acquisition of 'Bombardier Q400 Aircrafts', accordingly, secured against these aircrafts. The ECB has been approved by the Reserve Bank of India and is granted through a structure between the Company and Maple Leaf Financing Limited with lending from Export Development Canada ('EDC'). As per the terms of the agreement, the Company may opt for either fixed or a floating rate of interest benchmarked to LIBOR for each drawdown, which coincides with the delivery of each aircraft. Accordingly, the interest on these ECBs ranges from 3.79% to 4.91%. During the year, due to impact of Covid-19 on business, the Company has negotiated revised payment schedule and the repayment will now commence with effect form April 1, 2022. Accordingly, the Company has updated classification of the borrowing amount in current and non-current.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

21. Non current lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liability	43,322.85	53,615.67
	43,322.85	**53,615.67**

22. Non-current trade payables

Trade payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	3,473.29	2,263.13
	3,473.29	**2,263.13**

Terms and conditions of the above financial liabilities:

Trade payables are non interest bearing and carry a credit period exceeding 365 days

23. Non-current provisions

Provision for gratuity (also refer note 44)	586.49	567.11
Provision for aircraft redelivery	768.25	1,533.61
Provision for aircraft maintenance	1,397.76	686.09
	2,752.50	**2,786.81**

24. Other non-current liabilities

Deferred incentive	135.82	152.86
Less: Current portion	(17.24)	(17.24)
	118.58	**135.62**

25. Current borrowings (secured)

Working capital demand loan from bank	1,000.00	1,000.00
Pre-shipment credit foreign currency loan	1,467.87	3,044.79
Current maturities of long-term borrowings (refer note 20)	5,197.08	3,607.59
	7,664.95	**7,652.38**

At March 31, 2022, the Company had ₹32.13 million (March 31, 2021: ₹185.70 million) of undrawn committed borrowing facilities.

Repayment terms and security details for short term borrowings

a. Working capital demand loan from bank is secured by fixed deposits placed by the erstwhile promoter and is repayable on demand. The loan carries an interest rate of 12.75% per annum.

b. During the year, working capital demand loan of Company has been recalled by the City Union Bank Limited ('the Bank') and then, the Bank has issued an application dated April 4, 2022 to classify the said overdraft facility as 'Special Mention Account'. In reply to this, on April 28, 2022, the Company had filed an application for stay order restraining the Bank from declaring the loan as non-performing asset on the grounds that the Bank had illegally recalled the said overdraft facility extended to the Company without any plausible reasons. On April 28, 2022, the Exclusive Commercial Court, Gurugram

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

has granted the stay order, ex-parte, to the Company. Further, on July 23, 2022, the Company and the Bank have entered into an agreement, whereby the Bank has extended the period of the said facility till June 30, 2023, and the Company has agreed to repay the outstanding balance of the facility (i.e., ₹1,000 million) in multiple tranches i.e., ₹750 million in financial year 2022-23 and balance on June 30, 2023."

c. Pre-shipment credit foreign currency loan from bank is secured by fixed deposits placed by the Company having a carrying value of ₹375 million and is repayable within 6 months from each drawdown. The loan carries an interest rate benchmarked to the LIBOR rate at each drawdown. The interest rate on these borrowings ranges between 3.15% to 4.05% per annum.

Changes in liabilities arising from financing activities

Particulars	April 01, 2021	Cash flows	Foreign exchange impact	Others*	March 31, 2022
Non-current borrowings (including current maturities)	6,634.33	1,475.18	216.38	-	8,325.89
Current borrowings	4,044.79	(1,708.23)	131.31	-	2,467.87
Finance costs	76.87	(542.19)	-	653.65	188.33
Lease liabilities	84,462.24	(7,992.19)	1,724.37	(5,686.19)	72,508.23
Total liabilities from financing activities	**95,218.23**	**(8,767.43)**	**2,072.06**	**(5,032.54)**	**83,490.32**

Particulars	April 01, 2020	Cash flows	Foreign exchange impact	Others*	March 31, 2021
Non-current borrowings (including current maturities)	6,822.70	-	(188.37)	-	6,634.33
Current borrowings	4,144.38	(75.27)	(24.32)	-	4,044.79
Finance costs	76.78	(499.61)	-	499.70	76.87
Lease liabilities	89,531.54	(3,778.81)	2,236.44	(3,526.93)	84,462.24
Total liabilities from financing activities	**100,575.40**	**(4,353.69)**	**2,023.75**	**(3,027.23)**	**95,218.23**

*This includes inter-caption reclassification, lease addition and modifications, rent concessions and other adjustments.

26. Current lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities	29,185.38	30,846.57
	29,185.38	**30,846.57**

27. Current trade payables

Trade payables		
- total outstanding dues of micro enterprises and small enterprises	542.60	518.22
- total outstanding dues of creditors other than micro enterprises and small enterprises	24,991.20	19,309.74
	25,533.80	**19,827.96**
Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006")		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	518.49	489.21
- Interest due on above	24.12	29.01

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

Particulars	As at March 31, 2022	As at March 31, 2021
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 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 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	24.12	29.01
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 of the MSMED Act 2006	-	-

Terms and conditions of the above financial liabilities:

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

Ageing of non-current and current trade payables:

As at March 31, 2022

Particulars	Outstanding for following periods from date of invoice					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	24.11	483.18	12.47	19.60	3.24	542.60
(ii) Others	11,928.88	7,026.31	3,598.09	2,045.22	3,865.99	28,464.49

As at March 31, 2021

Particulars	Outstanding for following periods from date of invoice					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	500.98	16.59	0.66	-	518.23
(ii) Others	9,299.12	2,144.04	6,121.30	2,574.51	-	20,138.97
(ii) Disputed dues – Others	-	-	-	-	1,433.89	1,433.89

28. Other current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Employee related payables	512.14	101.04
Book overdraft	109.21	116.63
Security deposits received	89.84	118.77
Interest accrued and due on borrowings	9.77	10.49
Interest accrued but not due on borrowings	178.56	66.38
	899.52	**413.31**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

29. Other current liabilities (unsecured)

Particulars	As at March 31, 2022	As at March 31, 2021
Current portion of deferred incentives	17.24	17.24
Amount due under order of Delhi High Court (also refer note 48)	6,425.55	6,425.55
Contract liabilities	4,204.53	2,604.32
Advance received from agents	3,446.77	4,205.85
Statutory dues (including interest thereon)	3,094.50	2,275.23
Airport taxes payable	855.21	710.74
Others liabilities	11.90	11.87
	18,055.70	**16,250.80**

30. Short-term provisions

Provision for employee benefits		
-Provision for gratuity (also refer note 44)	90.38	51.31
-Provision for compensated absences	283.47	301.59
Provision for contingencies (also refer note 47)	107.20	107.20
Provision for aircraft maintenance	2,418.24	1,776.73
Provision for aircraft redelivery	1,053.40	255.46
	3,952.69	**2,492.29**
Provision for contingencies		
At the beginning of the year	107.20	107.20
At the end of the year	**107.20**	**107.20**
Provision for aircraft maintenance		
At the beginning of the year	2,462.82	3,335.34
Additions during the year	1,353.18	225.58
Utilisation/reversal during the year	-	(1,098.10)
At the end of the year	**3,816.00**	**2,462.82**
Provision for aircraft redelivery		
At the beginning of the year	1,789.07	1,795.43
Additions during the year	140.10	28.63
Utilisation/reversal during the year	(107.53)	(34.99)
At the end of the year	**1,821.64**	**1,789.07**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

31. Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of goods and services		
Passenger revenue*	43,050.54	35,281.98
Cargo revenue	20,585.21	14,205.40
Other operating revenues		
Incentives received	26.93	287.98
Income from training services	184.59	384.02
Subsidies received under various schemes	1,088.50	581.34
Others**	637.50	593.05
	65,573.27	**51,333.77**
India	42,948.64	34,465.28
Outside India	22,624.63	16,868.49
	65,573.27	**51,333.77**

* Includes sale of food and beverages in flight.

** Others mainly includes income from ground handling services.

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.

Contract liability is comprised of amount received in advance towards travel bookings/reservations disclosed under other current liabilities.

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	2,501.94	3,464.22
Contract assets	563.71	1,014.05
Contract liabilities*	**4,204.53**	**2,604.32**

Contract liabilities comprise of consideration from sale of tickets not yet flown, Contract assets relates to unbilled revenue.

* Revenue recognised from amount included in contract liabilities at the beginning of the year amounts to ₹2,604.32 million (March 31, 2021: ₹3,626.17 million) (excludes amount collected on behalf of third parties and amount refunded due to cancellations).

32. Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net gain on financial assets measured at fair value through profit or loss	0.17	0.27
Liabilities/provision no longer required written back	1,568.59	1,838.32
Warranty claims from aircraft manufacturer/insurance claims (refer note 49)	7,550.24	5,851.53
Miscellaneous income	753.33	434.85
	9,872.33	**8,124.97**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

33. Finance income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on financial assets	253.37	15.39
Interest income		
- on bank deposits	313.77	400.74
- on loan to subsidiaries	52.70	71.29
- others	20.97	51.15
	640.81	**538.57**

34. A Operating expenses

Aviation turbine fuel	29,457.78	15,288.35
Lease charges - aircraft, engines and auxiliary power units (also refer note 45)	5,919.21	2,484.84
Aircraft repairs and maintenance	4,977.48	4,248.13
Supplemental lease charges - aircraft, engines and auxiliary power units	5,616.86	6,438.05
Consumption of stores and spares	505.87	534.70
Aviation insurance	1,091.43	1,251.69
Landing, navigation and other airport charges	7,590.55	6,466.17
Aircraft navigation software expenses	502.33	677.22
Aircraft redelivery costs	44.17	27.18
Cargo handling costs	1,903.47	1,360.29
Other operating expenses	334.50	298.52
	57,943.65	**39,075.14**

34. B Purchases of stock-in-trade

Inflight food and beverages held as stock-in-trade	601.24	697.59
	601.24	**697.59**

34. C Changes in inventories of stock-in-trade

Inventory at the beginning of the year	38.04	75.18
Less : Inventory at the end of the year	(30.36)	(38.04)
Changes in inventories of stock-in-trade	**7.68**	**37.14**

35. Employee benefits expenses

Salaries, wages and bonus	6,481.46	6,016.88
Contribution to provident and other funds	344.92	355.45
Share based payment expense (also refer note 43)	41.40	52.29
Gratuity expense (also refer note 44)	151.74	158.75
Staff welfare	254.47	178.99
	7,273.99	**6,762.36**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

36. Sales and marketing expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Commission to agents	817.49	486.82
Business promotion and advertisement	403.00	271.48
	1,220.49	**758.30**

37. Other expenses

Rent	834.26	796.27
Rates and taxes	206.33	592.48
Repairs and maintenance		
- buildings	95.20	85.10
- plant and machinery	17.45	11.18
- others	526.57	465.03
Crew accommodation cost	286.02	281.83
Recruitment and training cost	395.58	361.11
Communication	130.11	116.11
Printing and stationery	84.75	113.39
Travelling and conveyance	1,237.19	801.54
Legal, and professional fees*	514.47	421.86
Power and fuel	100.43	104.48
Advances/other balances written off	128.51	26.59
Impairment of trade receivables	36.55	2.93
Insurance	140.49	153.55
Credit card charges	152.48	86.87
Bank charges	37.25	10.93
Loss on sale of property, plant and equipment (net)	6.13	0.90
Property, plant and equiptment written off	53.70	-
Miscellaneous expenses	191.02	65.38
	5,174.49	**4,497.53**

***Payment to auditor**		
As auditor		
Statutory audit fees	8.65	7.75
Tax audit fees	0.75	0.65
Limited review	2.85	3.45
In other capacity		
Other services (certification fees)	0.08	2.86
Reimbursement of expenses	0.06	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

38. Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest		
- on term loan from banks	376.17	325.16
- on loan from others	174.09	174.54
Interest on lease liabilities and redelivery provisions	2,901.37	2,819.05
Other borrowing costs	1,374.16	1,491.13
	4,825.79	**4,809.88**

39. Foreign exchange loss/(gain), (net)

Foreign exchange loss/(gain), (net)*	2,621.83	(2,237.17)
	2,621.83	**(2,237.17)**

*Foreign exchange loss for the year ended March 31, 2022 includes ₹1,749.26 million (March 31, 2021 : gain of ₹2,246.99 million), pertaining to foreign exchange loss on restatement of lease liabilities.

40. Depreciation and amortisation expense

Depreciation on property, plant and equipment (refer note 3)	1,828.24	1,985.04
Depreciation on right of use assets (refer note 4)	10,997.92	13,484.11
Amortisation of intangible assets (refer note 5)	71.13	110.41
	12,897.29	**15,579.56**

41. Exceptional items

Settlement with aircraft manufacturer (refer note 47 (b) (vii))	774.58	-
	774.58	**-**

42. Earnings per share ('EPS')

a. Basic EPS is calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

b. Diluted EPS is calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Number of equity shares outstanding at the beginning of the year	600,936,903	600,076,299
Number of equity shares issued	859,712	860,604
Number of equity shares outstanding at the end of the year	601,796,615	600,936,903
Weighted average number of equity shares		
a. Basic	**601,349,055**	**600,322,354**
Effect of dilution: stocks options	574,552	1,106,553

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
b.	**Diluted**	**601,923,607**	**601,428,907**
	Loss for the year	**(17,254.65)**	**(9,983.02)**
	Earnings per share :		
	— Basic earnings per share (₹)	(28.69)	(16.61)
	— Diluted earnings per share (₹)	(28.69)	(16.61)
	Face value per share (₹)	10.00	10.00

Considering loss, diluted earnings per share is same as basic earnings per share

c. Having regard to the status of the matters relating to the allotment and conversion of share warrants, as stated in note 48, it is not possible to determine the dilutive effect, if any, of those on diluted earnings per share calculations. Accordingly, diluted earnings per share do not include the dilutive impact on the allotment and conversion of share warrants stated in note 48.

43. Employee stock option plans

The following share-based payment arrangements were in existence during the current and previous year :

Employees Stock Option Scheme, 2017

The shareholders at the Annual General Meeting held on November 27, 2017, approved an Employee Stock Option Scheme ('ESOS') which provides for the grant of 10,000,000 stock options which will be granted to eligible employees of the Company determined by Nomination and Remuneration Committee, which are convertible into equivalent number of equity shares of ₹10 each as per the terms of the scheme. Upon vesting, the employees can acquire one common equity share of the Company for every option. The stock options were granted on the dates as mentioned in table below.

The share based payment expense has been recognized based on the fair value of option at the date of grant in accordance with the Black-Scholes method.

Grant Date	No. of options	Vesting period	Market value per share (In INR)	Fair value per option (In INR)	Exercise price (In INR)	Expected volatility	Expected life (in years)	Expected dividend	Risk free return
February 7, 2018	1,201,155	2 years 10 months and 24 days	129.35	122.29	10.00	58.50% to 57.61%	3.50 to 5.40	Nil	7.53% to 7.51%
May 28, 2019	500,000	1 year 7 months and 3 days	145.75	138.26	10.00	48.66% to 51.32%	3.50 to 4.10	Nil	6.92%
May 28, 2019	85,000	2 years 6 months and 2 days	145.75	138.26	10.00	48.66% to 57.76%	3.50 to 5.00	Nil	6.92% to 7.03%
August 9, 2019	140,000	4 years	135.95	128.81	10.00	46.37% to 56.21%	3.50 to 6.50	Nil	6.33% to 6.54%
November 13, 2019	250,000	4 years	115.05	107.96	10.00	46.56% to 55.64%	3.50 to 6.50	Nil	6.32% to 6.92%
February 14, 2020	500,000	2 years	84.70	76.90	10.00	46.50% to 50.93%	3.50 to 4.50	Nil	6.00% to 6.02%
November 11, 2020	75,000	3 years	51.35	43.79	10.00	48.89% to 51.46%	3.50 to 5.50	Nil	5.02% to 5.86%
February 10, 2021	475,000	3 years	86.85	79.26	10.00	50.385 to 52.33%	3.50 to 5.50	Nil	5.75% to 6.13%

Expected volatility calculation is based on daily volatility of the share prices over a period prior to the date of grant, corresponding to the expected life of the options.

The risk free return is the implied yield currently available on zero coupon government issues, with a remaining term equal to the expected term of the option being valued.

The above calculation is based on government yield on zero coupon bonds with 4 to 5 as term to maturity.

Expected life of the option have been calculated by adding the vesting period and half of the exercise period.

The Company has not declared any dividend from last several years. Therefore, expected dividend yield is taken as Nil.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

Effect of employee stock option scheme on the statement of profit and loss:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Share based payment expense	41.40	52.29

Reconciliation of outstanding share options:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Options outstanding as at the beginning of the year	**1,562,512**	**10.00**	**2,050,039**	**10.00**
Add: Options granted during the year*	-	10.00	550,000	10.00
Less: Options forfeited during the year	-	10.00	176,923	10.00
Less: Options exercised during the year	859,712	10.00	860,604	10.00
Options outstanding as at the year end	**702,800**	**10.00**	**1,562,512**	**10.00**

*Includes only options granted to employees who have fulfilled the related conditions in respect of such grant.

The weighted average remaining period of stock options as at March 31, 2022 is 6 years (March 31, 2021: 5 years).

The weighted average share price at the date of exercise of stock options during the year was ₹72.38 (March 31, 2021 ₹72.84).

Option excersiable as at March 31, 2022 is 20,300 (March 31, 2021- 486,012)

44. Employee benefits obligation

a. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of ₹2.00 million. 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.

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Amounts recognized in balance sheet		
Defined benefit obligation ('DBO')	676.87	618.42
Defined benefit obligation ('DBO')	**676.87**	**618.42**
Bifurcation of DBO at the end of the year - current and non-current		
Current liability	90.38	51.31
Non-current liability	586.49	567.11
	676.87	**618.42**

(ii) Amount recognized in other comprehensive income	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial gain	(35.63)	(16.99)
Actuarial gain recognized in other comprehensive income	**(35.63)**	**(16.99)**
(iii) Expenses recognized in Statement of profit and loss		
Current service cost	109.93	124.78
Interest cost on DBO	41.81	33.97
Expense recognized during the year	**151.74**	**158.75**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

		As at March 31, 2022	As at March 31, 2021
(iv)	**Movement in the liability recognized in the standalone balance sheet is as under:**		
	Present value of defined benefit obligation at the beginning of the year	**618.42**	502.55
	Current service cost	109.94	124.78
	Interest cost	41.81	33.97
	Benefits paid	(57.66)	(25.90)
	Actuarial gain		
	a. Effect of changes in financial assumption	(35.77)	(38.23)
	b. Effect of experience adjustments	(42.53)	15.30
	c. Effect of changes in demographic assumptions	42.66	5.95
	Present value of defined benefit obligation at the end of the year	**676.87**	**618.42**
(v)	**For determining the DBO liability the following actuarial assumptions were used:**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
	Discount rate	7.26%	6.76%
	Salary escalation rate	4.50%	4.50%
	Pre-retirement mortality	IALM(2012-14)	IALM(2012-14)
	Attrition rate	" 21.50% (Upto 30 years) 11.20% (Age 31-44) 1.5% (above age 44) "	" 10.30% (Upto 30 years) 3.90% (Age 31-44) 0.80% (above age 44) "
	Number of employees	12,000	14,578
	Retirement age (years)	58.00	58.00
	Average age (years)	32.15	31.38
	Average past service (years)	4.29	3.64
	Average remaining working life (years)	25.88	26.62
	Average monthly salary	2,960.50	3,336.70
	Weighted average duration of DBO	7.70	14.94
(vi)	**Maturity profile of defined benefit obligation:**	**As at March 31, 2022**	**As at March 31, 2021**
	Within the next 12 months (next annual reporting period)	90.38	51.31
	Between 2 and 5 years	247.72	118.67
	Beyond 5 years	755.05	891.56
(vii)	**Sensitivity analysis for gratuity:**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
	Impact of the change in discount rate on present value of DBO as at the end of the year		
	Discount rate + 50 Basis points	(23.50)	(34.60)
	Discount rate - 50 Basis points	25.22	38.03
	Impact of the change in discount rate on present value of DBO as at the end of the year		
	Discount rate + 50 Basis points	24.39	38.70
	Discount rate - 50 Basis points	(23.38)	(35.48)

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

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

(viii) Risk

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.

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.

Discount rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

b. Short-term compensated absences

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

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	7.26%	6.76%
Future salary increase	4.50%	5.00%

c. Defined contribution plan:

During the year, the Company recognized ₹307.62 million (March 31, 2021 - ₹319.25 million) as provident fund expense under defined contribution plan and ₹37.30 million (March 31, 2021 - ₹36.20 million) for contributions to employee state insurance scheme in the Statement of profit and loss.

45. Lease liabilities

The Company's leased assets primarily consist of leases for aircraft, aircraft components (including engines) and buildings. The Company has several lease contracts that include extension and termination options. The management has included termination options in determination of lease term for contracts having such option. Extension options have not been included in determination of lease term since the management is reasonably certain not to exercise these options. Potential cash flows in relation to such extension options cannot be ascertained since the cash outflow for the extended period will depend on the negotiations with the lessors in the event of exercising the extension options. Under certain lease arrangements of aircraft, the Company incurs variable payments towards maintenance of the aircraft which are disclosed under "Supplemental lease charges - aircraft, engines and auxiliary power units".

During the year ended March 31, 2022, the Company has recognized an expense of ₹5,919.21 million (March 31, 2021 ₹2,484.84 million) on account of short term leases which represents leased aircraft, engines and auxiliary power units having a remaining lease term of less than 12 months as on transition date and other short-term leases. The portfolio of other short-term leases to which the Company is committed at the end of the reporting period is not materially different from the portfolio of other short-term leases for which expense has been recognized during the year ended March 31, 2022.

A. Amount recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on right of use assets	10,997.92	13,484.11
Interest on lease liabilities (net off rent waiver)	2,786.21	2,929.64
Rent expenses related to short term leases	6,753.47	3,281.11

Refer note 4 for additions to Right-of-use assets and the carrying amount of right of use assets as at March 31, 2022. Further, refer note 56 for maturity analysis of lease liabilities.

B. Total cash outflow of leases

Total cash outflow of leases	7,992.19	3,778.81

C. Pursuant to the renegotiations with lessors, the Company has recognised the impact (as reduction in cost) of ₹718.98 million for the year ended March 31, 2022, arising from rental concessions concluded in the current year, in line with the

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

guidance prescribed in Ind AS 116, read with the amendment thereto vide Ministry of Corporate Affairs notification dated June 18, 2021, relating to Covid-19-Related Rent Concessions.

46. Capital and other commitments

a. As at March 31, 2022, the Company has commitments of ₹550,358.71 million (March 31, 2021 - ₹533,786.89 million) relating to the acquisition of aircraft.

b. Under certain long-term maintenance contracts for the management, maintenance, repair and overhaul of aircraft components and spares, the Company incurs an agreed power-by-the-hour cost based on aircraft/component utilization.

47. Litigations and claims

a) Summary

i) Matters wherein management has concluded the liability to be probable have been provided for in the books. Refer note 30.

ii) Matters wherein management has concluded the liability to be possible have been disclosed under note 47 (b) below.

b) Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Liability arising out of legal cases filed against the Company in various Courts/ Consumer Redressal Forums, Consumer Courts, disputed by the Company	210.11	171.56
Liability arising out of goods and service tax related show cause notice	124.75	63.86
Liability arising out of custom tariff classification	112.10	-
Demand in respect of provident fund dues for international workers as explained in note (i) below	142.37	142.37
Demand in respect of service tax (including interest and penalty) as explained in note (ii) below	170.70	170.70
Show cause notice received in respect of service tax as explained in note (iii) below	3,458.92	3,458.92
Liability arising out of Integrated Goods and Services Tax ('IGST'), on overseas repairs and replacement of various aircraft equipment as explained in note (iv) below	580.70	2,556.29
Liability in respect of inter-corporate deposit received from Mallanpur Steels Limited (refer note (v) below)	35.00	35.00
Demand in respect of order from the Competition Commission of India as explained in note (vi) below	51.00	51.00
Liability arising out of legal case filed against the Company by aircraft manufacturer as explained in note (vii) below	-	3,200.00

The Company has various demands arising from Income-tax assessments pertaining to Assessment year 2006-07 to 2018-19. The litigations are currently pending at various forums and such sum contested after adjusting the brought forward losses and depreciation was computed to be ₹Nil. Consequently, without prejudice to its legal defense on these matters, the Company has not disclosed the same as a contingent liability.

i. The Company has received a demand notice from the Regional Provident Fund Commissioner, Gurgaon for ₹79.91 million in respect of provident fund ('PF') dues for international workers vide Notifications GSR 706(E) dated October 1, 2008 and GSR 148 dated September 3, 2010, for the period from November 2008 to February 2011. The Company has responded to the notice disputing the demand and, without admitting any liability towards the same, has deposited an amount of ₹1.96 million towards the PF contributions in respect of international workers for the period from November 2008 to July 2011 under the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 ('PF Act'). Since August 2011, the Company has been making provident fund contributions in respect of international workers under the provisions of the PF Act.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

During the year ended March 31, 2012, the Company has filed a writ petition with the Hon'ble Delhi High Court contending that the above notifications relating to international workers are unreasonable and ultra vires the PF Act. The Court has directed that this matter be put up in the regular list and the interim order in favour of the Company has been made absolute till disposal of the petition. In addition, a report has been filed by the Department's Representative before the Regional Provident Fund Commissioner ("RPFC") on March 22, 2017 pursuant to which there is an aggregate demand ₹144.43 million against the Company for the period from November 2008 to January 2012. The Company has filed its reply on the report on August 18, 2017. Thereafter, the RPFC has passed its final order on June 8, 2020 against the Company for an amount of ₹142.04 million towards outstanding PF dues for its expat employees for the period of November 2008 to January 2012. The RPFC order also states that there is an order in favour of the Company restraining the PF department from taking any coercive steps against the Company for recovery of the said amount till the disposal of the writ petition. Pending disposal of the writ petition, the Company has not accrued for any additional liability in respect of provident fund contributions to international workers.

ii. The Company has received a demand order for a sum of ₹77.28 million, and applicable interest, as well as penalty of ₹77.28 million from the service tax department for non-remittance of service tax on reverse charge mechanism on certain payments made during the period April 18, 2006 to March 31, 2012. The Company is contesting the order on the grounds that the services obtained by the Company were not liable to service tax under the categories determined by the authorities and are hence not taxable services. Effective July 2012, pursuant to the enactment of the negative list of taxable services, the Company has been paying service tax on these services received on reverse charge basis under the relevant provisions of the Finance Act, 1994. Based on advice by its tax consultants and internal evaluation, the Company has provided an amount of ₹77.28 million (including a portion of applicable interest) on a conservative basis (also refer note 29). However, the Company continues to contest the entire demand and has filed an appeal against the adverse order with the Customs, Excise and Service Tax Appellate Tribunal ('CESTAT') and is confident of its success. The balance amount of the matter under litigation, (including interest and penalty) of ₹170.70 million, has not been accrued pending final outcome of this matter and has been disclosed as a contingent liability.

iii. The Company has received certain show cause notices from the service tax authorities, citing various defaults, including failure/delay in remitting service tax collected, over past financial years as well as alleged failure in remittance of service tax on certain other items. Based on their assessment of the contentions of the service tax authorities, management has submitted a detailed reply to the notices, and based on legal advice obtained, believes that the likelihood of this liability devolving on the Company is low, and accordingly has made no adjustments to the financial statements.

iv. The Company has received certain orders from customs authorities levying Integrated Goods and Services Tax ('IGST') and basic customs duty on re-import of various aircraft engines and aircraft equipment repaired/replaced outside India, which is in the opinion of the Management and based on expert advice obtained, is not subject to such levy. Accordingly, these amounts have been considered as recoverable. Further, in January 2021, the Company has received favourable order in reference to one of the matters for which tax is paid under protest, from the Customs Excise and Service Tax Appellate Tribunal ('CESTAT'), New Delhi in respect of this matter. During the year, the customs authorities have filed an appeal before the Hon'ble Supreme Court of India ('the Supreme Court') against the CESTAT order. The matter is yet to be decided by the Supreme Court and no stay on CESTAT order has been granted by the Supreme Court till date. Further, the customs authorities vide customs amendment notification dated 19 July 2021 has amended earlier customs exemption notification to reiterate their position that IGST is applicable on re-import of goods after repair. However, the Company based on the legal advice from counsels, continues to believe that no IGST is payable on such re-import of repaired aircraft engines and related parts. Accordingly, the above amounts, which is paid under protest till March 31, 2022 have been shown as recoverable.

v. M/s Hindustan Development Corporation Limited ("HDCL") (now renamed as Mallanpur Steels Limited) who had lent ₹50 million by way of inter-corporate deposit to the Company, has filed an appeal before the division bench of the Hon'ble Delhi High Court against the Scheme of Settlement passed by the Hon'ble Delhi High Court wherein the Company's liability was fixed at ₹35 million. The Company had made a deposit of ₹35 million to the Official Administrator of the Scheme in accordance with approved Scheme. Pending disposition of the review petition, the likelihood of the balance amount of ₹15 million devolving on the Company is not probable. Also, the interest (if any) on the same is not ascertainable and accordingly no adjustments have been made to the financial statements.

vi. The Competition Commission of India ("CCI") passed an order dated November 17, 2015 against, inter alia, the Company, which included a demand of ₹424.80 million. The Company's appeal against this order with Competition Appellate Tribunal ("COMPAT") was disposed of by the COMPAT, which set aside the impugned order on technical grounds and has referred the matter back to the CCI for fresh adjudication. Subsequent thereto, the matter was reconsidered by CCI and a revised order dated March 7, 2018 imposing fine of ₹51 million was imposed on the Company. The Company

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

has filed an appeal before COMPAT and based on legal advice received, management is confident of a favourable outcome in this matter and accordingly no adjustments are considered necessary in the financial statements.

vii. The aircraft manufacturer of Q400 aircraft initiated a claim against the Company in the foreign court amounting to approximately ₹3,200 million for declarations, liquidated damages, interest and costs relating to the Company's alleged breaches of, and the manufacturer's purported termination of the purchase agreement for certain undelivered aircraft. The foreign court decided a summary judgement in favour of the aircraft manufacturer and the aircraft manufacturer had filed an execution petition before the Hon'ble High Court of Delhi (the "High Court") for execution of the said summary judgement. During the year, the Company has entered into a settlement agreement with the aircraft manufacturer which has resulted in a one-time expense of ₹774.58 million on account of this settlement. Accordingly, the execution petition filed before the High Court is dismissed as withdrawn on July 5, 2022.

viii. The Assistant Commissioner of Income-Tax ("ACIT") has filed a complaint against the Company and its erstwhile Chairman and Managing Director in their individual capacity, over delayed payment of tax deducted at source in contravention of section 276B of the Income-tax Act, 1961 for financial years 2013-14 and 2014-15. The matter is sub-judice as on date and based on professional advice, the management is confident of a favourable outcome in this matter in so far as it relates to the Company. Accordingly, no adjustments are considered necessary in the financial statements.

48. Advance money received against securities proposed to be issued

The Company had, in earlier financial years, received amounts aggregating to ₹5,790.9 million from Mr. Kalanithi Maran and KAL Airways Private Limited (together, "Erstwhile Promoters") as advance money towards proposed allotment of certain securities (189,091,378 share warrants and 3,750,000 non-convertible cumulative redeemable preference shares, issuable based on approvals to be obtained), to be adjusted at the time those securities were to be issued. Pursuant to the legal proceedings in this regard before the Hon'ble Delhi High Court ("Court") between the Erstwhile Promoters, the present promoter and the Company, the Company was required to secure an amount of ₹3,290.89 million through a bank guarantee in favour of the Registrar General of the Court ("Registrar") and to deposit the balance amount of ₹2,500 million with the Registrar. The Company has complied with these requirements.

The parties to the aforementioned litigation concurrently initiated arbitration proceedings before a three-member arbitral tribunal (the "Tribunal"), which pronounced its award on 20 July 2018 (the "Award"). In terms of the Award, the Company was required to (a) refund an amount of approximately ₹3,082.19 million to the counterparty, (b) explore the possibility of allotting non-convertible cumulative redeemable preference shares in respect of approximately ₹2,708.70 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be ₹924.66 million (being interest on the amount stated under (a) above, in terms of the Award). The amounts referred to under (a) and (b) above, aggregating ₹5,790.89 million, continue to be carried as current liabilities without prejudice to the rights of the Company under law. Further, the Company was entitled to receive from the counterparty, under the said Award, an amount of ₹290.00 million of past interest/servicing charges. Consequent to the Award, and without prejudice to the rights and remedies it may have in the matter, the Company accounted for ₹634.66 million as an exceptional item (net) during the year ended 31 March 2019, being the net effect of amount referred to under (c) and interest/servicing charges receivable of ₹290.00 million, above. During the year ended 31 March 2019, the Court had ordered release of ₹2,500 million, out of the amount deposited by the Company, to the counterparty, subject to certain conditions as enumerated by the Court in its order. Further, pursuant to an order of the Court dated 20 September 2019, the Company has remitted an additional ₹582.19 million out of the guarantee placed with the Court, to the counterparty, in October 2019. All such payments made have been included under other non-current assets.

The Company, its present promoter and the counterparties have challenged various aspects of the Award, including the above-mentioned interest obligations and rights, petitions for which have been admitted by the Court, as a result of which the matter is currently sub-judice.

Further, the Court vide its order dated 2 September 2020 in the said matter, directed the Company to deposit an amount of ₹2,429.37 million of interest component under the Award (including the amount of ₹924.66 million provided for as indicated earlier, without prejudice to the rights of the Company under law). The Company preferred a Special Leave Petition before the Hon'ble Supreme Court of India against the aforesaid Order and the Hon'ble Supreme Court of India pursuant to its order dated 6 November 2020, has stayed the deposit of ₹2,429.37 million. Accordingly, based on the foregoing and also legal advice obtained by management, no additional amounts have been accounted for in this regard.

In view of the foregoing and pending outcome of the aforesaid challenges at the Court, the management is of the view that it is not possible to determine the effects of any such obligations and rights (including any additional/consequential obligations and rights). Accordingly, no further adjustments have been made in this regard, to these financial statements.

The effects of the matter stated above may attract the consequent provisions (including penal provisions) of applicable provisions of law, including deeming provisions, relating to acceptance of deposits. Based on their assessment and legal advice obtained,

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

the management is of the view that any possible consequential effects (including penal consequences and any compounding thereof), of past events and actions in relation to the foregoing, are not likely to have a material impact on the financial statements of the Company. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

49. Claims on the aircraft manufacturer

The Company had thirteen Boeing 737 Max aircraft in its fleet prior to the worldwide grounding of these aircraft during March 2019 due to technical reasons. Despite its inability to undertake revenue operations, the Company continued to incur various costs with respect to these aircraft. As a result, and to reflect the true operational parameters of its operating fleet, the management of the Company recognised claim recoverable for such expenses which accumulated to ₹15,549.03 million till September 30, 2021 under the head 'other income' in respective quarters as the management was confident about the recoverability of its claims since the grounding of these aircraft. While the Boeing 737 Max aircraft were approved by the Federal Aviation Administration in November 2020, the same was only approved by the Director General of Civil Aviation (DGCA) in August 2021 subject to accomplishment of certain compliances and modifications. The aircraft type was finally recertified by DGCA in November 2021. During the current year, the Company concluded its settlement agreement with the aircraft manufacturer and 737 max aircraft lessors whereby the Company is entitled for certain cash and non-cash accommodations over a period of time including waiver of past due lease rentals on these Boeing 737 Max aircraft, resulting in re-induction of twelve of these aircraft into its fleet. Accordingly, basis the various terms of settlement agreed with the aircraft manufacturer and the 737 Max aircraft lessors, the Company has recognised these amounts under the head 'other income'. Upon execution of the settlement agreement and various accommodations extended, the assessment of the management about the recoverability of its claims for these aircraft stands substantiated. In auditors' assessment, the Company should have recognised such accommodations in its entirety during the current year on completion of settlement and hence, the auditors have qualified their audit report to that extent.

50. Impact of Covid-19

The impact of Covid-19 has led to significant disruptions and dislocations for individuals and businesses and has had consequential impact of grounding the passenger airline operations. The Company is required to adhere to various regulatory restrictions, which severely impacts its operations and have their own additional financial implications. As per Government guidelines, the Company had stopped all passenger travel from March 25, 2020 to May 24, 2020. The Government allowed operations of the domestic flights effective May 25, 2020 in a calibrated manner. The operation was ramping up in a phased manner in accordance with Government directions, however starting March 2021, the second wave of the Covid-19 has hit the country which leads to significant drop in demand and as per revised Government guidelines the domestic operation was also restricted which continued to have severe impact on the Company's revenue and profitability for the quarters ended 30 June 2021 and 30 September 2021. Subsequently, the third wave of the Covid-19 in December 2021/January 2022 has again impacted the passenger load factor and consequently Company's revenue and profitability for the quarter ended March 31, 2022.

However, post above specified period domestic and international passenger airline business witness significant improvement in passenger traffic due to relaxation of restrictions in operation due to substantial reduction in Covid cases across the country. With the above developments and various measures taken by the Company, the financial performance is expected to improve substantially in subsequent quarters.

The impact of Covid-19 is not specific to the Company but is applicable across the entire aviation industry within and outside India. While there is uncertainty in the revenue operation in the short-term which is expected to normalise in the long-term. It is also to be noted that while generally the passenger business was either suspended or very low demand during the lockdown period and/or restricted operation period, the Company further enhanced its cargo operations which were fulfilled by dedicated fleet of freighter aircraft and passenger converted aircraft.

Further, the Company is in negotiations with lessors/lenders regarding deferment of dues and other waivers (including, in particular, contracts with aircraft lessors), and also assessed the recoverability and carrying values of its assets while preparing the standalone financial result for the quarter and year ended March 31, 2022. The management is confident that they have considered all known potential impacts arising from the Covid-19 pandemic on the Company's business, and where relevant, have accounted for the same in these standalone financial results. However, the Company will continue to closely monitor any material change to future economic conditions on account of Covid-19 to assess any possible impact on the Company. The auditors have drawn an 'emphasis of matter' in their audit report in this regard"

51. Segment reporting

Operating segments of the Company are Air Transport Services and Freighter and Logistics Services. Air Transport Services includes, inter alia, passenger transport and ancillary cargo operations arising from passenger aircraft operations and freighter and logistics services includes cargo services.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and are not allocable to any segment. Expenses that are directly identifiable to segments are considered for determining the segment results. Expenses which relate to the Company as a whole and are not allocable to segments are included under unallocated corporate expenses.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment information: Year ended March 31, 2022

Particulars	Air Transport	Freighter and Logistics Services	Total Segments	Inter Segment	Total
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	46,340.40	19,436.10	65,776.50	(203.23)	65,573.27
Other income	9,872.33	-	9,872.33	-	9,872.33
Total revenue	**56,212.73**	**19,436.10**	**75,648.83**	**(203.23)**	**75,445.60**
Income /(expenses)					
Revenue from operations	46,340.40	19,436.10	65,776.50	(203.23)	65,573.27
Other income	9,872.33	-	9,872.33	-	9,872.33
Finance income	640.81	-	640.81	-	640.81
Operating expenses	(39,778.57)	(18,165.08)	(57,943.65)	-	(57,943.65)
Purchases of stock-in-trade	(601.24)	-	(601.24)	-	(601.24)
Changes in inventories of stock-in-trade	(7.68)	-	(7.68)	-	(7.68)
Employee benefits expense	(7,028.92)	(245.07)	(7,273.99)	-	(7,273.99)
Sales and marketing expenses	(1,146.64)	(73.85)	(1,220.49)	-	(1,220.49)
Other expenses	(4,906.80)	(470.92)	(5,377.72)	203.23	(5,174.49)
Foreign exchange loss/(gain), (net)	(2,621.83)	-	(2,621.83)	-	(2,621.83)
Depreciation and amortisation expense	(12,877.12)	(20.20)	(12,897.32)	-	(12,897.32)
Finance costs	(4,825.79)	-	(4,825.79)	-	(4,825.79)
Segment (loss)/profit before exceptional items	**(16,941.05)**	**460.98**	**(16,480.07)**	**-**	**(16,480.07)**
Exceptional items	(774.58)	-	(774.58)	-	(774.58)
Segment (loss)/profit after exceptional items	**(17,715.63)**	**460.98**	**(17,254.65)**	**-**	**(17,254.65)**
Total assets	**93,408.45**	**1,795.30**	**95,203.75**		**95,203.75**
Total liabilities	**136,798.74**	**1,289.33**	**138,088.07**		**138,088.07**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

Year ended March 31, 2021

Particulars	Air Transport	Freighter and Logistics Services	Total Segments	Inter Segment	Total
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	40,494.38	11,175.39	51,669.77	(336.00)	51,333.77
Other income	8,124.97	-	8,124.97	-	8,124.97
Total revenue	**48,619.35**	**11,175.39**	**59,794.74**	**(336.00)**	**59,458.74**
Income /(expenses)					
Revenue from operations	40,494.38	11,175.39	51,669.77	(336.00)	51,333.77
Other income	8,124.97	-	8,124.97	-	8,124.97
Finance income	538.57	-	538.57	-	538.57
Operating expenses	(30,866.49)	(8,208.65)	(39,075.14)	-	(39,075.14)
Purchase of stock in trade	(697.59)	-	(697.59)	-	(697.59)
Changes in inventories of stock-in-trade	(37.14)	-	(37.14)	-	(37.14)
Employee benefits expense	(6,412.94)	(349.42)	(6,762.36)	-	(6,762.36)
Sales and marketing expenses	(752.97)	(5.33)	(758.30)	-	(758.30)
Other expenses	(4,586.87)	(246.66)	(4,833.53)	336.00	(4,497.53)
Foreign exchange loss/(gain), (net)	2,088.75	148.42	2,237.17	-	2,237.17
Depreciation and amortisation expense	(14,717.21)	(862.35)	(15,579.56)	-	(15,579.56)
Finance costs	(5,678.11)	(342.39)	(6,020.50)	-	(4,809.88)
Segment loss	**(12,502.65)**	**1,309.01**	**(11,193.64)**	**-**	**(9,983.02)**
Total assets	**112,247.93**	**1,348.05**	**113,595.98**	**-**	**113,595.98**
Total liabilities	**137,772.11**	**1,539.17**	**139,311.28**	**-**	**139,311.28**

Other information:

Revenue from external customers

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
India	42,948.64	34,465.28
Outside India	22,624.63	16,868.49
Total revenue as per statement of profit or loss	**65,573.27**	**51,333.77**

The revenue information above is based on the locations of the customers.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

Non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
India	62,819.99	77,193.93
Outside India	-	-
Total	**62,819.99**	**77,193.93**

Non-current assets for this purpose consist of property, plant and equipment, capital work-in-progress, right of use assets, intangible assets and other non-current assets.

There are no sales to external customers more than 10% of total revenue.

52. Income tax expense

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021 :

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting loss before income tax	**(17,254.65)**	**(9,983.02)**
Loss before income tax multiplied by standard rate of corporate tax in India 25.168% (March 31, 2021: 25.168%)	(4,342.65)	(2,512.53)
Effects of:		
Non-deductible expenses for tax purposes	(824.72)	(485.40)
Set-off of brought forward losses	5,167.37	2,997.92
Net effective income tax	**-**	**-**

The Company has recognized deferred tax assets arising on account of brought forward tax losses and unabsorbed depreciation to the extent of the deferred tax liability arising on account of the temporary difference on depreciation of ₹2,456.11 million as at March 31, 2022 (March 31, 2021- ₹2,643.57 million).

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities	(2,456.11)	(2,643.57)
Deferred tax asset	2,456.11	2,643.57
Net deferred tax asset	-	-

Year ended March 31, 2022	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(2,643.57)	187.47	-	(2,456.11)
Brought forward losses	2,643.57	(187.47)	-	2,456.11
Total	-	-	-	-

Year ended March 31, 2021	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(4,016.38)	1,372.81	-	(2,643.57)
Brought forward losses	4,016.38	(1,372.81)	-	2,643.57
Total	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

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, 2022	As at March 31, 2021
Unused tax losses *	19,886.84	10,551.73
Unabsorbed tax depreciation #	17,632.43	16,587.47
Net deferred tax asset/ (liabilities)	**37,519.27**	**27,139.20**

 # 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

0-4 years	9,022.44	1,823.32
4-8 years	10,864.40	8,728.41
Total	**19,886.84**	**10,551.73**

The brought forward losses and unabsorbed depreciation considered above includes information from tax records and returns of the Company filed upto Assessment Year 2021-22 and does not consider the potential effect of matters under dispute/ litigation with the tax authorities which are currently sub-judice at various levels. Also refer note 48.

53. Related party transactions

Relationship	Name of the party
Party exercising control	Mr. Ajay Singh
Relatives of party exercising control	Ms. Shiwani Singh
	Ms. Avanee Singh
Enterprises over which parties above or their relatives have control/significant influence ('Affiliates')	Spice Healthcare Private Limited
Subsidiaries	SpiceJet Merchandise Private Limited
	SpiceJet Technic Private Limited
	Canvin Real Estate Private Limited
	SpiceJet Interactive Private Limited
	Spice Club Private Limited
	Spice Shuttle Private Limited
	SpiceXpress and Logistics Private Limited
	Spice Ground Handling Services Private Limited
	SpiceTech System Private Limited
Key management personnel	Mr. Ajay Singh, Chairman and Managing Director
	Ms. Shiwani Singh, Non-Executive Promoter Director
	Mr. Anurag Bhargava, Independent Director
	Mr. Ajay Chhotelal Aggarwal, Independent Director
	Mr. Manoj Kumar, Independent Director
	Mr. Kiran Koteshwar, Chief Financial Officer (upto August 31, 2020)
	Mr. Sanjeev Taneja, Chief Financial Officer (from November 11, 2020, upto August 31, 2022)
	Mr. Chandan Sand, Company Secretary

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

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

Subsidiaries	Year ended March 31, 2022	Year ended March 31, 2021
SpiceJet Merchandise Private Limited		
Transactions during the year		
Loans given/(repaid) (net)	(154.00)	0.48
Purchase of goods	5.71	13.86
Reversal of impairment allowance	(30.00)	200.00
Interest income on loan given	18.26	32.79
Services rendered	26.48	13.72
Balances outstanding as at the year end		
Investment	0.10	0.10
Loan balance	103.28	257.28
Interest accrued (gross of tax deducted at source)	51.05	32.79
Trade payables	7.92	16.29
Trade receivables	27.70	16.22
Contract asset	5.41	-
SpiceJet Technic Private Limited		
Transactions during the year		
Investment*	-	20.00
Loans given	-	40.38
Loans repaid	60.00	-
Interest income on loan given	3.89	8.03
Aircraft maintenance services taken	951.37	532.95
Income from business support services	13.18	62.48
Services rendered	144.20	113.71
Balances outstanding as at the year end		
Investment	20.10	20.10
Loan balance	25.28	85.28
Interest accrued (gross of tax deducted at source)	11.92	8.03
Trade payables	77.20	216.29
Trade receivables	-	416.12
Canvin Real Estate Private Limited		
Transactions during the year		
Interest income	30.44	30.43
Loans given	0.20	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

Subsidiaries	Year ended March 31, 2022	Year ended March 31, 2021
Balances outstanding as at the year end		
Investment	0.10	0.10
Interest accrued (gross of tax deducted at source)	60.87	30.43
Loans	238.90	238.70
SpiceJet Interactive Private Limited		
Balances outstanding as at the year end		
Investment	0.10	0.10
Spice Club Private Limited		
Balances outstanding as at the year end		
Investment	0.10	0.10
Spice Shuttle Private Limited		
Transactions during the year		
Reimbursement of expenses	-	38.88
Balances outstanding as at the year end		
Investment	0.10	0.10
Other receivables	38.88	38.88
SpiceXpress and Logistics Private Limited		
Transactions during the year		
Loan given	-	1.00
Interest income	0.13	0.04
Balances outstanding as at the year end		
Investment	0.10	0.10
Loan balance	1.00	1.00
Interest accrued (gross of tax deducted at source)	0.17	0.04
Spice Ground Handling Services Private Limited		
Transactions during the year		
Investment	-	0.10
Balances outstanding as at the year end		
Investment	0.10	0.10
SpiceTech System Private Limited		
Transactions during the year		
Investment	-	0.10
Business support services expense (IT related)	150.70	44.23
Reimbursement of expenses	-	3.93
Support service income	1.59	0.53
Services rendered	7.17	-
Balances outstanding as at the year end		
Investment	0.10	0.10

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

Subsidiaries	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Trade payables	28.27	10.87
Advance to supplier	4.47	-
Trade receivables	-	4.46
Contract assets	8.75	-

* During the previous year, loan given to subsidiary amounting to INR 20 million has been converted into equity investment

Affiliates		
Spice Healthcare Private Limited		
Transactions during the year		
Rendering of services	0.01	0.16
Balances outstanding as at the year end		
Trade receivables	0.23	0.14
Key management personnel		
Transactions during the year		
Advance given/(received) (net)	-	5.62
Balances outstanding as at the year end		
Employee advances#	12.54	24.80

#Includes balance of erstwhile Chief Financial Officer upto 31 August 2020.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2022, the Company has not recorded impairment of loans and receivables relating to amounts owed by related parties (March 31, 2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel of the Company

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Short-term employee benefits#	55.05	74.00
Share-based payment transactions*	-	(12.16)
Provident fund contribution	1.66	1.30
Total	**56.71**	**63.14**
Sitting fees		
Mr. Anurag Bhargava	0.40	0.40
Ms. Shiwani Singh	0.50	0.40
Mr. Ajay Chhotelal Aggarwal	0.40	0.40
Mr. Manoj Kumar	0.50	0.40
Total	**1.80**	**1.60**
Total compensation paid to key management personnel**	**58.51**	**64.74**

#As the liabilities for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel are not included above.

*Includes a reversal of employee stock option scheme expense of ₹Nil million (31 March 2021: ₹17.65 million) during the year towards forfeiture of employee stock options granted.

**The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

54. Fair values

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities.

Particulars	Carrying value		Fair value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets				
Investments - non-current	21.07	21.51	21.07	21.51
Investments - current	4.33	4.16	4.33	4.16
Loans	368.46	552.26	368.46	552.26
Other financial assets - non-current	9,907.08	9,899.08	9,907.08	9,899.08
Other financial assets - current	2,661.22	1,690.52	2,661.22	1,690.52
Trade receivables	2,501.94	3,464.22	2,501.94	3,464.22
Other receivables	9,853.85	16,933.84	9,853.85	16,933.84
Cash and cash equivalents	602.99	320.33	602.99	320.33
Total	**25,920.94**	**32,885.92**	**25,920.94**	**32,885.92**
Financial liabilities				
Borrowings - non-current	3,128.81	3,026.74	3,128.81	3,026.74
Borrowings - current	7,664.95	7,652.38	7,664.95	7,652.38
Trade payables - non-current	3,473.29	2,263.13	3,473.29	2,263.13
Trade payables - current	25,533.80	19,827.96	25,533.80	19,827.96
Other current financial liabilities	899.52	413.31	899.52	413.31
Total	**40,700.37**	**33,183.52**	**40,700.37**	**33,183.52**

The Management considers that the carrying amounts of financial assets and financial liabilities (except lease liability) recognised in the financial statements approximate their fair values. The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables, and other current and non-current financial liabilities and financial assets approximate their carrying amounts largely due to the short-term maturities of these financial instruments. The borrowings of the Company do not have any 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.

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

55. Fair value hierarchy

The following explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. 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

Level 1 – The use of net asset value for mutual funds on the basis of the statement received from investee party.

Level 3 - The use of adjusted net asset value method for equity investment.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities are measured at fair value in the Balance Sheet.

Particulars	Fair value hierarchy as at March 31, 2022		
	Level 1	Level 2	Level 3
Investments in mutual funds	4.33	-	-
Equity Investments*	-	-	0.17

Particulars	Fair value hierarchy as at March 31, 2021		
	Level 1	Level 2	Level 3
Investments in mutual funds	4.16	-	-
Equity Investments*	-	-	0.61

There have been no transfers between level 1 and level 2 during the year.

* The difference between current and last year represents liquidation during the year.

56. Financial risk management objectives and policies

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

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, 2022 and March 31, 2021.

Price risk

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Company diversifies its portfolio of assets.

Sensitivity analysis

If price had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2022 would decrease/increase by ₹0.22 million (March 31, 2021: decrease/increase by ₹0.21 million).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because it borrows funds at floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. As at March 31, 2022 approximately 78.96% of the Company's borrowings are at a variable rate of interest (March 31, 2021 - 57.90%)

Sensitivity analysis

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2022 would increase by ₹30.33 million and decrease by ₹36.73 million respectively. (March 31, 2021: increase/ decrease by ₹35.95 million).

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

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.

Sensitivity analysis

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, 2022 would increase/decrease by ₹5,542.14 million (March 31, 2021: increase/decrease by ₹5,504.91 million).

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

Credit risk

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

The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Trade receivables are typically unsecured and are primarily derived from cargo and other revenue streams. Majority of the Company's passenger revenue is are made against deposits made by agents. Trade receivables primarily comprise of domestic customers, which are fragmented and are not concentrated to individual customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored. At March 31, 2022, the Company had 43 customers (March 31, 2021: 40 customers) that owed the Company more than ₹10 million each and accounted for approximately 88% (March 31, 2021: 88%) of all the receivables outstanding.

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

Credit risk related to cash and cash equivalents and bank deposits is managed by only investing in deposits with highly rated banks and financial institutions and diversifying bank deposits and accounts in different banks. Credit risk related to loans and other financial assets is managed by monitoring the recoverability of such amounts continuously. Credit risk is considered low because the Company is in possession of the underlying asset (in case of security deposit) or as per trade experience (in case of unbilled revenue). Further, the Company creates provision by assessing individual financial asset for expectation of any credit loss basis 12 month expected credit loss model.

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**136.91**	**391.18**
Add: Impairment loss recognised	36.55	2.93
Less: Bad debts written off/reversed	12.97	257.20
Less: Impairment loss on loan reversed	30.00	-
Balance at the end of the year	**130.49**	**136.91**

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt markets with a view to maintaining financial flexibility.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Year ended March 31, 2022	Upto 1 year	1 to 5 years	> 5 years	Total
Financial Liabilities (Non-current and Current)				
Borrowings	7,664.95	3,028.28	100.53	10,793.76
Trade payables	25,711.23	3,702.19	-	29,413.42
Lease liabilities	35,373.50	49,363.52	27,574.87	112,311.89
Other current financial liabilities	899.52	-	-	899.52
Total	**69,649.20**	**56,093.99**	**27,675.40**	**153,418.59**

Year ended March 31, 2021	Upto 1 year	1 to 5 years	> 5 years	Total
Financial Liabilities (Non-current and Current)				
Borrowings	7,652.38	3,026.74	-	10,679.12
Trade payables	19,827.96	2,263.13	-	22,091.09
Lease liabilities	37,120.83	51,084.08	16,422.56	104,627.46
Other current financial liabilities	413.31	-	-	413.31
Total	**65,014.48**	**56,373.95**	**16,422.56**	**137,810.98**

57. Capital management

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

The Company determines the amount of capital required on the basis of annual operating plans and long-term fleet expansion plans. The funding requirements are met through internal accruals and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings. The Company monitors capital employed using a debt equity ratio, which is total debt divided by total equity.

The Company's policy is to keep the net debt to total equity ratio above (1.00).

Particulars	As at March 31, 2022	As At March 31, 2021
Long term borrowings	3,128.81	3,026.74
Short term borrowings	7,664.95	7,652.38
Cash and cash equivalents	(95.79)	(296.00)
Bank balances other than above	(507.20)	(24.33)
Net debt	10,190.77	10,358.79
Total equity	(42,884.32)	(25,715.30)
Net debt to total equity ratio	**(0.24)**	**(0.40)**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

58. Details of corporate social responsibility ('CSR') expenditure

The Company has met the criteria as specified under sub-section (1) of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

section 135 of the Act. However, the Company had made a voluntary contribution towards of ₹6.88 million during the previous year ended March 31, 2021.

59. Disclosure required under section 186(4) of Companies Act, 2013 and regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

S. No	Name of Loanee	Opening balance	Loan given	Loan repaid	Outstanding balance	Maximum outstanding balance		Purpose
						March 31, 2022	March 31, 2021	
1	SpiceJet Merchandise Private Limited	257.28	86.50	240.50	103.28	257.28	257.28	General business purpose
2	SpiceJet Technic Private Limited	85.28	-	60.00	25.28	85.28	85.28	
3	Canvin Real Estate Private Limited	238.70	0.20	-	238.90	238.90	238.70	
4	SpiceXpress and Logistics Private Limited	1.00	-	-	1.00	1.00	1.00	

60. As at March 31, 2022 the composition of the Board of Directors of the Company is not as per the requirement of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the Company has not appointed one independent woman director and the total number of directors are less than six. The Company is in the process of identifying suitable candidate for the vacant position. Post appointment of one independent woman director, the Company will comply Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

61. Ratio analysis and its elements

Ratio	Measurement unit	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Reason for variance
Current ratio	Times	Current assets	Current liabilities	0.25	0.33	Change in ratio is less than 25% as compared to previous year and hence, no explanation required.
Debt-equity ratio	Times	Total Debt	Total equity	(1.94)	(3.70)	The ratio has decreased due to losses incurred in the current year
Debt service coverage ratio	Times	Earnings before interest, tax, depreciation and amortisation	Interest expense (including capitalised) + Principal repayment	0.03	0.56	Earnings before income and tax has decreased due to increase in Aircraft turbine fuel prices and foreign exchange loss incurred during the current year
Return on equity ratio	%	Profit after tax	Average of total equity	NA	NA	Return on equity is not applicable as the Company has a negative net worth
Inventory turnover ratio	Times	Costs of materials consumed	Average inventories	17.80	12.98	The increase is due to increase in consumption of Inflight inventory as operations has normalised during the current year
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables	21.96	16.09	Increase is due to increase in revenue from operations during the current year
Trade payables turnover ratio	Times	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	1.67	1.96	Change in ratio is less than 25% as compared to previous year and hence, no explanation required.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

Ratio	Measurement unit	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Reason for variance
Net capital turnover ratio	Times	Revenue from operations	Working capital	(1.13)	(1.08)	Change in ratio is less than 25% as compared to previous year and hence, no explanation required.
Net profit ratio	%	Profit after tax	Revenue from operations	-26%	-19%	PAT has decreased due to increase in ATF prices and foreign exchange loss incurred during the current year
Return on capital employed	%	Earnings before interest and taxes	"Capital employed "	1%	13%	EBIT has decreased due to increase in ATF prices and foreign exchange loss incurred during the current year
Return on investment	%	Profit after tax	Equity share capital + Instruments entirely equity in nature + Securities premium	5%	9%	Lower yield on bank deposit has led to decrease in the ratio

62.

A. The Company has not advanced or loaned or invested funds to any person or any entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Company (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B. The Company has not received any fund from any person or any entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Funding Party (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

63. In an old matter between the Company and Credit Suisse emanating from an agreement dated 24 November 2011 between the Company and SRT Technics ("SRT") for provision of engine maintenance services ("Agreement"), the Madras High Court has allowed the petition for winding up of the Company for non-payment of amounts aggregating to USD 24.01 million (equivalent to ₹1,787.30 million) to Credit Suisse, as assignee of SRT. The Company opposed the petition inter-alia on the grounds that there is no legally enforceable debt because SRT, did not possess the relevant Directorate General of Civil Aviation ("DGCA") approval for provision of services under the Agreement. However, the Madras High Court despite holding that SRT did not have a valid authorization from DGCA to carry out engine maintenance during the period of the Agreement, rejected the Company's defence and ordered winding up of the Company. The winding up Order of Madras High Court was immediately stayed on the condition of Company providing security of USD 5 million (equivalent to ₹373.20 million) and to allow the Company to appeal against the order. The challenge before the Division Bench of the Madras High Court was also rejected while maintaining the stay of winding up order and subsequently the Company preferred a Special Leave Petition before the Hon'ble Supreme Court of India ("the Supreme Court"). The Supreme Court on January 28, 2022 stayed the order of winding up to facilitate settlement between the parties. The parties entered into a settlement on May 23, 2022 and have filed the settlement consent terms with the Supreme Court for appropriate order and disposal of the matter. Consequently, the Supreme Court on August 18, 2022 has dismissed the Special Leave Petition as withdrawn and directed the parties to abide by the settlement terms.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

64. Previous period/year numbers have been regrouped/reclassified wherever considered necessary.

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

Balance sheet	As at March 31, 2021 (Reported)	Adjustments	As at March 31, 2021 (Reclassified)
Assets			
Non-current assets			
Investments in subsidiaries	20.90	(20.90)	-
Financial assets			
(i) Investments	0.61	20.90	21.51
(ii) Loans	5,410.57	(4,858.31)	552.26
(iii) Other financial assets	5,040.77	4,858.31	9,899.08
Other non-current assets			
Current assets			
Financial assets			
Loans	342.70	(342.70)	-
(vi) Other financial assets	1,347.82	342.70	1,690.52
Other current assets	1,812.85	(159.26)	1,653.59
Liabilities			
Non-current liabilities			
Financial liabilities			
(iii) Trade payables			
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	2,263.13	2,263.13
Provisions	5,049.94	(2,263.13)	2,786.81
Current liabilities			
Financial liabilities			
(i) Borrowings	4,044.79	3,607.59	7,652.38
(iii) Trade payables			
- total outstanding dues of creditors other than micro enterprises and small enterprises	16,588.07	2,721.67	19,309.74
(iv) Other financial liabilities	4,020.90	(3,607.59)	413.31
Provisions	5,373.22	(2,880.93)	2,492.29

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

Statement of profit and loss	Year ended March 31, 2021 (Reported)	Adjustments	Year ended March 31, 2021 (Reclassified)
Other income	9,335.59	(1,210.62)	8,124.97
Finance costs	(6,020.50)	1,210.62	(4,809.88)

65. Adoption of accounts

The standalone financial statements were approved for issue by the board of directors on August 31, 2022

As per our report of even date.

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

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 31, 2022

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 31, 2022

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 31, 2022

Joyakesh Podder
Senior Vice President - Finance
Place: Gurugram
Date: August 31, 2022

Independent Auditor's Report

To the Members of SpiceJet Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of SpiceJet Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure A, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2022, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in Note 49 to the accompanying consolidated financial statements, the management of the Holding Company had recognized recoverable of ₹15,549.03 million over the period up to September 30, 2021 for recovery of rent, maintenance and other expenses incurred on Boeing 737 Max aircrafts, which had been grounded since March 2019. As further explained in the said note, the Holding Company has settled the aforesaid claims with Boeing and 737 Max aircraft lessors during the quarter ended December 31, 2021 and has recognised further amounts as 'other income'. In our assessment, there was no virtual certainty to recognise any recoverable until September 30, 2021, as required under Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets' and accordingly, upon settlement of the said claims, the Holding Company should have restated the comparative periods to reverse the recoverable along with consequent reversal of 'other income' and related 'foreign exchange gain/ (loss)' impact recorded in such earlier periods, and should have recorded the entire settlement amount in the year ended March 31, 2022 in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Had the Holding Company recognised the entire settlement gain during the year ended March 31, 2022 with restatement of earlier periods, the reported loss for the year ended March 31, 2022 would have been lower by ₹12,419.18 million. Our opinion for the year ended March 31, 2021 was also qualified in respect of this matter.

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 Consolidated Financial Statements section of our report. We are independent of the Group, 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 consolidated 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 2(A)(a)(iii) to the accompanying consolidated financial statement which describes that the Group has incurred a net loss (after other comprehensive income) of ₹17,410.03 million during the year ended March 31, 2022 and, as of that date, the Group's accumulated losses amount to ₹59,592.94 million which have resulted in complete erosion of its net worth of the Group and the current liabilities have exceeded its current assets by ₹64,464.98 million as at March 31, 2022. 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 Group's ability to continue as a going concern. However, based on the factors mentioned in the foresaid note including re-negotiation of payment terms to various parties, management is of the view that the going concern basis of accounting is appropriate.

   In relation to the above key audit matter, our audit work included, but was not restricted to, the following procedures:

   - Obtained an understanding of the management's process for identification of events or conditions that may cast significant doubt over the Group's ability to continue as a going concern and the process to assess the corresponding mitigating factors existing against each such event or condition;
   - Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management;
   - Obtained the cash flow projections for the next

twelve months from the management, basis their future business plans;

- Held discussions with the management personnel to understand the assumptions used and estimates made by them for determining the cash flow projections for the next twelve months;
- Evaluated the reasonableness of the key assumptions such as expected growth in the revenue, expected saving in the costs etc. based on historical data trends, future market trends, existing market conditions, business plans and our understanding of the business and the industry;
- Tested the arithmetical accuracy of the calculations and performed sensitivity analysis around possible variation in the above key assumptions; and
- Evaluated the appropriateness and adequacy of disclosures in the consolidated financial statements with respect to this matter in accordance with the applicable accounting standards.

Our opinion is not modified in respect of this matter.

Emphasis of Matters

6. We draw attention to the following notes to the consolidated financial statements:

a) Note 48 which describes the uncertainty relating to the outcome of ongoing litigation with erstwhile promoters which is pending with the Hon'ble High Court of Delhi and certain resultant possible non- compliances of applicable provisions of the Act. The final outcome of these litigations is presently unascertainable. Further, based on internal assessment and legal advice obtained, the management is of the view that any possible consequential effects (including penal consequences and any compounding thereof) are not likely to have a material impact on the consolidated financial statements of the Group and accordingly, no adjustment has been made to the consolidated financial statements in respect of aforesaid matters.

b) Note 50 which describes the effects of uncertainties relating to the outbreak of Covid-19 pandemic and the management's evaluation of its impact on the Group's operations and the consolidated financial statements of the Group as at March 31, 2022.

Our opinion is not modified in respect of this matter.

Key Audit Matters

7. Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

8. In addition to the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern sections, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Recognition of passenger revenue We refer to notes 2 and 31 to the consolidated financial statements for accounting policies and disclosures relating passenger revenue. The Holding Company recognizes passenger revenue on flown basis i.e., when the service is rendered. Till that time, the money received is presented as deferred revenue (i.e., contract liabilities) in the balance sheet under the head other current liabilities and is measured basis the net sales price to the customer. In accounting for its passenger revenue, the Holding Company relies on the effectiveness of the integrated Information Technology ('IT') system which processes large volumes of individually low value transactions. Based on the data provided by the said IT system, the journal entries are manually posted into the general ledger (financial reporting IT system) for recognition of passenger revenue. Considering the significance of amount involved and complicated IT systems that handle large volumes of transaction data, including exchange of information with online travel agents, recognition of passenger revenue has been identified as a key audit matter for current year's audit.	Our procedures in relation to passenger revenue included, but not limited to the following: • Obtained and updated our understanding of the revenue business process for each stream of revenue; • Understood the revenue recognition policy of the Holding Company and ensured that it is in line with Ind AS 115 'Revenue from Contracts with Customers'; • Involved our IT specialists to evaluate design and test operating effectiveness of IT general controls and key automated controls of the Holding Company's IT system and third-party systems (assessed the SSAE 16 assurance report) which govern revenue recognition and tested key manual internal controls over passenger revenue recognition; • Verified the reconciliation of data between the third-party system and the general ledger (financial reporting IT system) to corroborate the completeness of revenue; • Performed data analytics to identify unusual patterns by comparing the trend in monthly revenue, sector-wise revenue and average revenue per passenger; • For samples selected during the year and samples selected in reference to cut-off procedures, tested supporting documents; and • Evaluated the appropriateness and adequacy of the disclosures made in the consolidated financial statements for passenger revenue recognized during the year.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Provision for maintenance in relation to aircrafts

We refer to notes 2, 23 and 30 of the consolidated financial statements for accounting policies, disclosures and information related to accounting judgements, assumptions and estimates relating to provision for aircraft maintenance.

The Holding Company operates aircrafts held under lease arrangements and incurs liabilities for maintenance costs in respect of these aircrafts during the term of the lease. As at March 31, 2022, the Holding Company has recognized provisions for aircraft maintenance amounting to ₹3,816.00 million. These costs arise from regulatory and contractual obligations relating to the condition of the aircrafts and/or specific components when they are returned to the lessors.

At each reporting date, the calculation of the maintenance provision includes a number of variable factors and assumptions including: anticipated utilization of the aircraft; the cost of the expected heavy maintenance check; the condition of the aircraft engine, contractual return condition and the expected drawdown from the supplemental rental contribution.

Considering the inherent level of complexity and subjectivity involved in the management estimates and judgements for assessing the variable factors, in order to quantify the provision amounts and hence, provision for aircraft maintenance has been selected as a key audit matter for the current year's audit.

</td><td>

Our audit procedures in relation to provision for aircraft maintenance included, but not limited to the following:

- Obtained an understanding from the management with respect to process and controls followed by the Holding Company to ensure appropriateness of recognition, measurement and completeness of provision for maintenance in relation to aircrafts;
- Evaluated the design and tested the operating effectiveness of the internal controls over maintenance process including accounting for provision for aircrafts maintenance held under the lease contract;
- Read the maintenance contracts with third parties to gain an understanding of the significant terms relating to maintenance of aircrafts and its components;
- Obtained information from engineering department about the aircrafts utilization pattern (basis analysis of historical flight hours) and expected condition of the aircraft (basis underlying engine inspections and results) in reference to the expected future maintenance event dates and expected estimated cost of maintenance work;
- Evaluated the consistency and reasonableness of the above judgements, assumptions and estimates by testing the input data basis historical available trends/information, contract terms and Holding Company's past experience;
- Tested the arithmetical accuracy of the calculation for provision balance outstanding as at March 31, 2022; and
- Evaluated appropriateness and adequacy of the disclosures made in consolidated financial statements with respect to the provision for aircrafts maintenance.

</td></tr>
<tr><td>

Accounting of lease rent concessions/ modifications

We refer to notes 2 and 45 of the consolidated financial statements for accounting policies and disclosures relating to leases.

During the current year, due to the impact of Covid-19, the Holding Company has negotiated various concession/ benefits with the various lessors in respect of aircrafts and engines taken on lease. These amendments in lease agreements included extension in lease period, rent waivers, rent reduction, deferment of payment and change in the nature of rent.

The management evaluated each lease addendum for application of practical expedient guidance prescribed in amendments related to Ind AS 116 and wherever it's met, the Holding Company has recognized the benefit in statement of profit and loss and wherever it's not met, the Holding Company applied the modification principles prescribed in Ind AS 116 and accordingly accounted.

The Holding Company has recognized ₹718.98 million in statement of profit and loss and ₹774.37 million in the carrying value of right-of-use assets for 'modification'.

Considering the judgement involved in assessment of appropriate accounting, such lease rent concessions/ modifications has been identified as a key audit matter for the current year's audit.

</td><td>

Our audit procedures in relation to lease rent concession/ modifications included, but not limited to the following:

- Obtained an understanding from the management with respect to process and controls followed by the Holding Company to ensure appropriateness of accounting of lease rent concessions;
- Evaluated the design and tested the operating effectiveness of the internal controls over accounting of leases as per the requirement of Ind AS 116;
- Obtained the lease addendums and held discussions with appropriate client personnel to understand the revised terms;
- Evaluated whether each lease addendum met the practical expedient guidance or modification related principles as prescribed in Ind AS 116;
- Obtained Holding Company's calculation of revised right of use assets and lease liabilities for such concessions/ modification and tested the calculations and arithmetical accuracy for the balance outstanding as at March 31, 2022; and
- Evaluated appropriateness and adequacy of the disclosures made in consolidated financial statements with respect to lease rent concessions/modification.

</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
Impairment of non-financial assets We refer to notes 2, 3 and 4 of the consolidated financial statements for accounting policies and information related to accounting judgements, assumptions and estimates relating to impairment of non-financial assets. During the current year, due to the Covid-19 pandemic, impairment indicators were identified in reference to non-financial assets namely right- of-use (ROU) assets and property, plant and equipment (PPE). The Holding Company has identified its fleet of passenger aircrafts and freighter aircrafts as separate cash generating units (CGUs) and accordingly performed impairment assessment in accordance with the accounting principles and determined the value-in-use of its cash generating units (CGUs) and compared with the carrying values of the respective assets. The future cash flow projections and its discounting involved significant inputs such as expected fuel prices, foreign exchange rates, growth rate and discount rate, the determination of these inputs were inherently uncertain due to Covid-19 related travel restrictions and resultant decrease in travel demand. The management has concluded that the recoverable amount of the CGU is higher than its carrying amount and accordingly, no impairment provision has been recorded as at March 31, 2022. Considering significant management judgements involved in determination of said inputs used in computation, impairment of non-financial assets has been identified as a key audit matter for the current year's audit.	Our audit procedures in relation to impairment assessment included, but not limited to the following: • Obtained an understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing and the management process of determining the Value-in- Use (VIU); • Evaluated design and tested the operating effectiveness of relevant internal financial controls implemented for impairment assessment; • Obtained and assessed the management's impairment assessment computation by testing the underlying assumptions used by the management in determining the cash flow projections and VIU; • Together with our valuation specialists, challenged the management on the underlying key assumptions used for cash flow projections and discount rate, considering evidence available to support these assumptions and our understanding of the business; • Engaged in discussions with the management to assess the impact of Covid-19 on cash flow projections; • Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management; • Tested the arithmetical accuracy of the cash flow projections; and • Evaluated the appropriateness and adequacy of the disclosures made in the consolidated financial statements with respect to impairment of non-financial assets.

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

9. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

10. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

11. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

12. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

14. 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 consolidated 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 Holding Company has adequate internal financial controls system with reference to consolidated 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern;

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

    - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors.

15. 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.

16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that nine subsidiary companies incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.

19. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements for the year ended March 31, 2022 and covered under the Act we report that:

    A) Following are the qualifications/adverse remarks reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended March 31, 2022, for which such order reports have been issued till date:

S No	Name	CIN	Holding Company/ subsidiary	Clause number of the CARO report which is qualified or adverse
1	SpiceJet Limited	L51909DL1984PLC288239	Holding Company	Clause (v)
2	SpiceJet Limited	L51909DL1984PLC288239	Holding Company	Clause (vii) (a)
3	SpiceJet Limited	L51909DL1984PLC288239	Holding Company	Clause (ix) (a)
4	Canvin Real Estate Private Limited	U70109DL2017PTC326068	Subsidiary Company	Clause (vii) (a)
5	SpiceJet Merchandise Private Limited	U52520DL2016PTC303136	Subsidiary Company	Clause (vii) (a)
6	Spice Shuttle Private Limited	U62100DL2019PTC356667	Subsidiary Company	Clause (vii) (a)
7	SpiceTech System Private Limited	U72900DL2020PTC373102	Subsidiary Company	Clause (vii) (a)
8	SpiceJet Technic Private Limited	U74999DL2016PTC306819	Subsidiary Company	Clause (vii) (a)
9	SpiceXpress and Logistics Private Limited	U63030DL2019PTC359462	Subsidiary Company	Clause (vii) (a)

20. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, except for the effects of the matter described in paragraph 3 of the Basis for Qualified Opinion section with respect to the consolidated financial statements of the Holding Company;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

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

    e) The matters described in paragraph 3 and 6(a) under the Basis for Qualified Opinion section and Emphasis of Matters section respectively, in our opinion, may have an adverse effect on the functioning of the Holding Company. Further, the matters described in paragraph 5 and 6(b) under the Material Uncertainty Related to Going Concern section and Emphasis of Matters section respectively, in our opinion, may have an adverse effect on the functioning of the Holding Company and SpiceJet Technic Private Limited, a subsidiary of the Holding Company

    f) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies, and taken on record by the Board of Directors of the respective companies none of the directors of the Group companies are disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act.

    g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section with respect to the holding Company;

    h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed a modified 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 46 and 47 to the consolidated financial statements;

ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2022;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies covered under the Act, during the year ended March 31, 2022;

iv. (a) The respective managements of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in note 61A to the consolidated 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 Holding Company or its subsidiary companies to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.

(b) The respective managements of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 61B to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies companies 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 by us, 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 Holding Company and its subsidiary companies have not declared or paid any dividend during the year ended March 31, 2022

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

Neeraj Goel
Partner
Membership Number: 099514
UDIN : 22099514AQKHOE5653
Place : Gurugram
Date : August 31, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF SPICEJET LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

List of entities included in the Consolidated Financial Statements

Subsidiary companies

1. SpiceJet Merchandise Private Limited;
2. SpiceJet Technic Private Limited;
3. SpiceJet Interactive Private Limited;
4. Spice Shuttle Private Limited;
5. Spice Club Private Limited;
6. Canvin Real Estate Private Limited;
7. SpiceXpress and Logistics Private Limited;
8. Spice Ground Handling Services Private Limited; and
9. SpiceTech System Private Limited

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF SPICEJET LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 consolidated financial statements of SpiceJet Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the financial statements criteria established by the respective companies 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 internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

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 consolidated financial statements.

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 Holding Company's internal financial controls with reference to financial statements as at March 31, 2022:

   The Holding Company's internal financial control system over recognition of other income as required by Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and restatement of the comparative periods in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', were not operating effectively, which has resulted in material misstatements in other income, other receivables, related foreign exchange gain/loss on restatement and its consequential impact on earnings, equity and related disclosures, as explained in Note 49 to the accompanying consolidated financial statements.

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

9. In our opinion, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements as at March 31, 2022, based on internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal controls stated in the Guidance Note issued by the ICAI, and except for the effect of the material weakness described above on the achievement of the objectives of the control criteria, the Group's internal financial controls with reference to financial statements were operating effectively as at March 31, 2022.

10. 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 March 31, 2022, consolidated financial statements of the Group, and the material weakness has affected our audit of the consolidated financial statements of the Group and we have issued a qualified opinion on the aforesaid consolidated financial statements.

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

Neeraj Goel
Partner
Membership Number: 099514
UDIN: 22099514AQKHOE5653
Place: Gurugram
Date: August 31, 2022

Consolidated Balance Sheet

as at March 31, 2022

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

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,424.61	14,792.13
Capital work-in-progress	6	63.42	58.35
Right of use assets	4	42,227.83	55,411.94
Intangible assets	5	39.82	123.16
Financial assets			
(i) Investments	7	0.17	0.61
(ii) Other financial assets	8	9,783.10	9,828.88
Income-tax assets	9	952.24	304.46
Other non-current assets	10	7,393.09	7,134.13
Total non-current assets		**73,884.28**	**87,653.66**
Current assets			
Inventories	11	1,508.72	1,672.92
Financial assets			
(i) Investments	12	4.33	4.16
(ii) Trade receivables	13	2,532.79	3,211.19
(iii) Other receivables	14	9,888.85	16,933.84
(iv) Cash and cash equivalents	15A	112.95	330.91
(v) Bank balances other than (iv) above	15B	513.86	24.33
(vi) Other financial assets	16	2,705.41	1,720.57
Other current assets	17	4,394.37	1,965.33
Total current assets		**21,661.28**	**25,863.25**
Total assets		**95,545.56**	**113,516.91**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	6,017.97	6,009.37
Other equity	19	(49,418.65)	(32,051.82)
Equity attributable to owners of the Holding Company		**(43,400.68)**	**(26,042.45)**
Non-controlling interests		(1.90)	-
Total equity		(43,402.58)	(26,042.45)
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	3,128.81	3,026.74
(ii) Lease liabilities	21	43,325.65	53,635.92
(iii) Trade payables	22		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		3,473.29	2,263.13
Provisions	23	2,775.55	2,792.21
Other non-current liabilities	24	118.58	135.62
Total non-current liabilities		**52,821.88**	**61,853.62**
Current liabilities			
Financial liabilities			
(i) Borrowings	25	7,664.95	7,652.38
(ii) Lease liabilities	26	29,202.83	30,862.03
(iii) Trade payables	27		
- total outstanding dues of micro enterprises and small enterprises		542.60	518.22
- total outstanding dues of creditors other than micro enterprises and small enterprises		25,586.82	19,488.95
(iv) Other financial liabilities	28	943.47	422.18
Other current liabilities	29	18,222.87	16,265.32
Provisions	30	3,962.72	2,496.66
Total current liabilities		**86,126.26**	**77,705.74**
Total liabilities		**138,948.14**	**139,559.36**
Total equity and liabilities		**95,545.56**	**113,516.91**

Summary of significant accounting policies 2

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

As per our report of even date.

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 31, 2022

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 31, 2022

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 31, 2022

Joyakesh Podder
Senior Vice President - Finance
Place: Gurugram
Date: August 31, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

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

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	31	66,035.94	51,714.48
Other income	32	9,681.21	7,800.38
Total income		**75,717.15**	**59,514.86**
Expenses			
Operating expenses	34A	57,671.36	38,990.47
Purchase of stock-in-trade	34B	943.97	948.44
Changes in inventories of stock-in-trade	34C	64.33	(37.51)
Employee benefits expense	35	7,536.42	6,852.78
Sales and marketing expenses	36	1,219.46	766.76
Other expenses	37	5,153.19	4,570.29
Foreign exchange loss/(gain), (net)	39	2,621.83	(2,237.63)
Total expense		**75,210.56**	**49,853.60**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**506.59**	**9,661.26**
Depreciation and amortisation expense	40	(12,933.36)	(15,611.93)
Finance income	33	588.27	468.38
Finance costs	38	(4,829.61)	(4,816.57)
Loss for the year before exceptional items and tax		**(16,668.11)**	**(10,298.86)**
Exceptional items	41	(774.58)	-
Loss before tax		**(17,442.69)**	**(10,298.86)**
Tax expense		-	-
Loss for the year		**(17,442.69)**	**(10,298.86)**
Other comprehensive income:			
Items that will not be reclassified to statement of profit and loss:			
Remeasurement gains on defined benefit obligations		32.56	16.99
Income tax impact		-	-
Other comprehensive income for the year		32.56	16.99
Total comprehensive income for the year		**(17,410.13)**	**(10,281.87)**
Net profit for the year attributable to:			
- Owners of the Holding Company		(17,440.79)	(10,298.86)
- Non-controlling interests		(1.90)	-
		(17,442.69)	**(10,298.86)**
Other comprehensive income for the year attributable to:			
- Owners of the Holding Company		32.56	16.99
- Non-controlling interests		-	-
		32.56	**16.99**
Total comprehensive income for the year attributable to:			
- Owners of the Holding Company		(17,408.23)	(10,281.87)
- Non-controlling interests		(1.90)	-
		(17,410.13)	**(10,281.87)**
Earnings per equity share	42		
- Basic		(29.01)	(17.14)
- Diluted		(29.01)	(17.14)

Summary of significant accounting policies 2

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

As per our report of even date.

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

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 31, 2022

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 31, 2022

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 31, 2022

Joyakesh Podder
Senior Vice President - Finance
Place: Gurugram
Date: August 31, 2022

Consolidated Cash Flow Statement

for the year ended March 31, 2022

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities		
Loss before tax and exceptional items	**(17,442.69)**	**(10,298.86)**
Adjustments for:		
Depreciation and amortisation expense	12,933.36	15,611.93
Impairment of trade receivables	58.27	21.25
Property, plant and equipment written off	53.70	-
Loss on sale of property, plant and equipment (net)	6.13	0.90
Advances/other balances written off	128.52	26.59
Share based payment expense	41.40	52.29
Liabilities/provision no longer required written back	(1,538.64)	(1,690.40)
Interest on lease liabilities	2,905.07	2,825.35
Finance costs - others	1,924.54	1,991.22
Interest income from financial assets measured at amortised cost	(253.37)	(15.39)
Interest income	(334.90)	(452.99)
Net gain on financial assets measured at fair value through profit or loss	(0.17)	(0.27)
Unrealised foreign exchange loss/(gain)	2,918.14	(2,367.49)
Operating profit before working capital changes	**1,399.36**	**5,704.13**
Movements in working capital:		
Trade and other receivables	(829.82)	(4,369.70)
Inventories	164.20	142.95
Other financial assets	416.40	268.29
Other assets	(581.97)	102.75
Trade payables	6,453.34	369.42
Other financial liabilities	409.78	(150.04)
Other liabilities	1,940.51	409.77
Provisions	1,313.02	(568.65)
Cash flows from operations	**10,684.82**	**1,908.92**
Income taxes (paid)/received (net of refunds)	(647.78)	374.18
Net cash flows from operating activities (A)	**10,037.04**	**2,283.10**
Cash flow from investing activities		
Purchase of property, plant and equipment and capital work-in-progress (including capital advances)	(371.80)	(769.40)

Consolidated Cash Flow Statement (Contd.)

for the year ended March 31, 2022

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Proceeds from sale of property, plant and equipment	51.79	130.05
Sale/(purchase) of investments	0.44	(0.11)
Movement in bank deposits (net)	(489.53)	95.89
Movement in margin money (net)	(1,011.56)	1,976.02
Finance income received	330.62	689.33
Net cash flows (used in)/from investing activities (B)	**(1,490.04)**	**2,121.78**
Cash flow from financing activities		
Proceeds from issue of equity shares on exercise of stock options	8.60	8.61
Proceeds long-term borrowings	1,475.18	-
Movement in short-term borrowings (net)	(1,708.23)	(75.27)
Repayment of lease liabilities (including interest)	(8,011.35)	(3,801.10)
Finance costs paid	(542.16)	(499.61)
Net cash used in financing activities (C)	**(8,777.96)**	**(4,367.37)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(230.96)**	**37.51**
Effects of exchange difference on cash and cash equivalents held in foreign currency	13.00	(4.68)
Cash and cash equivalents at the beginning of the year	330.91	298.08
Cash and cash equivalents at the end of the year	**112.95**	**330.91**
Notes :		
Components of cash and cash equivalents (refer note 15A)		
Balance with banks in current accounts	110.10	276.06
Fixed deposits	0.43	1.06
Cash on hand	2.42	53.79
	112.95	**330.91**

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

As per our report of even date.

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

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 31, 2022

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 31, 2022

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 31, 2022

Joyakesh Podder
Senior Vice President - Finance
Place: Gurugram
Date: August 31, 2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

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

a. Equity Share Capital:

Equity shares of ₹10 each issued, subscribed and fully paid	Number	Amount
As at April 01, 2020	**600,076,299**	**6,000.76**
Issued during the year pursuant to exercise of employee stock options	860,604	8.61
At March 31, 2021	**600,936,903**	**6,009.37**
Issued during the year pursuant to exercise of employee stock options	859,712	8.60
At March 31, 2022	**601,796,615**	**6,017.97**

b. Other equity

For the year ended March 31, 2022

Particulars	Reserves and surplus					Total other equity
	Securities premium	General reserve	Share options out-standing account	Retained earnings	Foreign currency monetary item translation difference account (FCMITDA)	
As at April 01, 2021	**10,054.58**	**-**	**78.31**	**(42,184.71)**	**-**	**(32,051.82)**
Loss for the year	-	-	-	(17,440.79)	-	(17,440.79)
Other comprehensive income	-	-	-	32.56	-	32.56
Total comprehensive income	**10,054.58**	**-**	**78.31**	**(59,592.94)**	**-**	**(49,460.05)**
Share based payment expense	-	-	41.40	-	-	41.40
Movement during the year	-	-	-	-	-	-
Transfer to securities premium on exercise of stock options	79.51	-	(79.51)	-	-	-
Recognised in the statement of profit and loss	-	-	-	-	-	-
Others	-	-	-	-	-	-
As at March 31, 2022	**10,134.09**	**-**	**40.20**	**(59,592.94)**	**-**	**(49,418.65)**

For the year ended March 31, 2021

Particulars	Reserves and surplus					Total other equity
	Securities premium	General reserve	Share options out-standing account	Retained earnings	Foreign currency monetary item translation difference account (FCMITDA)	
As at April 01, 2020	**9,949.45**	**49.09**	**131.15**	**(31,952.26)**	**17.83**	**(21,804.74)**
Loss for the year	-	-	-	(10,298.86)	-	(10,298.86)
Other comprehensive income	-	-	-	16.99	-	16.99
Total comprehensive income	**9,949.45**	**49.09**	**131.15**	**(42,234.13)**	**17.83**	**(32,086.61)**
Transfer to retained earnings	-	(49.09)	-	49.09	-	-
Share based payment expense	-	-	52.29	-	-	52.29
Transfer to securities premium on exercise of stock options	105.13	-	(105.13)	-	-	-
Recognised in the statement of profit and loss	-	-	-	-	(17.83)	(17.83)
Others	-	-	-	0.33	-	0.33
As at March 31, 2021	**10,054.58**	**-**	**78.31**	**(42,184.71)**	**-**	**(32,051.82)**

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

As per our report of even date.

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 31, 2022

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 31, 2022

Chandan Sand
Company Secretary

Place: Gurugram
Date: August 31, 2022

Joyakesh Podder
Senior Vice President - Finance
Place: Gurugram
Date: August 31, 2022

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

1. Corporate information

The consolidated financial statements comprises of financials statement of SpiceJet Limited ('SpiceJet' or 'the Company' or 'the Holding Company') and its subsidiaries (collectively, 'the Group') for the year ended March 31, 2022. The Holding Company was incorporated on February 9, 1984, as a limited company under the Companies Act and is listed on the BSE Limited ('BSE'). The registered office of the Holding Company is located at Indira Gandhi International Airport, Terminal 1D, New Delhi – 110037.

The Group is engaged principally in the business of providing air transport services for the carriage of passengers and cargo and other allied activities. Information on the Group's structure is provided in Note 59. Information on other related party relationships of the Group is provided in Note 53.

The consolidated financial statements were approved for issue by the board of directors on August 31, 2022.

2. A. Summary of significant accounting policies

a) Basis of preparation of financial statements

i. Statement of compliance

The consolidated financial statements (also referred as 'financial statements') of the Group for the year ended March 31, 2022 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 (₹) (functional and presentation currency of the Holding Company) and all values are rounded off to the nearest millions, except where otherwise indicated.

ii. Historical cost convention

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

iii. Going concern assumption

The Group has incurred a net loss (after other comprehensive income) of ₹17,410.13 million for the year ended March 31, 2022, and as of that date, the Group has negative retained earnings of ₹59,594.84 million and negative net worth (except non-controlling interests) of ₹43,400.68 million. The negative retained earnings have been primarily driven by adjustments on account of implementation of Ind AS 116 during financial year 2019-20, adverse foreign exchange rates, fuel prices, pricing pressures, other business factors and the impact of Covid-19, whose effects have continued to have an impact on the financial statements for the year ended March 31, 2022.

On account of its operational and financial position, and the impact of the ongoing Covid-19 pandemic, the Group has deferred payments to various parties, including lessors and other vendors and its dues to statutory authorities. Where determinable, the Group has accrued for additional liabilities, if any, on such delays in accordance with contractual terms/ applicable laws and regulations and based on necessary estimates and assumptions. Additionally, the Group has also accounted for liabilities arising out of various litigation settlements. The impact arising out of event mentioned in Note 62 has also been considered by the management in its evaluation. However, it is not practically possible to determine the amount of all such costs or any penalties or other similar consequences resulting from contractual or regulatory non-compliances. The management is confident that they will be able to negotiate settlements in order to minimize/avoid any or further penalties. In view of the foregoing, no amounts of such penalties have been recorded in these financial statements.

The Group continues to implement various measures such as enhancing customer experience, improving selling and distribution, revenue management, fleet rationalization, optimizing aircraft utilization, redeployment of capacity in key focus markets, management and employee compensation revision, renegotiation of contracts and other costs control measures, to help the Group establish consistent profitable operations and cash flows in the future.

With increase in freighter operation and yields, the Group has earned revenue of ₹19,436.10 million for the year ended March 31, 2022 as compared to ₹11,175.39 million for the year ended March 31, 2021. The Group has earned revenue from passenger business of ₹46,340.52 million for the year ended March 31, 2022 as compared to ₹40,501.91 million for the year ended March 31, 2021. During the year ended March 31, 2022, the Group has able to raise funds for an amount of ₹1,470.00 million, under Emergency Credit Line Guarantee Scheme ('ECLGS') scheme. Further, the

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Group is in continuous discussions with banks/financial institution to raise additional funds under ECLGS 3.0 (extension) scheme and such discussions are in advance stage. Further, the Board has also approved for raising of fresh capital through issue of eligible securities to qualified institutional buyer, in accordance with applicable law. Based on the foregoing and their effect on business plans and cash flow projections, the management is of the view that the Group will be able to achieve profitable operations and raise funds as necessary, in order to meet its liabilities as they fall due. These conditions indicate the existence of uncertainty that may create doubt about the Group's ability to continue as a going concern. However, based on the factors mentioned in this note including re-negotiation of payment terms to various parties, the management is of the view that the going concern basis of accounting is appropriate. The auditors have included 'Material Uncertainty Related to Going Concern' paragraph in their audit report.

iv. Critical accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation/uncertainty and judgements in applying accounting policies that have the most significant effect on the financial statements are as follows:

Note 2(A) (i)(iii)(a) and 44 – measurement of defined benefit obligations: key actuarial assumptions.

Note 2(A) (l)(ii) – judgement required for leases.

Note 2(A) (d) and (e) – measurement of useful life and residual values of property, plant and equipment and useful life of intangible assets.

Note 2(A) (m) and (q) – estimation of provision of maintenance.

Note 2(A) (r) – judgement required in impairment assessment.

Note 2(A) (j) – judgement required to determine probability of recognition of deferred tax assets.

Note 2(A) (l)(i) – estimation of provision for aircraft redelivery.

Note 2(A) (x) – judgment relation to contingent liability.

b) Basis of Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other voting right holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights; or
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the Group uses accounting policies other

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group entity's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Consolidation procedures

i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full) including related tax impacts. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

iv. Non-controlling interests, presented as a part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss balance (including other comprehensive income ('OCI') is attributed to the equity holders of the Holding Company and to the non-controlling interests, basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

c) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

The Group has identified twelve months as its operating cycle.

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.

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

For depreciation purposes, the Group 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

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.

The Group has opted to avail the exemption under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in financial statements for the year ended immediately before beginning of first Ind AS financial reporting period as per Indian GAAP (i.e., till March 31, 2016). Consequent to which exchange differences arising on long-term foreign currency monetary items related to acquisition of certain Bombardier Q400 aircraft are capitalized and depreciated over the remaining useful life of the asset.

Depreciation

The Group, based on technical assessment made by experts and management estimates, depreciates certain items of property, plant and equipment over-estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. 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 Group has used the following rates to provide depreciation on its property, plant and equipment.

Asset description	Useful life estimated by the management (years)
Plant and equipment	15
Rotable and tools	20
Office equipment	5
Computers	3 - 6
Furniture and fixtures	10
Motor vehicles	8
Leasehold improvements	Over the period of lease
Aircraft, engines and landing gear (excluding cost of major inspection)	8 - 20
Cost of major inspection	Over the expected period from current shop visit to next shop visit

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 2/3 years, or over the license period of the software, whichever is shorter.

De-recognition

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

f) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

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 Group 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 Group 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 Group 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.

g) Borrowing Costs

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

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

h) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services explained below, because it typically controls the goods or services before transferring them to the customer. The revenue is recognized net of amounts collected on behalf of third parties.

Rendering of services

Passenger revenues and cargo revenues are recognised on flown basis i.e. when the service is rendered. Amounts received in advance towards travel bookings/reservations are shown under other current liabilities as contract liability.

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

The Group recognizes an expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer. Breakage revenue represents the amount of unexercised rights of customers which are non-refundable in nature.

The unutilized balances in unearned revenue is recognized as income based on past statistics, trends and management estimates, after considering the Group's refund policy.

Fees charged for cancellations or any changes to flight tickets and towards special service requests are recognized as revenue on rendering of related services.

Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. The grant which is revenue in nature is recognised as other operating revenue on a systematic basis over the period for which such grant is entitled.

Other revenues

Income in respect of hiring/renting out of space in premises and equipment is recognised at rates agreed with the customers, as and when related services are rendered.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Contract assets

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

Sale of food and beverages

Revenue from sale of food and beverages is recognised when the goods are delivered or served to the customer. Revenue from such sale is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Amounts received in advance towards food and beverages are shown under other current liabilities as unearned revenue.

Sale of products

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Training income

Revenue from training income is recognized proportionately with the degree of completion of services, based on management estimates of the relative efforts as well as the period over which related training activities are rendered.

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 Group 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 Group also provides benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. The Group 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 Group 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 Group operates the following post-employment schemes:

a. Defined benefit plans – gratuity

The Group 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 Group'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 Group's defined benefit plan is included in employee benefits expense.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

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 Group has no further obligations. The Group recognizes contribution paid as an expense, when an employee renders the related service.

j) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred tax

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

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

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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

k) Earnings per share

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

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

l) Leases

The Group's lease asset classes primarily consist of leases for aircrafts, aircraft components (including engines) and buildings. The Group 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.

Group as a lessee

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

i) Right of use assets

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

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

Aircrafts – 1 to 12 years

Aircraft components – 1 to 10 years

Buildings – 2 to 10 years

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

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

ii) Lease liabilities

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

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

iii) Lease term

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

iv) Sale and leaseback transactions

Where sale proceeds received are judged to reflect the aircraft's fair value, any gain or loss arising on disposal is recognised in the income statement, to the extent that it relates to the rights that have been transferred. Gains and losses that relate to the rights that have been retained are included in the carrying amount of the right of use assets recognised at commencement of the lease. Where sale proceeds received are not at the aircraft's fair value, any below market terms are recognised as a prepayment of lease payments, and above market terms are recognised as additional financing provided by the lessor.

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

The Group applies the short-term lease recognition exemption to its short-term leases of building and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis which is more representative of the pattern of use of underlying asset.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m) Supplementary rentals and aircraft repair and maintenance

i) Supplementary rentals

The Group accrues monthly expenses in the form of supplementary rentals which are based on aircraft utilisation that is calculated with reference to the number of hours or cycles operated during each month. Accrual of supplementary rentals are made for heavy maintenance visits, engine overhaul and landing gear overhaul for aircraft taken on lease.

ii) Aircraft repair and maintenance

Aircraft repairs and maintenance includes additional accrual, beyond supplementary rentals, for the estimated future costs of engine maintenance checks. These accruals are based on past trends for costs incurred on such events, future expected utilization of engine, condition of the engine and expected maintenance interval and are recorded over the period of the next expected maintenance visit.

The Group recognises aircraft repair and maintenance cost in the statement of profit and loss on incurred basis, except for aircraft maintenance covered by third party maintenance agreements, wherein a portion of the cost are charged to the statement of profit and loss at a contractual rate per hour in accordance with the terms of the agreements.

n) 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 of the Holding Company, 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 Group's cash management.

o) Foreign currency transactions

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

Initial recognition

Transactions in foreign currencies entered into by the Group 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.

p) 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

The Group 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 Group 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 Group. At each reporting date, the Group 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 Group 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 Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

q) Provisions

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

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

r) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

from impairment are recognised in the statement of profit and loss.

Debt instrument at FVTOCI

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

a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income ('OCI'). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss. The Group does not have any debt instrument as at FVTOCI.

Debt instrument at FVTPL

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. The Group does not have any debt instrument at FVTPL.

Equity investments

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. The Group has classified its investments in mutual funds as investments at FVTPL and investments in unquoted equity instruments as investments in OCI.

Derecognition

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

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

Impairment of financial assets

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

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group 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 Group 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 Group 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.

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

All financial liabilities (except derivatives and fair value liabilities) are subsequently measured at amortised cost using the effective interest rate method.

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

Derecognition

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

s) Inventories

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

t) Manufacturers' incentives

Cash incentives

The Group receives incentives from original equipment manufacturers ('OEMs') of aircraft components in connection with acquisition of aircraft and engines. In case of owned aircraft, incentives are recorded as a reduction to the cost of related aircraft and engines. In case of aircraft held under leases, the incentives are recorded as reduction to the carrying amount of right to use assets at the commencement of lease of the respective aircraft.

Non-cash incentives

Non-cash incentives relating to aircraft are recorded as and when due to the Group by setting up a deferred asset and a corresponding deferred incentive. These incentives are recorded as a reduction to the cost of related aircraft and engines in case of owned aircraft. In case of aircraft held under leases, the incentives are recorded as reduction to the carrying amount of right to use assets at the commencement of lease of the respective aircraft. The deferred asset explained above is reduced on the basis of utilization against purchase of goods and services.

u) 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

v) Share-based payment expense

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised as employee benefits expense, together with a corresponding increase in stock options outstanding account in equity over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense (or reversal) for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of equity-settled transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

w) Segment reporting

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

x) 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 Group 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 Group 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.

y) Measurement of earnings before interest, tax, depreciation and amortization ('EBITDA')

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

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

New and amended standards applied

Covid-19 related rent concessions beyond June 30, 2021, amendment notified vide notification dated June 18, 2021

Further, the Group has also elected to apply another practical expedient whereby it has assessed all the rent concessions occurring as a direct consequence of the Covid-19 pandemic, basis the following conditions prescribed under the standard:

a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) any reduction in lease payments affects only payments originally due on or before the 30 June 2022; and

c) there is no substantive change to other terms and conditions of the lease.

If all the rent concessions meet the above conditions, then, the related rent concession has been recognised in statement of profit and loss. The amendment prescribed the early application if the financial statements are yet to be approved before the date of amendment and accordingly, the Group has applied this amendment effective April 1, 2020.

Amendments to Schedule III of the Act

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Act. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The revised Division II which relate to companies whose financial statements are required

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

to comply with Companies (Indian Accounting Standards) Rules 2015, as amended, prescribes amendments for various additional disclosures. The Group has complied with these amendments (as applicable).

Recent accounting pronouncement [as applicable]

Amendment to Ind AS 16, Property, Plant and Equipment

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The Group is evaluating the requirement of the said amendment and its impact on these financial statements.

Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The Group is evaluating the requirement of the said amendment and its impact on these financial statements.

Amendment to Ind AS 103, Business Combinations

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities. The Group is evaluating the requirement of the said amendment and its impact on these financial statements.

Amendment to Ind AS 109, Financial Instruments

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 109 which clarifies which fees an entity should include when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The Group is evaluating the requirement of the said amendment and its impact on these financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

3. Property plant & equipment (PPE)

Particulars	Plant and equipment**	Rotable and tools**	Office equipment	Computers	Furniture and fixtures	Motor vehicles**	Leasehold improvements	Aircraft#	Land	Total
Gross block										
As at April 01, 2020	1,375.19	3,623.60	205.94	413.50	40.35	844.00	91.08	20,299.18	391.37	27,284.21
Additions #	48.04	135.74	49.29	43.43	1.97	35.97	16.73	254.73	-	585.91
Disposals	13.97	5.75	0.21	6.06	0.14	18.97	-	2,853.50	-	2,898.60
Exchange differences *	-	-	-	-	-	-	-	(188.42)	-	(188.42)
As at March 31, 2021	**1,409.26**	**3,753.59**	**255.02**	**450.87**	**42.18**	**861.00**	**107.81**	**17,511.99**	**391.37**	**24,783.10**
Additions #	0.86	132.59	23.62	20.46	4.28	0.01	13.04	170.06	-	364.92
Disposals	37.31	69.14	0.85	2.81	2.02	86.93	-	61.30	-	260.36
Exchange differences *	-	-	-	-	-	-	-	216.44	-	216.44
As at March 31, 2022	**1,372.81**	**3,817.04**	**277.79**	**468.52**	**44.44**	**774.08**	**120.85**	**17,837.19**	**391.37**	**25,104.09**
Accumulated depreciation										
At April 1, 2020	270.35	726.54	99.01	225.11	27.73	348.40	51.34	9,136.52	-	10,885.00
Depreciation charge for the year	101.12	242.94	37.62	91.55	4.09	104.79	20.12	1,060.10	-	1,662.33
Disposals	9.23	0.32	0.16	5.90	0.14	18.94	-	2,853.50	-	2,888.19
Exchange Differences *	-	-	-	-	-	-	-	331.82	-	331.82
As at March 31, 2021	**362.24**	**969.16**	**136.47**	**310.76**	**31.68**	**434.25**	**71.46**	**7,674.94**	**-**	**9,990.97**
Depreciation charge for the year	99.27	247.08	41.59	79.15	3.33	91.93	19.54	1,002.15	-	1,584.04
Disposals	16.55	15.44	0.69	2.79	1.44	50.55	-	61.30	-	148.76
Exchange Differences *	-	-	-	-	-	-	-	253.24	-	253.24
As at March 31, 2022	**444.96**	**1,200.80**	**177.13**	**387.12**	**33.57**	**475.63**	**91.00**	**8,869.03**	**-**	**11,679.24**
Net Block										
As at March 31, 2021	**1,047.02**	**2,784.43**	**118.55**	**140.11**	**10.50**	**426.75**	**36.35**	**9,837.05**	**391.37**	**14,792.13**
As at March 31, 2022	**927.85**	**2,616.24**	**100.42**	**81.40**	**10.87**	**298.45**	**29.85**	**8,968.16**	**391.37**	**13,424.61**

* Represents foreign exchange loss/(gain) capitalised during the year and depreciation thereon. Refer note 2(A) for details.

Additions to aircraft comprise of capitalisation of overhaul cost of ₹170.06 million for the year ended March 31, 2022 and ₹254.73 million for the year ended March 31, 2021.

**Rotables and tools, ground support equipment and motor vehicles with net block are subject to a first charge to secure the facilities provided by Indian Bank (erstwhile Allahabad Bank).

Refer note 20 for details of first charge on property, plant and equipment on various loans.

Refer note 46 for contractual commitments for the acquisition of property, plant and equipment

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

4. Right of use assets

Particulars	Aircraft	Aircraft components	Buildings	Total
Gross block				
As at April 1, 2020	78,502.10	4,682.07	1,593.65	84,777.82
Deletions/modifications	3,035.83	208.12	411.87	3,655.82
Balance as at March 31, 2021	**75,466.27**	**4,473.95**	**1,181.78**	**81,122.00**
Additions	1,089.10	-	27.96	1,117.06
Deletions/modifications	5,413.63	11.76	515.41	5,940.80
Balance as at March 31, 2022	**71,141.74**	**4,462.19**	**694.33**	**76,298.26**
Accumulated depreciation				
As at April 1, 2020	**13,317.79**	**698.84**	**201.93**	**14,218.56**
Depreciation charge for the year	12,437.77	886.55	175.55	13,499.87
Deletions	1,880.34	27.97	100.06	2,008.37
Balance as at March 31, 2021	**23,875.22**	**1,557.42**	**277.42**	**25,710.06**
Depreciation charge for the year	10,178.66	693.48	140.60	11,012.74
Deletions	2,493.34	-	159.03	2,652.37
Balance as at March 31, 2022	**31,560.54**	**2,250.90**	**258.99**	**34,070.43**
Net block				
As at March 31, 2021	**51,591.05**	**2,916.53**	**904.36**	**55,411.94**
As at March 31, 2022	**39,581.20**	**2,211.29**	**435.34**	**42,227.83**

5. Intangible Assets

Particulars	Software	Total
Gross block		
As at April 01, 2020	356.42	356.42
Additions	61.99	61.99
Disposals	-	-
As at March 31, 2021	**418.41**	**418.41**
Additions	-	-
Disposals	-	-
As at March 31, 2022	**418.41**	**418.41**
Accumulated amortisation		
As at April 01, 2020	177.34	177.34
Amortisation charge for the year	117.91	117.91
Disposals	-	-
As at March 31, 2021	**295.25**	**295.25**
Amortisation charge for the year	83.34	83.34
Disposals	-	-
As at March 31, 2022	**378.59**	**378.59**
Net Block		
As at March 31, 2021	**123.16**	**123.16**
As at March 31, 2022	**39.82**	**39.82**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

6. Capital work-in-progress

Particulars	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	63.42	58.35
	63.42	**58.35**

The following table represent ageing of capital work-in-progress as at March 31, 2022:

CWIP	Amount in capital work-in-progress for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5.07	-	-	-	5.07
Projects temporarily suspended	-	3.47	50.83	4.05	58.35
Total	**5.07**	**3.47**	**50.83**	**4.05**	**63.42**

The following table represent ageing of capital work-in-progress as at March 31, 2021:

CWIP	Amount in capital work-in-progress for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	3.47	50.83	4.05	-	58.35
Total	**3.47**	**50.83**	**4.05**	**-**	**58.35**

7. Non-current investments (fully paid-up)

Particulars	As at March 31, 2022	As at March 31, 2021
Unquoted equity investments, at fair value through profit or loss ('FVTPL')		
750 (March 31, 2021: 2,988) equity shares of Aeronautical Radio of Thailand Limited	0.17	0.61
	0.17	**0.61**
Aggregate amount of unquoted investments	**0.17**	**0.61**

8. Other non-current financial assets

(Unsecured, considered good unless stated otherwise)

Deposits with original maturity of more than 12 months (also refer note 15B)	5,982.12	4,970.56
Security deposits	3,800.98	4,858.32
	9,783.10	**9,828.88**

9. Income tax assets

Advance income-tax	952.24	304.46
	952.24	**304.46**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

10. Other non-current assets

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposit with Delhi High Court (also refer note 48)	3,187.02	3,187.02
Goods and services tax paid under protest (refer note 47(iv))	580.70	2,556.29
Capital advances		
Unsecured, considered good	3,625.37	1,390.82
Unsecured, considered doubtful	109.32	109.32
	7,502.41	**7,243.45**
Impairment allowance		
Unsecured, considered good	-	-
Unsecured, considered doubtful	(109.32)	(109.32)
	(109.32)	**(109.32)**
	7,393.09	**7,134.13**

11. Inventories

(valued at lower of cost or net realisable value)

Engineering stores and spares	1,391.91	1,494.80
Stock-in-trade - merchandise and others	57.99	114.64
Stock-in-trade - in flight inventory	30.36	38.04
Other stores	28.46	25.44
	1,508.72	**1,672.92**

12. Investments at fair value through profit or loss ('FVTPL')

Quoted investment in mutual funds		
7,122 (March 31, 2021: 7,122) units of ICICI Prudential Saving Funds - Direct Plan- Growth [NAV ₹437.71 (March 31, 2021: ₹419.69)]	3.12	2.99
52,700.92 (March 31, 2021: 52,700.92) units of L&T Low Duration Fund-Direct Plan-Growth [NAV ₹22.97 (March 31, 2021: ₹22.18)]	1.21	1.17
	4.33	**4.16**
Aggregate amount of quoted investments and market value thereof	4.33	4.16

13. Trade receivables

(Unsecured, considered good unless stated otherwise)

Trade receivables		
Unsecured, considered good	2,605.17	3,262.16
Unsecured, credit impaired	54.97	74.26
	2,660.14	**3,336.42**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Particulars	As at March 31, 2022	As at March 31, 2021
Impairment allowance		
Unsecured, considered good	(72.38)	(50.97)
Unsecured, credit impaired	(54.97)	(74.26)
	(127.35)	**(125.23)**
	2,532.79	**3,211.19**

For information related to trade receivables from related parties, refer note 53

For details of contract balances refer to note 31.

The carrying amount of trade receivables approximates their fair value, is included in note 54. The Group's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 56.

As at March 31, 2022	Outstanding from the due date of invoice						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	711.68	343.92	743.20	460.23	68.09	205.67	2,532.79
Undisputed trade receivables – credit impaired	-	-	20.44	12.55	43.67	50.69	127.35
Total	**711.68**	**343.92**	**763.64**	**472.78**	**111.76**	**256.36**	**2,660.14**

As at March 31, 2021	Outstanding from the due date of invoice						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	820.82	1,158.60	890.54	26.57	104.88	209.78	3,211.19
Undisputed trade receivables – credit impaired	-	8.80	-	8.74	24.82	82.87	125.23
Total	**820.82**	**1,167.40**	**890.54**	**35.31**	**129.70**	**292.65**	**3,336.42**

14. Other receivables

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
Maintenance receivables	2,312.36	1,984.21
Insurance claim receivables	100.48	100.48
Other receivables (refer note 49)	7,476.01	14,849.15
	9,888.85	**16,933.84**

15. A. Cash and cash equivalents

Balances with banks:		
– In current accounts	110.10	276.06
– In deposit accounts (with original maturity upto 3 months)	0.43	1.06
Cash on hand	2.42	53.79
	112.95	**330.91**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

15. B. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with original maturity of more than 3 months but less than 12 months	11.39	23.72
Deposits with original maturity of more than 12 months	2.47	0.61
Margin money/security against fund and non-fund based facilities*	6,482.12	4,970.56
	6,495.98	**4,994.89**
Less: Amount disclosed under other non-current asset (refer note 8)	(5,982.12)	(4,970.56)
	513.86	**24.33**

*Margin money deposit have been placed with banks for non-fund based facilities sanctioned to the Group.

16. Other current financial assets

(Unsecured, considered good)

Employee advances	127.21	155.50
Interest accrued on fixed deposits	182.65	178.37
Security deposits	1,804.53	356.22
Contract asset	591.02	1,030.48
	2,705.41	**1,720.57**

17. Other Current Assets

Prepaid expenses	454.99	675.96
Balance with government authorities	3,237.14	276.58
Advances to suppliers		
Unsecured, considered good	702.24	1,012.79
Unsecured, credit impaired	159.26	159.26
	4,553.63	**2,124.59**
Impairment allowance		
Unsecured, considered good	-	-
Unsecured, credit impaired	(159.26)	(159.26)
	(159.26)	**(159.26)**
	4,394.37	**1,965.33**

18. Equity Share Capital

Authorised	
(1,500,000,000 equity shares of ₹10 each)	
As at April 01, 2020	15,000.00
Increase during the year	-
As at March 31, 2021	15,000.00
Increase during the year	-
As at March 31, 2022	**15,000.00**
Issued, subscribed and paid-up capital	
Equity shares of ₹10 each issued, subscribed and fully paid	
As at April 01, 2020	6,000.76
Issued during the year pursuant to exercise of employee stock options	8.61
As at March 31, 2021	6,009.37
Issued during the year pursuant to exercise of employee stock options	8.60
As at March 31, 2022	**6,017.97**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

A. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Value (₹)	Number	Value (₹)
Shares outstanding at the beginning of the year	600,936,903	6,009.37	600,076,299	6,000.76
Issued during the year	859,712	8.60	860,604	8.61
Shares outstanding at the end of the year	**601,796,615**	**6,017.97**	**600,936,903**	**6,009.37**

B. Term/rights attached to equity shares

The Holding Company has only one class of equity shares having a face value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend, if any, 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 Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Details of shareholders holding more than 5% in the Company:

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	% against total number of shares	Number of Shares	% against total number of shares
Mr. Ajay Singh	304,333,450	50.57%	304,333,450	50.64%
Mr. Ajay Singh (HUF)	52,846,838	8.78%	52,846,838	8.79%
Total	**357,180,288**	**59.35%**	**357,180,288**	**59.44%**

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

D. Aggregate number of bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

The Holding Company has issued total 2,346,432 shares (March 31, 2021 - 1,486,720) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan ('ESOP').

E. Details of promoter shareholding

Particulars	As at March 31, 2022		
	Number of shares	% of total shares	% change during the year
Mr. Ajay Singh	304,333,450	50.57%	0.00%
Mr. Ajay Singh (HUF)	52,846,838	8.78%	0.00%
Mrs. Kalpana Singh	279,505	0.05%	0.00%

Particulars	As at March 31, 2021		
	Number of shares	% of total shares	% change during the year
Mr. Ajay Singh	304,333,450	50.64%	0.00%
Mr. Ajay Singh (HUF)	52,846,838	8.79%	0.00%
Mrs. Kalpana Singh	279,505	0.05%	0.00%

F. Shares reserved for issue under options

For details of shares reserved for issue under ESOP, refer note 43

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

19. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Reserves and surplus		
Securities premium	10,134.09	10,054.58
General reserve	-	-
Share options outstanding account	40.20	78.31
Retained earnings	(59,592.54)	(42,184.71)
Foreign currency monetary item translation difference account	-	-
	(49,418.65)	**(32,051.82)**

a. Securities premium

Securities premium is used to record the premium on issue of shares and the same is utilised in accordance with the provisions of the Act.

Balance at the beginning of the year	**10,054.58**	**9,949.45**
Additions during the year	79.51	105.13
Balance at the end of the year	**10,134.09**	**10,054.58**

b. General reserve

General reserve is a free reserve, created in earlier years as a transfer from profits to meet future obligation

Balance at the beginning of the year	**-**	**49.09**
Transferred to retained earnings	**-**	**(49.09)**
Balance at the end of the year	**-**	**-**

c. Share options outstanding account

The balance represents reserves created to the extent of vested options based on the Employees Stock Option Scheme, 2017.

Balance at the beginning of the year	**78.31**	**131.15**
Share based payment expense	41.40	52.29
Transfer to securities premium on exercise of stock options	(79.51)	(105.13)
Balance at the end of the year	**40.20**	**78.31**

d. Retained earnings

Retained earnings comprises of current year and prior periods undistributed earning or losses after tax.

Balance at the beginning of the year	**(42,184.71)**	**(31,952.26)**
Loss for the year	(17,440.79)	(10,298.86)
Other comprehensive income	32.56	16.99
Transferred from general reserve	-	49.09
Others	-	0.33
Balance at the end of the year	**(59,592.94)**	**(42,184.71)**

e. Foreign currency monetary item translation difference account

Represents the exchange differences arising on other long-term foreign currency monetary item amortised to the statement of profit and loss over the remaining life of the concerned monetary item.

Balance at the beginning of the year	**-**	**17.83**
Recognised in the statement of profit and loss	-	(17.83)
Balance at the end of the year	**-**	**-**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

20. Long term borrowings (secured)

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans		
Rupee loan from bank	1,975.17	500.00
Less: Current maturities of long term borrowings (refer note 25)	(500.00)	(500.00)
	1,475.17	**-**
Other loans		
External commercial borrowing	6,350.72	6,134.33
Less: Current maturities of long term borrowings (refer note 25)	(4,697.08)	(3,107.59)
	1,653.64	**3,026.74**
	3,128.81	**3,026.74**

Repayment terms (including current maturities) and security details for term loans from bank

a. The Holding Company had taken a loan of ₹500 million from IDFC First Bank Limited ('IDFC Bank'). The loan is repayable after 3 years from the date of the borrowing and carries an floating interest rate based on IDFC MCIR plus a spread of 3%. The loan has been secured by first pari-passu charge on the land of the Holding Company and one of the subsidiary company and pledge on equity shares of the Holding Company for 1.0x of total facility. The loan agreement requires the Holding Company to maintain debt service coverage ratio of 1.25. The Holding Company have not complied with this financial covenant and accordingly, the borrowing have been reclassified to current maturities of long term borrowings.

b During the year, the Holding Company has availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from Yes Bank Limited amounting to ₹1,275.17 million. The loan is repayable in 48 equal instalments commencing after 2 years from the date of the borrowing and carries an interest rate of 9.25% (0.80% spread over MCLR rate of the bank revised every year capped at 9.25%). The loan is secured as follows:

- Second charge on movable fixed assets of the Holding Company;
- Second charge on current assets of the Holding Company (both present and future) including all receipts in foreign currency and rupee credit (except lien marked deposits);
- Second charge on pledge of shares of the Holding Company held by the Promoter; and
- 100% credit guarantee by National Credit Guarantee Trust Company Limited (NCGTC)

c During the year, the Holding Company has availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from IDFC Bank Limited ("IDFC Bank") amounting to ₹200 million. The loan is repayable in 48 equal instalments commencing after 2 years from the date of the borrowing and carries an interest rate of 9.25% (1.00% spread over MCLR rate of the bank revised every year capped at 9.25%). The loan is secured as follows:

- Second pari-passu charge movable fixed assets and current assets of the Holding Company;
- Second charge on land of the Holding Company and one of the subsidiary company;
- Second charge on pledge of shares of the Holding Company (1.0x cover); and
- 100% credit guarantee by National Credit Guarantee Trust Company Limited (NCGTC)

Repayment terms (including current maturities) and security details for external commercial borrowings

d The External Commercial Borrowing ('ECB') relates to the acquisition of 'Bombardier Q400 Aircrafts', accordingly, secured against these aircrafts. The ECB has been approved by the Reserve Bank of India and is granted through a structure between the Holding Company and Maple Leaf Financing Limited with lending from Export Development Canada ('EDC'). As per the terms of the agreement, the Holding Company may opt for either fixed or a floating rate of interest benchmarked to LIBOR for each drawdown, which coincides with the delivery of each aircraft. Accordingly, the interest on these ECBs ranges from 3.79% to 4.91%. During the year, due to impact of Covid-19 on business, the Holding Company has negotiated revised payment schedule and the repayment will now commence w.e.f April 1, 2022. Accordingly, the Holding Company has updated classification of the borrowing amount in current and non-current.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

21. Non current lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liability	43,325.65	53,635.92
	43,325.65	**53,635.92**

22. Non-current trade payables

Trade payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	3,473.29	2,263.13
	3,473.29	**2,263.13**

Terms and conditions of the above financial liabilities:

Trade payables are non interest bearing and carry a credit period exceeding 365 days

23. Non-current provisions

Provision for gratuity (also refer note 44)	609.54	572.51
Provision for aircraft redelivery	768.25	1,533.61
Provision for aircraft maintenance	1,397.76	686.09
	2,775.55	**2,792.21**

24. Other non-current liabilities

Deferred incentive	135.82	152.86
Less: Current portion	(17.24)	(17.24)
	118.58	**135.62**

25. Current borrowings (secured)

Working capital demand loan from bank	1,000.00	1,000.00
Pre-shipment credit foreign currency loan	1,467.87	3,044.79
Current maturities of long-term borrowings (refer note 20)	5,197.08	3,607.59
	7,664.95	**7,652.38**

At March 31, 2022, the Group had ₹32.13 million (March 31, 2021: ₹185.70 million) of undrawn committed borrowing facilities.

Repayment terms and security details for short term borrowings

a. Working capital demand loan from bank is secured by fixed deposits placed by the erstwhile promoter and is repayable on demand. The loan carries an interest rate of 12.75% per annum.

b. During the year, on working capital demand loan of Holding Company has been recalled by the City Union Bank Limited ('the Bank') and then, the Bank has issued an application dated April 4, 2022 to classify the said overdraft facility as 'Special Mention Account'. In reply to this, on April 28, 2022, the Holding Company had filed an application for stay order restraining the Bank from declaring the loan as non-performing asset on the grounds that the Bank had illegally recalled the said overdraft facility extended to the Holding Company without any plausible reasons. On April 28, 2022, the

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Exclusive Commercial Court, Gurugram has granted the stay order, ex-parte, to the Holding Company. Further, on July 23, 2022, the Holding Company and the Bank have entered into an agreement, whereby the Bank has extended the period of the said facility till June 30, 2023, and the Holding Company has agreed to repay the outstanding balance of the facility (i.e., ₹1,000 million) in multiple tranches i.e., ₹750 million in financial year 2022-23 and balance on June 30, 2023.

c. Pre-shipment credit foreign currency loan from bank is secured by fixed deposits placed by the Holding Company having a carrying value of ₹375 million and is repayable within 6 months from each drawdown. The loan carries an interest rate benchmarked to the LIBOR rate at each drawdown. The interest rate on these borrowings ranges between 3.15% to 4.05% per annum.

Changes in liabilities arising from financing activities

Particulars	April 01, 2021	Cash flows	Foreign exchange impact	Others*	March 31, 2022
Non-current borrowings (including current maturities)	6,634.33	1,475.18	216.38	-	8,325.89
Current borrowings	4,044.79	(1,708.23)	131.31	-	2,467.87
Finance costs	77.23	(542.16)	-	653.67	188.74
Lease liabilities	84,497.95	(8,011.34)	1,724.37	(5,682.49)	72,528.49
Total liabilities from financing activities	**95,254.30**	**(8,786.55)**	**2,072.06**	**(5,028.82)**	**83,510.99**

Particulars	April 01, 2020	Cash flows	Foreign exchange impact	Others*	March 31, 2021
Non-current borrowings (including current maturities)	6,822.70	-	(188.37)	-	6,634.33
Current borrowings	4,144.38	(75.27)	(24.32)	-	4,044.79
Finance costs	77.17	(499.61)	-	499.67	77.23
Lease liabilities	89,589.61	(3,801.10)	2,236.43	(3,526.99)	84,497.95
Total liabilities from financing activities	**100,633.86**	**(4,375.98)**	**2,023.74**	**(3,027.32)**	**95,254.30**

*This includes inter-caption reclassification, lease addition and modifications, rent concessions and other adjustments.

26. Current lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities	29,202.83	30,862.03
	29,202.83	**30,862.03**

27. Current trade payables

Trade payables		
- total outstanding dues of micro enterprises and small enterprises	542.60	518.22
- total outstanding dues of creditors other than micro enterprises and small enterprises	25,586.81	19,488.95
	26,129.41	**20,007.17**
Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006")		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	518.49	489.21
- Interest due on above	24.12	29.01

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

	As at March 31, 2022	As at March 31, 2021
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 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 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	24.12	29.01
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 of the MSMED Act 2006	-	-

Terms and conditions of the above financial liabilities:

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

Ageing of non-current and current trade payables:

As at March 31, 2022

Particulars		Outstanding for following periods from date of invoice					
		Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	24.11	483.18	12.47	19.60	3.24	542.60
(ii)	Others	12,171.30	7,340.31	3,615.29	2,061.71	3,871.49	29,060.10

As at March 31, 2021

Particulars		Outstanding for following periods from date of invoice					
		Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	500.98	16.59	0.66	-	518.23
(ii)	Others	9,368.56	2,265.24	6,105.55	2,578.83	-	20,318.18
(ii)	Disputed dues – Others	-	-	-	-	1,433.89	1,433.89

28. Other current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Employee related payables	543.16	109.55
Capital creditors	12.52	-
Book overdraft	109.21	116.63
Security deposits received	89.84	118.77
Interest accrued and due on borrowings	9.77	10.49
Interest accrued but not due on borrowings	178.97	66.74
	943.47	**422.18**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

29. Other current liabilities (unsecured)

Particulars	As at March 31, 2022	As at March 31, 2021
Current portion of deferred incentives	17.24	17.24
Amount due under order of Delhi High Court (also refer note 48)	6,425.55	6,425.55
Contract liabilities	4,214.25	2,604.32
Advance received from agents	3,542.67	4,205.85
Statutory dues (including interest thereon)	3,156.14	2,289.95
Airport taxes payable	855.21	710.74
Others liabilities	11.81	11.67
	18,222.87	**16,265.32**

30. Short-term provisions

Provision for employee benefits		
-Provision for gratuity (also refer note 44)	93.58	51.79
-Provision for compensated absences	290.30	305.48
Provision for contingencies (also refer note 47)	107.20	107.20
Provision for aircraft maintenance	2,418.24	1,776.73
Provision for aircraft redelivery	1,053.40	255.46
	3,962.72	**2,496.66**
Provision for contingencies		
At the beginning of the year	107.20	107.20
At the end of the year	**107.20**	**107.20**
Provision for aircraft maintenance		
At the beginning of the year	2,462.82	3,335.34
Additions during the year	1,353.18	225.58
Utilisation/reversal during the year	-	(1,098.10)
At the end of the year	**3,816.00**	**2,462.82**
Provision for aircraft redelivery		
At the beginning of the year	1,789.07	1,795.43
Additions during the year	140.10	28.63
Utilisation/reversal during the year	(107.53)	(34.99)
At the end of the year	**1,821.64**	**1,789.07**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

31. Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of services		
Passenger revenue*	43,050.54	35,281.98
Cargo revenue	20,564.14	14,191.68
Sale of products	483.59	394.41
Other operating revenues		
Incentives received	26.93	287.98
Income from training services	184.59	384.02
Subsidies received under various schemes	1,088.50	581.35
Others**	637.65	593.06
	66,035.94	**51,714.48**
India	43,411.31	34,845.99
Outside India	22,624.63	16,868.49
	66,035.94	**51,714.48**

* Includes sale of food and beverages in flight.

** Others mainly includes income from ground handling services.

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.

Contract liability is comprised of amount received in advance towards travel bookings/reservations disclosed under other current liabilities.

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	2,532.79	3,211.19
Contract assets	591.02	1,030.48
Contract liabilities*	**4,214.25**	**2,604.32**

Contract liabilities comprise of consideration from sale of tickets not yet flown, Contract assets relates to unbilled revenue.

* Revenue recognised from amount included in contract liabilities at the beginning of the year amounts to ₹2,604.32 million (March 31, 2021: ₹3,626.17 million) (excludes amount collected on behalf of third parties and amount refunded due to cancellations).

32. Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net gain on financial assets measured at fair value through profit or loss	0.17	0.27
Liabilities/provision no longer required written back	1,538.64	1,690.41
Warranty claims from aircraft manufacturer/insurance claims (refer note 49)	7,550.24	5,851.53
Miscellaneous income	592.16	258.17
	9,681.21	**7,800.38**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

33. Finance income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on financial assets	253.37	15.39
Interest income		
- on bank deposits	313.93	401.84
- others	20.97	51.15
	588.27	**468.38**

34. A Operating expenses

Aviation turbine fuel	29,457.78	15,288.35
Lease charges - aircraft, engines and auxiliary power units (also refer note 45)	5,992.26	2,662.55
Aircraft repairs and maintenance	4,657.93	4,021.21
Supplemental lease charges - aircraft, engines and auxiliary power units	5,616.86	6,437.61
Aviation insurance	1,091.43	1,251.69
Landing, navigation and other airport charges	7,590.66	6,469.95
Consumption of stores and spares	505.87	534.70
Aircraft navigation software expenses	351.63	632.99
Aircraft redelivery costs	44.17	27.18
Cargo handling costs	1,903.47	1,360.29
Other operating expenses	459.30	303.95
	57,671.36	**38,990.47**

34. B Purchases of stock-in-trade

Merchandise and others	601.24	697.60
In flight inventory	342.73	250.84
	943.97	**948.44**

34. C Changes in inventories of stock-in-trade

Merchandise and others		
Inventory at the beginning of the year	114.64	40.00
Less : Inventory at the end of the year	(57.99)	(114.64)
Changes in inventories of stock-in-trade - Merchandise and others	**56.65**	**(74.64)**
Inflight food and beverages		
Inventory at the beginning of the year	38.04	75.17
Less : Inventory at the end of the year	(30.36)	(38.04)
Decrease in stock-in-trade Inflight food and beverages	**7.68**	**37.13**
Total changes in inventories of stock-in-trade	**64.33**	**(37.51)**

35. Employee benefits expenses

Salaries, wages and bonus	6,726.89	6,108.87
Contribution to provident and other funds	357.68	361.49
Share based payment expense (also refer note 43)	41.40	52.29
Gratuity expense (also refer note 44A)	156.59	163.74
Staff welfare	253.86	166.39
	7,536.42	**6,852.78**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

36. Sales and marketing expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Commission to agents	817.49	486.82
Business promotion and advertisement	401.97	279.94
	1,219.46	**766.76**

37. Other expenses

Rent	719.72	799.85
Rates and taxes	206.33	594.27
Repairs and maintenance		
- buildings	96.39	87.31
- plant and machinery	17.52	11.28
- others	534.15	479.10
Crew accommodation cost	286.02	281.83
Recruitment and training cost	395.58	361.22
Communication	130.14	116.38
Printing and stationery	84.79	113.64
Travelling and conveyance	1,238.10	802.21
Legal, and professional fees*	542.92	450.32
Power and fuel	105.17	107.61
Advances/other balances written off	128.52	26.59
Impairment of trade receivables	58.27	21.25
Insurance	141.05	152.95
Credit card charges	152.48	86.87
Bank charges	37.68	11.21
Loss on sale of property, plant and equipment (net)	6.13	0.90
Property, plant and equipment written off	53.70	-
Miscellaneous expenses	218.53	65.50
	5,153.19	**4,570.29**

***Payment to auditor**		
As auditor		
Statutory audit fees	9.74	8.73
Tax audit fees	0.81	0.65
Limited review	3.00	3.45
In other capacity		
Other services (certification fees)	0.08	2.86
Reimbursement of expenses	0.06	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

38. Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest		
- on term loan from banks	376.17	325.16
- on loan from others	174.11	174.51
Interest on lease liabilities and redelivery provisions	2,905.07	2,825.35
Other borrowing costs	1,374.26	1,491.55
	4,829.61	**4,816.57**

39. Foreign exchange loss/(gain), (net)

Foreign exchange loss/(gain), (net)*	2,621.83	(2,237.63)
	2,621.83	**(2,237.63)**

*Foreign exchange loss for the year ended March 31, 2022 includes ₹1,749.26 million (March 31, 2021 : loss of ₹2,246.99 million), pertaining to foreign exchange loss on restatement of lease liabilities.

40. Depreciation and amortisation expense

Depreciation on property, plant and equipment (refer note 3)	1,837.28	1,994.15
Depreciation on right of use assets (refer note 4)	11,012.74	13,499.87
Amortisation of intangible assets (refer note 5)	83.34	117.91
	12,933.36	**15,611.93**

41. Exceptional items

Settlement with aircraft manufacturer (refer note 47 (b) (vii))	774.58	-
	774.58	**-**

42. Earnings per share ('EPS')

a. Basic EPS is calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

b. Diluted EPS is calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Number of equity shares outstanding at the beginning of the year	600,936,903	600,076,299
Number of equity shares issued	859,712	860,604
Number of equity shares outstanding at the end of the year	601,796,615	600,936,903
Weighted average number of equity shares		
a. Basic	**601,349,055**	**600,322,354**
Effect of dilution: stocks options	574,552	1,106,553

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
b.	**Diluted**	**601,923,607**	**601,428,907**
	Loss for the year	**(17,442.69)**	**(10,298.86)**
	Earnings per share :		
	— Basic earnings per share (₹)	(29.01)	(17.14)
	— Diluted earnings per share (₹)	(29.01)	(17.14)
	Face value per share (₹)	10.00	10.00

Considering loss, diluted earnings per share is same as basic earnings per share

c. Having regard to the status of the matters relating to the allotment and conversion of share warrants, as stated in note 48, it is not possible to determine the dilutive effect, if any, of those on diluted earnings per share calculations. Accordingly, diluted earnings per share do not include the dilutive impact on the allotment and conversion of share warrants stated in note 48.

43. Employee stock option plans

The following share-based payment arrangements were in existence during the current and previous year :

Employees Stock Option Scheme, 2017

The shareholders at the Annual General Meeting held on November 27, 2017, approved an Employee Stock Option Scheme ('ESOS') which provides for the grant of 10,000,000 stock options which will be granted to eligible employees of the Holding Company determined by Nomination and Remuneration Committee, which are convertible into equivalent number of equity shares of ₹10 each as per the terms of the scheme. Upon vesting, the employees can acquire one common equity share of the Holding Company for every option. The stock options were granted on the dates as mentioned in table below.

The share based payment expense has been recognized based on the fair value of option at the date of grant in accordance with the Black-Scholes method.

Grant Date	No. of options	Vesting period	Market value per share (In INR)	Fair value per option (In INR)	Exercise price (In INR)	Expected volatility	Expected life (in years)	Expected dividend	Risk free return
February 7, 2018	1,201,155	2 years 10 months and 24 days	129.35	122.29	10.00	58.50% to 57.61%	3.50 to 5.40	Nil	7.53% to 7.51%
May 28, 2019	500,000	1 year 7 months and 3 days	145.75	138.26	10.00	48.66% to 51.32%	3.50 to 4.10	Nil	6.92%
May 28, 2019	85,000	2 years 6 months and 2 days	145.75	138.26	10.00	48.66% to 57.76%	3.50 to 5.00	Nil	6.92% to 7.03%
August 9, 2019	140,000	4 years	135.95	128.81	10.00	46.37% to 56.21%	3.50 to 6.50	Nil	6.33% to 6.54%
November 13, 2019	250,000	4 years	115.05	107.96	10.00	46.56% to 55.64%	3.50 to 6.50	Nil	6.32% to 6.92%
February 14, 2020	500,000	2 years	84.70	76.90	10.00	46.50% to 50.93%	3.50 to 4.50	Nil	6.00% to 6.02%
November 11, 2020	75,000	3 years	51.35	43.79	10.00	48.89% to 51.46%	3.50 to 5.50	Nil	5.02% to 5.86%
February 10, 2021	475,000	3 years	86.85	79.26	10.00	50.385 to 52.33%	3.50 to 5.50	Nil	5.75% to 6.13%

Expected volatility calculation is based on daily volatility of the share prices over a period prior to the date of grant, corresponding to the expected life of the options.

The risk free return is the implied yield currently available on zero coupon government issues, with a remaining term equal to the expected term of the option being valued.

The above calculation is based on government yield on zero coupon bonds with 4 to 5 as term to maturity.

Expected life of the option have been calculated by adding the vesting period and half of the exercise period.

The Holding Company has not declared any dividend from last several years. Therefore, expected dividend yield is taken as Nil.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Effect of employee stock option scheme on the statement of profit and loss:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Share based payment expense	41.40	52.29

Reconciliation of outstanding share options:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Options outstanding as at the beginning of the year	**1,562,512**	**10.00**	**2,050,039**	**10.00**
Add: Options granted during the year*	-	10.00	550,000	10.00
Less: Options forfeited during the year	-	10.00	176,923	10.00
Less: Options exercised during the year	859,712	10.00	860,604	10.00
Options outstanding as at the year end	**702,800**	**10.00**	**1,562,512**	**10.00**

*Includes only options granted to employees who have fulfilled the related conditions in respect of such grant.

The weighted average remaining period of stock options as at March 31, 2022 is 6 years (March 31, 2021: 5 years).

The weighted average share price at the date of exercise of stock options during the year was ₹72.38 (March 31, 2021 ₹72.84).

Option excersiable as at March 31, 2022 is 20,300 (March 31, 2021- 486,012)

44. Employee benefits obligation

a. Gratuity

The Group 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 subject to a maximum of ₹2.00 million. 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.

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Amounts recognized in balance sheet		
Defined benefit obligation ('DBO')	703.12	624.30
Defined benefit obligation ('DBO')	**703.12**	**624.30**
Bifurcation of DBO at the end of the year - current and non-current		
Current liability	93.58	51.79
Non-current liability	609.54	572.51

(ii) Amount recognized in other comprehensive income	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial gain	(32.56)	(16.99)
Actuarial gain recognized in other comprehensive income	**(32.56)**	**(16.99)**
(iii) Expenses recognized in Statement of profit and loss		
Current service cost	114.17	129.74
Interest cost on DBO	42.42	34.00
Expense recognized during the year	**156.59**	**163.74**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

(iv) Movement in the liability recognized in the Consolidated balance sheet is as under:	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation at the beginning of the year	**624.30**	503.40
Current service cost	114.17	129.74
Interest cost	42.42	34.00
Benefits paid	(45.21)	(25.87)
Actuarial (loss)/gain		
a. Effect of changes in financial assumption	(33.88)	(38.22)
b. Effect of experience adjustments	(41.22)	15.30
c. Effect of changes in demographic assumptions	42.54	5.95
Present value of defined benefit obligation at the end of the year	**703.12**	**624.30**

(v) For determining the DBO liability the following actuarial assumptions were used:	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	4.87%-7.26%	6.76%
Salary escalation rate	4.5%-7.00%	4.50%
Pre-retirement mortality	IALM(2012-14)	IALM(2012-14)
Attrition rate	" 21.50% (Upto 30 years) 11.20% (Age 31-44) 1.5% (above age 44) "	" 10.30% (Upto 30 years) 3.90% (Age 31-44) 0.80% (above age 44) "
Number of employees	12,345	14,578
Retirement age (years)	58.00	58.00
Average age (years)	32.23	31.38
Average past service (years)	4.29	3.64
Average remaining working life (years)	25.77	26.62
Total monthly salary (Lakhs)	3,015.82	3,336.70
Weighted average duration of DBO	7.73	14.94

(vi) Maturity profile of defined benefit obligation:	As at March 31, 2022	As at March 31, 2021
Within the next 12 months (next annual reporting period)	93.58	51.31
Between 2 and 5 years	209.41	97.08
Beyond 5 years	400.13	470.03

(vii) Sensitivity analysis for gratuity:	Year ended March 31, 2022	Year ended March 31, 2021
Impact of the change in discount rate on present value of DBO as at the end of the year		
Discount rate + 50 Basis points	(24.36)	(34.60)
Discount rate - 50 Basis points	26.21	38.03
Impact of the change in discount rate on present value of DBO as at the end of the year		
Discount rate + 50 Basis points	25.30	38.70
Discount rate - 50 Basis points	(24.19)	(35.48)

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

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(viii) Risk

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

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.

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.

Discount rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

b. Compensated absences

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

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	7.26%	6.76%
Future salary increase	4.50%	5.00%

c. Defined contribution plan:

During the year, the Group recognized ₹319.94 million (March 31, 2021 - ₹324.83 million) as provident fund expense under defined contribution plan and ₹37.73 million (March 31, 2021 - ₹36.66 million) for contributions to employee state insurance scheme in the Statement of profit and loss.

45. Lease liabilities

The Group's leased assets primarily consist of leases for aircraft, aircraft components (including engines) and buildings. The Group has several lease contracts that include extension and termination options. The management has included termination options in determination of lease term for contracts having such option. Extension options have not been included in determination of lease term since the management is reasonably certain not to exercise these options. Potential cash flows in relation to such extension options cannot be ascertained since the cash outflow for the extended period will depend on the negotiations with the lessors in the event of exercising the extension options. Under certain lease arrangements of aircraft, the Group incurs variable payments towards maintenance of the aircraft which are disclosed under "Supplemental lease charges - aircraft, engines and auxiliary power units".

During the year ended March 31, 2022, the Group has recognized an expense of ₹6,711.98 million (March 31, 2021 ₹2,662.55 million) on account of short term leases which represents leased aircraft, engines and auxiliary power units having a remaining lease term of less than 12 months and other short-term leases. The portfolio of other short-term leases to which the Group is committed at the end of the reporting period is not materially different from the portfolio of other short-term leases for which expense has been recognized during the year ended March 31, 2022.

A. Amount recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on right of use assets	11,012.74	13,499.87
Interest on lease liabilities (net off rent waiver)	2,789.91	2,935.94
Rent expenses related to short term leases	6,711.98	3,462.40

Refer note 4 for additions to Right-of-use assets and the carrying amount of right of use assets as at March 31, 2022. Further, refer note 56 for maturity analysis of lease liabilities.

B. Total cash outflow of leases

Total cash outflow of leases	8,011.36	3,801.10

C. Pursuant to the renegotiations with lessors, the Group has recognised the impact (as reduction in cost) of ₹718.98 million for the year ended March 31, 2022, arising from rental concessions concluded in the current year, in line with the guidance

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

prescribed in Ind AS 116, read with the amendment thereto vide Ministry of Corporate Affairs notification dated July 24, 2020 and June 18, 2021, relating to Covid-19-Related Rent Concessions.

46. Capital and other commitments

a. As at March 31, 2022, the Group has commitments of ₹550,358.71 million (March 31, 2021 - ₹533,786.89 million) relating to the acquisition of aircraft.

b. Under certain long-term maintenance contracts for the management, maintenance, repair and overhaul of aircraft components and spares, the Group incurs an agreed power-by-the-hour cost based on aircraft/component utilization.

47. Litigations and claims

a) Summary

i) Matters wherein management has concluded the liability to be probable have been provided for in the books. Refer note 30.

ii) Matters wherein management has concluded the liability to be possible have been disclosed under note 47 (b) below.

b) Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Liability arising out of legal cases filed against the Group in various Courts/Consumer Redressal Forums, Consumer Courts, disputed by the Group	210.11	171.56
Liability arising out of goods and service tax related show cause notice	124.75	63.86
Liability arising out of custom tariff classification	112.10	-
Demand in respect of provident fund dues for international workers as explained in note (i) below	142.37	142.37
Demand in respect of service tax (including interest and penalty) as explained in note (ii) below	170.70	170.70
Show cause notice received in respect of service tax as explained in note (iii) below	3,458.92	3,458.92
Liability arising out of Integrated Goods and Services Tax ('IGST'), on overseas repairs and replacement of various aircraft equipment as explained in note (iv) below	580.70	2,556.29
Liability in respect of inter-corporate deposit received from Mallanpur Steels Limited (refer note (v) below)	35.00	35.00
Demand in respect of order from the Competition Commission of India as explained in note (vi) below	51.00	51.00
Liability arising out of legal case filed against the Holding Company by aircraft manufacturer as explained in note (vii) below	-	3,200.00

The Group has various demands arising from Income tax assessments pertaining to Assessment year 2006-07 to 2014-15. The litigations are currently pending at various forums and such sum contested after adjusting the brought forward losses and depreciation was computed to be Nil. Consequently, without prejudice to its legal defence on these matters, the Group has not disclosed the same as a contingent liability.

i. The Holding Company has received a demand notice from the Regional Provident Fund Commissioner, Gurgaon for ₹79.91 million in respect of provident fund ('PF') dues for international workers vide Notifications GSR 706(E) dated October 1, 2008 and GSR 148 dated September 3, 2010, for the period from November 2008 to February 2011. The Holding Company has responded to the notice disputing the demand and, without admitting any liability towards the same, has deposited an amount of ₹1.96 million towards the PF contributions in respect of international workers for the period from November 2008 to July 2011 under the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 ('PF Act'). Since August 2011, the Holding Company has been making provident fund contributions in respect of international workers under the provisions of the PF Act. During the year ended March 31, 2012, the Holding Company has filed a writ petition with the Hon'ble Delhi High Court contending that the above

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

notifications relating to international workers are unreasonable and ultra vires the PF Act. The Court has directed that this matter be put up in the regular list and the interim order in favour of the Holding Company has been made absolute till disposal of the petition. In addition, a report has been filed by the Department's Representative before the Regional Provident Fund Commissioner ("RPFC") on March 22, 2017 pursuant to which there is an aggregate demand ₹144.43 million against the Holding Company for the period from November 2008 to January 2012. The Holding Company has filed its reply on the report on August 18, 2017. Thereafter, the RPFC has passed its final order on June 8, 2020 against the Holding Company for an amount of ₹142.04 million towards outstanding PF dues for its expat employees for the period of November 2008 to January 2012. The RPFC order also states that there is an order in favour of the Holding Company restraining the PF department from taking any coercive steps against the Holding Company for recovery of the said amount till the disposal of the writ petition. Pending disposal of the writ petition, the Holding Company has not accrued for any additional liability in respect of provident fund contributions to international workers.

ii. The Holding Company has received a demand order for a sum of ₹77.28 million, and applicable interest, as well as penalty of ₹77.28 million from the service tax department for non-remittance of service tax on reverse charge mechanism on certain payments made during the period April 18, 2006 to March 31, 2012. The Holding Company is contesting the order on the grounds that the services obtained by the Holding Company were not liable to service tax under the categories determined by the authorities and are hence not taxable services. Effective July 2012, pursuant to the enactment of the negative list of taxable services, the Holding Company has been paying service tax on these services received on reverse charge basis under the relevant provisions of the Finance Act, 1994. Based on advice by its tax consultants and internal evaluation, the Holding Company has provided an amount of ₹77.28 million (including a portion of applicable interest) on a conservative basis (also refer note 29). However, the Holding Company continues to contest the entire demand and has filed an appeal against the adverse order with the Customs, Excise and Service Tax Appellate Tribunal ('CESTAT') and is confident of its success. The balance amount of the matter under litigation, (including interest and penalty) of ₹170.70 million, has not been accrued pending final outcome of this matter and has been disclosed as a contingent liability.

iii. The Holding Company has received certain show cause notices from the service tax authorities, citing various defaults, including failure/delay in remitting service tax collected, over past financial years as well as alleged failure in remittance of service tax on certain other items. Based on their assessment of the contentions of the service tax authorities, management has submitted a detailed reply to the notice, and based on legal advice obtained, believes that the likelihood of this liability devolving on the Holding Company is low, and accordingly has made no adjustments to the financial statements.

iv. The Holding Company has received certain orders from customs authorities levying Integrated Goods and Services Tax ('IGST') and basic customs duty on re-import of various aircraft engines and aircraft equipment repaired/replaced outside India, which is in the opinion of the Management and based on expert advice obtained, is not subject to such levy. Accordingly, these amounts have been considered as recoverable. Further, in January 2021, the Holding Company has received favourable order in reference to one of the matters for which tax is paid under protest, from the Customs Excise and Service Tax Appellate Tribunal ('CESTAT'), New Delhi in respect of this matter. During the year, the customs authorities have filed an appeal before the Hon'ble Supreme Court of India ('the Supreme Court') against the CESTAT order. The matter is yet to be decided by the Supreme Court and no stay on CESTAT order has been granted by the Supreme Court till date. Further, the customs authorities vide customs amendment notification dated July 19, 2021 has amended earlier customs exemption notification to reiterate their position that IGST is applicable on re-import of goods after repair. However, the Holding Company based on the legal advice from counsels, continues to believe that no IGST is payable on such re-import of repaired aircraft engines and related parts. Accordingly, the above amounts, which is paid under protest till March 31, 2022 have been shown as recoverable.

v. M/s Hindustan Development Corporation Limited ("HDCL") (now renamed as Mallanpur Steels Limited) who had lent ₹50 million by way of inter-corporate deposit to the Holding Company, has filed an appeal before the division bench of the Hon'ble Delhi High Court against the Scheme of Settlement passed by the Hon'ble Delhi High Court wherein the Company's liability was fixed at ₹35 million. The Holding Company had made a deposit of ₹35 million to the Official Administrator of the Scheme in accordance with approved Scheme. Pending disposition of the review petition, the likelihood of the balance amount of Rs.15 million devolving on the Holding Company is not probable. Also, the interest (if any) on the same is not ascertainable and accordingly no adjustments have been made to the financial statements.

vi. The Competition Commission of India ("CCI") passed an order dated November 17, 2015 against, inter alia, the Holding Company, which included a demand of Rs 424.80 million. The Holding Company's appeal against this order with Competition Appellate Tribunal ("COMPAT") was disposed of by the COMPAT, which set aside the impugned order

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

on technical grounds and has referred the matter back to the CCI for fresh adjudication. Subsequent thereto, the matter was reconsidered by CCI and a revised order dated March 7, 2018 imposing fine of ₹51 million was imposed on the Holding Company. The Holding Company has filed an appeal before COMPAT and based on legal advice received, management is confident of a favourable outcome in this matter and accordingly no adjustments are considered necessary in the financial statements.

vii. The aircraft manufacturer of Q400 aircraft initiated a claim against the Holding Company in the foreign court amounting to approximately ₹3,200 million for declarations, liquidated damages, interest and costs relating to the Holding Company's alleged breaches of, and the manufacturer's purported termination of the purchase agreement for certain undelivered aircraft. The foreign court decided a summary judgement in favour of the aircraft manufacturer and the aircraft manufacturer had filed an execution petition before the Hon'ble High Court of Delhi (the "High Court") for execution of the said summary judgement. During the year, the Holding Company has entered into a settlement agreement with the aircraft manufacturer which has resulted in a one-time expense of ₹774.58 million on account of this settlement. Accordingly, the execution petition filed before the High Court is dismissed as withdrawn on July 5, 2022.

viii. The Assistant Commissioner of Income-Tax ("ACIT") has filed a complaint against the Holding Company and its erstwhile Chairman and Managing Director in their individual capacity, over delayed payment of tax deducted at source in contravention of section 276B of the Income-tax Act, 1961 for financial years 2013-14 and 2014-15. The matter is sub-judice as on date and based on professional advice, the management is confident of a favourable outcome in this matter in so far as it relates to the Holding Company. Accordingly, no adjustments are considered necessary in the financial statements.

48. Advance money received against securities proposed to be issued

The Holding Company had, in earlier financial years, received amounts aggregating to ₹5,790.9 million from Mr. Kalanithi Maran and KAL Airways Private Limited (together, "Erstwhile Promoters") as advance money towards proposed allotment of certain securities (189,091,378 share warrants and 3,750,000 non-convertible cumulative redeemable preference shares, issuable based on approvals to be obtained), to be adjusted at the time those securities were to be issued. Pursuant to the legal proceedings in this regard before the Hon'ble Delhi High Court ("Court") between the Erstwhile Promoters, the present promoter and the Holding Company, the Holding Company was required to secure an amount of ₹3,290.89 million through a bank guarantee in favour of the Registrar General of the Court ("Registrar") and to deposit the balance amount of ₹2,500 million with the Registrar. The Holding Company has complied with these requirements.

The parties to the aforementioned litigation concurrently initiated arbitration proceedings before a three-member arbitral tribunal (the "Tribunal"), which pronounced its award on July 20, 2018 (the "Award"). In terms of the Award, the Holding Company was required to (a) refund an amount of approximately ₹3,082.19 million to the counterparty, (b) explore the possibility of allotting non-convertible cumulative redeemable preference shares in respect of approximately ₹2,708.70 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be ₹924.66 million (being interest on the amount stated under (a) above, in terms of the Award). The amounts referred to under (a) and (b) above, aggregating ₹5,790.89 million, continue to be carried as current liabilities without prejudice to the rights of the Holding Company under law. Further, the Holding Company was entitled to receive from the counterparty, under the said Award, an amount of ₹290.00 million of past interest/servicing charges. Consequent to the Award, and without prejudice to the rights and remedies it may have in the matter, the Holding Company accounted for ₹634.66 million as an exceptional item (net) during the year ended March 31, 2019, being the net effect of amount referred to under (c) and interest/servicing charges receivable of ₹290.00 million, above. During the year ended March 31, 2019, the Court had ordered release of ₹2,500 million, out of the amount deposited by the Holding Company, to the counterparty, subject to certain conditions as enumerated by the Court in its order. Further, pursuant to an order of the Court dated September 20, 2019, the Holding Company has remitted an additional ₹582.19 million out of the guarantee placed with the Court, to the counterparty, in October 2019. All such payments made have been included under other non-current assets.

The Holding Company, its present promoter and the counterparties have challenged various aspects of the Award, including the above-mentioned interest obligations and rights, petitions for which have been admitted by the Court, as a result of which the matter is currently sub-judice.

Further, the Court vide its order dated September 2, 2020 in the said matter, directed the Holding Company to deposit an amount of ₹2,429.37 million of interest component under the Award (including the amount of ₹924.66 million provided for as indicated earlier, without prejudice to the rights of the Holding Company under law). The Holding Company preferred a Special Leave Petition before the Hon'ble Supreme Court of India against the aforesaid Order and the Hon'ble Supreme Court of India pursuant to its order dated November 6, 2020, has stayed the deposit of ₹2,429.37 million. Accordingly, based on the foregoing and also legal advice obtained by management, no additional amounts have been accounted for in this regard.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

In view of the foregoing and pending outcome of the aforesaid challenges at the Court, the management is of the view that it is not possible to determine the effects of any such obligations and rights (including any additional/consequential obligations and rights). Accordingly, no further adjustments have been made in this regard, to these financial statement.

The effects of the matter stated above may attract the consequent provisions (including penal provisions) of applicable provisions of law, including deeming provisions, relating to acceptance of deposits. Based on their assessment and legal advice obtained, the management is of the view that any possible consequential effects (including penal consequences and any compounding thereof), of past events and actions in relation to the foregoing, are not likely to have a material impact on the financial statements of the Group. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

49. Claims on the aircraft manufacturer

The Holding Company had thirteen Boeing 737 Max aircraft in its fleet prior to the worldwide grounding of these aircraft during March 2019 due to technical reasons. Despite its inability to undertake revenue operations, the Holding Company continued to incur various costs with respect to these aircraft. As a result, and to reflect the true operational parameters of its operating fleet, the management of the Holding Company recognised claim recoverable for such expenses which accumulated to ₹15,549.03 million till September 30, 2021 under the head 'other income' in respective quarters as the management was confident about the recoverability of its claims since the grounding of these aircraft. While the Boeing 737 Max aircraft were approved by the Federal Aviation Administration in November 2020, the same was only approved by the Director General of Civil Aviation (DGCA) in August 2021 subject to accomplishment of certain compliances and modifications. The aircraft type was finally recertified by DGCA in November 2021. During the current year, the Holding Company concluded its settlement agreement with the aircraft manufacturer and 737 max aircraft lessors whereby the Holding Company is entitled for certain cash and non-cash accommodations over a period of time including waiver of past due lease rentals on these Boeing 737 Max aircraft, resulting in re-induction of twelve of these aircraft into its fleet. Accordingly, basis the various terms of settlement agreed with the aircraft manufacturer and the 737 Max aircraft lessors, the Holding Company has recognised these amounts under the head 'other income'. Upon execution of the settlement agreement and various accommodations extended, the assessment of the management about the recoverability of its claims for these aircraft stands substantiated. In auditors' assessment, the Holding Company should have recognised such accommodations in its entirety during the current year on completion of settlement and hence, the auditors have qualified their audit report to that extent.

50. Impact of Covid-19

The impact of Covid-19 has led to significant disruptions and dislocations for individuals and businesses and has had consequential impact of grounding the passenger airline operations. The Group is required to adhere to various regulatory restrictions, which severely impacts its operations and have their own additional financial implications. As per Government guidelines, the Group had stopped all passenger travel from March 25, 2020 to May 24, 2020. The Government allowed operations of the domestic flights effective May 25, 2020 in a calibrated manner. The operation was ramping up in a phased manner in accordance with Government directions, however, starting March 2021, the second wave of the Covid-19 has hit the country which leads to significant drop in demand and as per revised Government guidelines the domestic operation was also restricted which continued to have severe impact on the Group's revenue and profitability for the quarters ended June 30, 2021 and September 30, 2021. Subsequently, the third wave of the Covid-19 in December 2021/January 2022 has again impacted the passenger load factor and consequently Group's revenue and profitability for the quarter ended March 31, 2022.

However, post above specified period domestic and international passenger airline business witness significant improvement in passenger traffic due to relaxation of restrictions in operation consequent to substantial reduction in Covid cases across the country. With the above developments and various measures taken by the Group, the financial performance is expected to improve substantially in subsequent quarters.

The impact of Covid-19 is not specific to the Group but is applicable across the entire aviation industry within and outside India. While there is uncertainty in the revenue operation in the short-term which is expected to normalise in the long-term. It is also to be noted that while generally the passenger business was either suspended or very low demand during the lockdown period and/or restricted operation period, the Group further enhanced its cargo operations which were fulfilled by dedicated fleet of freighter aircraft and passenger converted aircraft.

Further, the Group is in negotiations with lessors/lenders regarding deferment of dues and other waivers (including, in particular, contracts with aircraft lessors), and also assessed the recoverability and carrying values of its assets while preparing the consolidated financial statements for the year ended March 31, 2022. The management is confident that they have considered all known potential impacts arising from the Covid-19 pandemic on the Group's business, and where relevant, have accounted for the same in these consolidated financial statements. However, the Company will continue to closely monitor any material changes to future economic conditions on account of Covid-19 to assess any possible impact on the Company. The auditors have drawn an 'emphasis of matter' in their audit report in this regard.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

51. Segment reporting

Operating segments of the Group are Air Transport Services, Freighter and Logistics Services and other services. Air Transport Services includes, inter alia, passenger transport and ancillary cargo operations arising from passenger aircraft operations. Accordingly, segment information provided below, including in respect of comparative periods, is based on such operating segments described above.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole and are not allocable to any segment. Expenses that are directly identifiable to segments are considered for determining the segment results. Expenses which relate to the Group as a whole and are not allocable to segments are included under unallocated corporate expenses.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment information: Year ended March 31, 2022

Particulars	Air Transport	Freighter and Logistics Services	Others Services	Total Segments	Inter Segment	Total
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	46,340.40	19,436.10	1,671.77	67,448.26	(1,412.32)	66,035.94
Other income	9,872.33	-	10.41	9,882.74	(201.53)	9,681.21
Total revenue	**56,212.73**	**19,436.10**	**1,682.18**	**77,331.00**	**(1,613.85)**	**75,717.15**
Income /(expenses)						
Revenue from operations	46,340.40	19,436.10	1,671.77	67,448.26	(1,412.32)	66,035.94
Other income	9,872.33	-	10.41	9,882.74	(201.53)	9,681.21
Finance income	640.81	-	0.18	640.99	(52.72)	588.27
Operating expenses	(39,777.71)	(18,165.08)	(910.80)	(58,853.59)	1,182.23	(57,671.36)
Purchase of stock-in-trade	-	-	(943.97)	(943.97)	-	(943.97)
Changes in inventories of stock-in-trade	-	-	(64.33)	(64.33)	-	(64.33)
Employee benefits expense	(7,028.92)	(245.07)	(276.40)	(7,550.39)	13.97	(7,536.42)
Sales and marketing expenses	(1,146.64)	(73.85)	(3.34)	(1,223.82)	4.36	(1,219.46)
Other expenses	(4,906.79)	(470.92)	(158.79)	(5,536.50)	383.31	(5,153.19)
Foreign exchange loss/(gain), (net)	(2,621.83)	-	-	(2,621.83)	-	(2,621.83)
Depreciation and amortisation expense	(12,877.12)	(20.20)	(36.04)	(12,933.36)	-	(12,933.36)
Finance costs	(4,825.79)	-	(56.52)	(4,882.31)	52.70	(4,829.61)
Segment (loss)/profit before exceptional items	**(16,331.26)**	**460.98**	**(767.82)**	**(16,638.11)**	**(30.00)**	**(16,668.11)**
Exceptional items	(774.58)	-	-	(774.58)		(774.58)
Segment (loss)/profit after exceptional items	**(17,105.84)**	**460.98**	**(767.82)**	**(17,412.69)**	**(30.00)**	**(17,442.69)**
Total assets	**93,860.92**	**1,348.05**	**1,027.73**	**96,236.70**	**691.14**	**95,545.56**
Total liabilities	**136,554.12**	**1,539.17**	**1,759.81**	**139,853.10**	**904.96**	**138,948.14**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Year ended March 31, 2021

Particulars	Air Transport	Freighter and Logistics Services	Others Services	Total Segments	Inter Segment	Total
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	40,486.84	11,175.39	1,052.50	52,714.73	(1,000.25)	51,714.48
Other income	8,124.96	-	3.32	8,128.28	(327.90)	7,800.38
Total revenue	**48,611.80**	**11,175.39**	**1,055.82**	**60,843.01**	**(1,328.15)**	**59,514.86**
Income /(expenses)						
Revenue from operations	40,486.84	11,175.39	1,052.50	52,714.73	(1,000.25)	51,714.48
Other income	8,124.96	-	3.32	8,128.28	(327.90)	7,800.38
Finance income	538.57	-	1.10	539.67	(71.29)	468.38
Operating expenses	(30,955.80)	(8,208.65)	(453.79)	(39,618.24)	627.78	(38,990.46)
Purchase of stock-in-trade	(697.60)	-	(255.53)	(953.13)	4.69	(948.44)
Changes in inventories of stock-in-trade	(37.13)	-	74.64	37.51	-	37.51
Employee benefits expense	(6,413.09)	(349.42)	(104.13)	(6,866.64)	13.86	(6,852.78)
Sales and marketing expenses	(753.02)	(5.33)	(8.48)	(766.83)	0.07	(766.76)
Other expenses	(4,592.56)	(246.66)	(321.90)	(5,161.12)	590.83	(4,570.30)
Foreign exchange loss/(gain), (net)	2,088.76	148.42	0.46	2,237.63	-	2,237.63
Depreciation and amortisation expense	(14,717.21)	(862.35)	(32.37)	(15,611.93)	-	(15,611.93)
Finance costs	(4,467.49)	(342.39)	(77.99)	(4,887.87)	71.29	(4,816.57)
Segment loss	**(11,394.77)**	**1,309.01**	**(122.17)**	**(10,207.94)**	**(90.92)**	**(10,298.86)**
Total assets	**112,253.84**	**1,348.05**	**936.94**	**114,538.83**	**(1,021.92)**	**113,516.91**
Total liabilities	**137,865.62**	**1,539.17**	**1,420.31**	**140,825.10**	**(1,265.75)**	**139,559.36**

Other information:

Revenue from external customers

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
India	43,411.31	34,845.99
Outside India	22,624.63	16,868.49
Total revenue as per statement of profit or loss	**66,035.94**	**51,714.48**

The revenue information above is based on the locations of the customers.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
India	63,148.77	77,519.71
Outside India	-	-
Total	**63,148.77**	**77,519.71**

Non-current assets for this purpose consist of property, plant and equipment, capital work-in-progress, right of use assets, intangible assets and other non-current assets.

There are no sales to external customers more than 10% of total revenue.

52. Income tax expense

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting loss before income tax	**(17,442.69)**	**(10,298.86)**
Loss before income tax multiplied by standard rate of corporate tax in India 25.168% (March 31, 2021: 25.168%)	(4,389.98)	(2,592.02)
Effects of:		
Income exempted from tax	-	-
Non-deductible expenses for tax purposes	(866.00)	(485.40)
Set-off of brought forward losses	5,255.97	3,077.41
Net effective income tax	**-**	**-**

The Group has recognized deferred tax assets arising on account of brought forward tax losses and unabsorbed depreciation to the extent of the deferred tax liability arising on account of the temporary difference on depreciation of ₹2454.73 million as at March 31, 2022 (₹2,647.69 million as at March 31, 2021).

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities	(2,454.73)	(2,647.69)
Deferred tax asset	2,454.73	2,647.69
Net deferred tax asset/ (liabilities)	-	-

Year ended March 31, 2022	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(2,647.69)	192.96	-	(2,454.73)
Brought forward losses	2,647.69	(192.96)	-	2,454.73
Total	-	-	-	-

Year ended March 31, 2021	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(4,016.14)	1,368.45	-	(2,647.69)
Brought forward losses	4,016.14	(1,368.45)	-	2,647.69
Total	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

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, 2022	As at March 31, 2021
Unused tax losses *	20,060.48	10,742.61
Unabsorbed tax depreciation #	17,642.66	16,597.03
Net deferred tax asset/ (liabilities)	**37,703.14**	**27,339.64**

 # 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

0-4 years	9,143.82	2,014.20
4-8 years	10,916.66	8,728.42
Total	**20,060.48**	**10,742.62**

The brought forward losses and unabsorbed depreciation considered above are based in the tax records and returns filed upto Assessment Year 2021-22 and does not consider the potential effect of matters under dispute/litigation with the tax authorities which are currently sub-judice at various levels. Also refer note 46.

53. Related party transactions

Relationship	Name of the party
Party exercising control	Mr. Ajay Singh
Relatives of party exercising control	Ms. Shiwani Singh
	Ms. Avanee Singh
Enterprises over which parties above or their relatives have control/significant influence ('Affiliates')	Spice Healthcare Private Limited
Key management personnel	Mr. Ajay Singh, Chairman and Managing Director
	Ms. Shiwani Singh, Non-Executive Promoter Director
	Mr. Anurag Bhargava, Independent Director
	Mr. Ajay Chhotelal Aggarwal, Independent Director
	Mr. Manoj Kumar, Independent Director
	Mr. Kiran Koteshwar, Chief Financial Officer (Upto August 31, 2020)
	Mr. Sanjeev Taneja, Chief Financials Officer (from November 11, 2020 till August 31, 2022)
	Mr. Chandan Sand, Company Secretary

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

Subsidiaries	Year ended March 31, 2022	Year ended March 31, 2021
SpiceJet Merchandise Private Limited		
Transactions during the year		
Rendering of services	25.43	70.29
Sale of products	258.57	2.64
Reimbursement of expenses	-	8.23

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Subsidiaries	Year ended March 31, 2022	Year ended March 31, 2021
Balances outstanding as at the year end		
Trade receivables	8.45	72.82
Contract assets	-	10.20
Contract liabilities	69.69	-
Transactions during the year		
Advance given/(received) (net)	-	5.62
Balances outstanding as at the year end		
Employee advances#	12.54	24.80

#Includes balance of erstwhile Chief Financial Officer upto August 31, 2020.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables.

Compensation of key management personnel

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits#	55.05	74.00
Share-based payment transactions*	-	(12.16)
Provident fund contribution	1.66	1.30
Total	**56.71**	**63.14**
Sitting fees		
Mr. Anurag Bhargava	0.40	0.40
Ms. Shiwani Singh	0.50	0.40
Mr. Ajay Chhotelal Aggarwal	0.40	0.40
Mr. Manoj Kumar	0.50	0.40
Total	**1.80**	**1.60**
Total compensation paid to key management personnel**	**58.51**	**64.74**

#As the liabilities for gratuity and compensated absences are provided on actuarial basis for the amounts pertaining to the key management personnel are not included above.

*Includes a reversal of employee stock option scheme expense of ₹Nil million (March 31, 2021: ₹17.65) during the year towards forfeiture of employee stock options granted.

**The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

54. Fair values

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities.

Particulars	Carrying value		Fair value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets				
Investments - non-current	0.17	0.61	0.17	0.61
Investments - current	4.33	4.16	4.33	4.16
Other financial assets - non-current	9,783.10	9,828.88	9,783.10	9,828.88
Other financial assets - current	2,705.41	1,720.57	2,705.41	1,720.57
Trade receivables	2,532.79	3,211.19	2,532.79	3,211.19
Other receivables	9,888.85	16,933.84	9,888.85	16,933.84
Cash and cash equivalents	626.81	355.24	626.81	355.24
Total	**25,541.46**	**32,054.49**	**25,541.46**	**32,054.49**
Financial liabilities				
Borrowings - non-current	3,128.81	3,026.74	3,128.81	3,026.74
Borrowings - current	7,664.95	7,652.38	7,664.95	7,652.38
Trade payables - non-current	3,473.29	2,263.13	3,473.29	2,263.13
Trade payables - current	26,129.41	20,007.17	26,129.41	20,007.17
Other current financial liabilities	943.47	422.18	943.47	422.18
Total	**41,339.93**	**33,371.60**	**41,339.93**	**33,371.60**

The Management considers that the carrying amounts of financial assets and financial liabilities (except lease liability) recognised in the financial statements approximate their fair values. The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables, and other current and non-current financial liabilities and financial assets approximate their carrying amounts largely due to the short-term maturities of these financial instruments. The borrowings of the Group do not have any 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.

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

55. Fair value hierarchy

The following explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group 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

Level 1 – The use of net asset value for mutual funds on the basis of the statement received from investee party.

Level 3 – The use of adjusted net asset value method for equity investment.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities are measured at fair value in the Balance Sheet.

Particulars	Fair value hierarchy as at March 31, 2022		
	Level 1	Level 2	Level 3
Investments in mutual funds	4.33	-	-
Equity Investments*	-	-	0.17

Particulars	Fair value hierarchy as at March 31, 2021		
	Level 1	Level 2	Level 3
Investments in mutual funds	4.16	-	-
Equity Investments*	-	-	0.61

There have been no transfers between level 1 and level 2 during the year.

* The difference between current and last year represents liquidation during the year.

56. Financial risk management objectives and policies

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a treasury team. The treasury team provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group'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, 2022 and March 31, 2021.

Price risk

The Group's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Group diversifies its portfolio of assets.

Sensitivity analysis

If price had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended March 31, 2022 would decrease/increase by ₹0.22 million (March 31, 2021: decrease/increase by ₹0.21 million).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because it borrows funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. As at March 31, 2022 approximately 78.96% of the Group's borrowings are at a variable rate of interest (March 31, 2021 - 57.90%)

Sensitivity analysis

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2022 would increase by ₹30.33 million and decrease by ₹36.73 million respectively. (March 31, 2021: increase/decrease by ₹35.95 million).

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

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 Group'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 Group's loss for the year ended March 31, 2022 would increase/decrease by ₹5,542.14 million (March 31, 2021: increase/decrease by ₹5,504.91 million).

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

Credit risk

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

The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Trade receivables are typically unsecured and are primarily derived from cargo and other revenue streams. Majority of the Group's passenger revenue is are made against deposits made by agents. Trade receivables primarily comprise of domestic customers, which are fragmented and are not concentrated to individual customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored. At March 31, 2022, the Group had 43 customers (March 31, 2021: 38 customers) that owed the Group more than ₹10 million each and accounted for approximately 88% (March 31, 2021: 86%) of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are widely dispersed and operate in largely independent markets. The average credit period ranges between 30 and 90 days.

Credit risk related to cash and cash equivalents and bank deposits is managed by only investing in deposits with highly rated banks and financial institutions and diversifying bank deposits and accounts in different banks. Credit risk related to other financial assets is managed by monitoring the recoverability of such amounts continuously. Credit risk is considered low because the Group is in possession of the underlying asset (in case of security deposit) or as per trade experience (in case of unbilled revenue). Further, the Group creates provision by assessing individual financial asset for expectation of any credit loss basis 12 month expected credit loss model.

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**125.23**	**161.18**
Add: Impairment loss recognised	58.27	21.25
Less: Bad debts written off/reversed	56.15	57.20
Balance at the end of the year	**127.35**	**125.23**

Liquidity risk

Liquidity risk refers to the risk that the Group 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 Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Group also constantly monitors funding options available in the debt markets with a view to maintaining financial flexibility.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments

Year ended March 31, 2022	Upto 1 year	1 to 5 years	> 5 years	Total
Financial Liabilities (Non-current and Current)				
Borrowings	7,664.95	3,128.81	-	10,793.76
Trade payables	26,129.41	3,473.29	-	29,602.70
Lease liabilities	35,392.08	49,366.76	27,574.87	112,333.72
Other current financial liabilities	943.47	-	-	943.47
Total	**70,129.91**	**55,968.86**	**27,574.87**	**153,673.65**

Year ended March 31, 2021	Upto 1 year	1 to 5 years	> 5 years	Total
Financial Liabilities (Non-current and Current)				
Borrowings	7,652.38	3,026.74	-	10,679.12
Trade payables	20,007.17	2,263.13	-	22,270.30
Lease liabilities	37,139.99	51,105.90	16,422.56	104,627.46
Other current financial liabilities	413.31	-	-	422.18
Total	**65,212.85**	**56,395.77**	**16,422.56**	**137,999.06**

57. Capital management

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

The Group determines the amount of capital required on the basis of annual operating plans and long-term fleet expansion plans. The funding requirements are met through internal accruals and other long-term/short-term borrowings. The Group's policy is aimed at combination of short-term and long-term borrowings. The Group monitors capital employed using a debt equity ratio, which is total debt divided by total equity.

The Group's policy is to keep the net debt to total equity ratio above (1.00).

Particulars	As at March 31, 2022	As At March 31, 2021
Long term borrowings	3,128.81	3,026.74
Short term borrowings	7,664.95	7,652.38
Cash and cash equivalents	(112.95)	(330.91)
Bank balances other than above	(513.86)	(24.33)
Net debt	10,166.95	10,323.88
Total equity	(43,402.58)	(26,042.45)
Net debt to total equity ratio	**(0.23)**	**(0.40)**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

58. Additional information required by Schedule III of the Companies Act, 2013

As at March 31, 2022

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit / (loss) for the year		Share in other comprehensive income (net of tax)		Share in total comprehensive income for the year	
SpiceJet Limited (Consolidated)	100%	(43,402.58)	100%	(17,442.69)	100%	32.56	100%	(17,410.13)
Holding Group								
SpiceJet Limited	100%	(43,568.51)	94%	(16,420.23)	109%	35.63	99%	(17,219.02)
Subsidiaries								
SpiceJet Merchandise Private Limited	0%	31.93	0%	6.96	0%	0.10	0%	7.06
SpiceJet Technic Private Limited	0%	(109.39)	5%	(882.09)	-4%	(1.22)	5%	(883.31)
Canvin Real Estate Private Limited	-1%	220.59	0%	(0.11)	0%	-	0%	(0.11)
SpiceJet Interactive Private Limited	0%	(0.13)	0%	(0.11)	0%	-	0%	(0.11)
Spice Club Private Limited	0%	(0.13)	0%	(0.11)	0%	-	0%	(0.11)
Spice Shuttle Private Limited	0%	7.54	0%	(0.18)	0%	-	0%	(0.18)
SpiceXpress and Logistics Private Limited	0%	2.63	0%	(0.19)	0%	-	0%	(0.19)
SpiceTech System Private Limited	0%	12.94	1%	(146.54)	-6%	(1.96)	1%	(148.50)
Spice Ground Handling Services Private Limited	0%	(0.05)	0%	(0.08)	0%	-	0%	(0.08)
Total	**100%**	**(43,402.58)**	**100%**	**(17,442.68)**	**100%**	**32.56**	**100%**	**(17,412.13)**

As at March 31, 2021

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit / (loss) for the year		Share in other comprehensive income (net of tax)		Share in total comprehensive income for the year	
SpiceJet Limited (Consolidated)	100%	(26,042.45)	100%	(10,298.86)	100%	16.99	100%	(10,281.87)
Holding Group								
SpiceJet Limited	99%	(25,764.66)	95%	(9,792.72)	100%	16.99	95%	(9,775.73)
Subsidiaries								
SpiceJet Merchandise Private Limited	0%	22.05	0%	30.81	1%	0.10	0%	30.91
SpiceJet Technic Private Limited	1%	(348.76)	4%	(457.08)	-1%	(0.10)	4%	(457.18)
Canvin Real Estate Private Limited	0%	126.84	0%	(0.10)	0%	-	0%	(0.10)
SpiceJet Interactive Private Limited	0%	(0.00)	0%	(0.09)	0%	-	0%	(0.09)
Spice Club Private Limited	0%	(0.00)	0%	(0.08)	0%	-	0%	(0.08)
Spice Shuttle Private Limited	0%	(85.60)	0%	(32.94)	0%	-	0%	(32.94)
SpiceXpress and Logistics Private Limited	0%	0.68	0%	(0.35)	0%	-	0%	(0.35)
SpiceTech System Private Limited	0%	6.97	0%	(46.25)	0%	-	0%	(46.25)
Spice Ground Handling Services Private Limited	0%	0.04	0%	(0.06)	0%	-	0%	(0.06)
Total	**100%**	**(26,042.45)**	**100%**	**(10,298.86)**	**100%**	**16.99**	**100%**	**(10,281.87)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

59. Group information

Information about subsidiaries

The financials statements of the Group includes subsidiaries listed in the table below:

S. No	Name of entity	Principal activities	Country of incorporation	% equity interest	
				March 31, 2022	March 31, 2021
1	SpiceJet Merchandise Private Limited	Business of consumer merchandise and goods through various channels	India	100.00	100.00
2	SpiceJet Technic Private Limited	Engineering related service including but not limited to maintenance, repair and overhaul services of aircraft and its parts	India	100.00	100.00
3	Canvin Real Estate Private Limited	Real estate	India	100.00	100.00
4	SpiceJet Interactive Private Limited	Information and communication technology	India	100.00	100.00
5	Spice Club Private Limited	Loyalty and rewards programme management	India	100.00	100.00
6	Spice Shuttle Private Limited	Charter operation by aeroplanes and/or helicopters	India	100.00	100.00
7	SpiceXpress and Logistics Private Limited	Cargo transportation and logistics	India	98.00	100.00
8	SpiceTech System Private Limited	Information and communication technology	India	68.00	68.00
9	Spice Ground Handling Services Private Limited	Ground handling services	India	100.00	100.00

60. As at March 31, 2022 the composition of the Board of Directors of the Holding Company is not as per the requirement of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the Holding Company has not appointed one independent woman director and the total number of directors are less than six. The Holding Company is in the process of identifying suitable candidate for the vacant position. Post appointment of one independent woman director, the Holding Company will comply Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

61. Other statutory information

A. The Group has not advanced or loaned or invested funds to any person or any entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Group (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

62. In an old matter between the Holding Company and Credit Suisse emanating from an agreement dated November 24, 2011 between the Holding Company and SRT Technics ("SRT") for provision of engine maintenance services ("Agreement"), the Madras High Court has allowed the petition for winding up of the Holding Company for non-payment of amounts aggregating to USD 24.01 million (equivalent to ₹1,787.30 million) to Credit Suisse, as assignee of SRT. The Holding Company opposed the petition inter-alia on the grounds that there is no legally enforceable debt because SRT, did not possess the relevant Directorate General of Civil Aviation ("DGCA") approval for provision of services under the Agreement. However, the Madras High Court despite holding that SRT did not have a valid authorization from DGCA to carry out engine maintenance during the period of the Agreement, rejected the Holding Company's defence and ordered winding up of the Holding Company. The winding up Order of Madras High Court was immediately stayed on the condition of Holding Company providing security of USD 5 million (equivalent to ₹373.20 million) and to allow the Holding Company to appeal against the order. The challenge before the Division Bench of the Madras High Court was also rejected while maintaining the stay of winding up order and subsequently the Holding Company preferred a Special Leave Petition before the Hon'ble Supreme Court of India ("the Supreme Court"). The Supreme Court on January 28, 2022 stayed the order of winding up to facilitate settlement between the parties. The parties entered into a settlement on May 23, 2022 and have filed the settlement consent terms with the Supreme Court for appropriate order and disposal of the matter. Consequently, the Supreme Court on August 18, 2022 has dismissed the Special Leave Petition as withdrawn and directed the parties to abide by the settlement terms.

63. Previous period/year numbers have been regrouped/reclassified wherever considered necessary.

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

Balance sheet	As at March 31, 2021 (Reported)	Adjustments	As at March 31, 2021 (Reclassified)
Assets			
Non-current assets			
Financial assets			
– Loans	4,858.32	(4,858.32)	-
– Other financial assets	4,970.56	4,858.32	9,828.88
Current assets			
Financial assets			
– Loans	356.22	(356.22)	-
– Other financial assets	1,364.35	356.22	1,720.57
Other current assets	2,124.59	(159.26)	1,965.33
Liabilities			
Non-current liabilities			
Financial liabilities			
– Trade payables			
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	2,263.13	2,263.13
Provisions	5,055.34	(2,263.13)	2,792.21
Current liabilities			
Financial liabilities			
– Borrowings	4,044.79	3,607.59	7,652.38
– Trade payables			
- total outstanding dues of creditors other than micro enterprises and small enterprises	16,767.28	2,721.67	19,488.95
– Other financial liabilities	4,029.77	(3,607.59)	422.18
Provisions	5,377.59	(2,880.93)	2,496.66

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Statement of profit and loss	For the year ended March 31, 2021 (Reported)	Adjustments	For the year ended March 31, 2021 (Reclassified)
Other income	9,335.59	(1,210.62)	8,124.97
Finance costs	(6,020.50)	1,210.62	(4,809.88)

65. Adoption of accounts

The consolidated financial statements were approved for issue by the board of directors on August 31, 2022

As per our report of even date.

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

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 31, 2022

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 31, 2022

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 31, 2022

Joyakesh Podder
Senior Vice President - Finance
Place: Gurugram
Date: August 31, 2022

SPICEJET LIMITED
319, Udyog Vihar, Phase IV Gurgaon - 122 016, Haryana