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

December 19, 2023

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, 2023 and Notice of 39th 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, 2023 along with notice of 39th Annual General Meeting of the Company scheduled to be held on Wednesday, the 10th day of January, 2024 at 3:30 p.m. through video conference and other audio visual means.

This is for your information and record.

Thanking you,

Yours truly,
For SpiceJet Limited

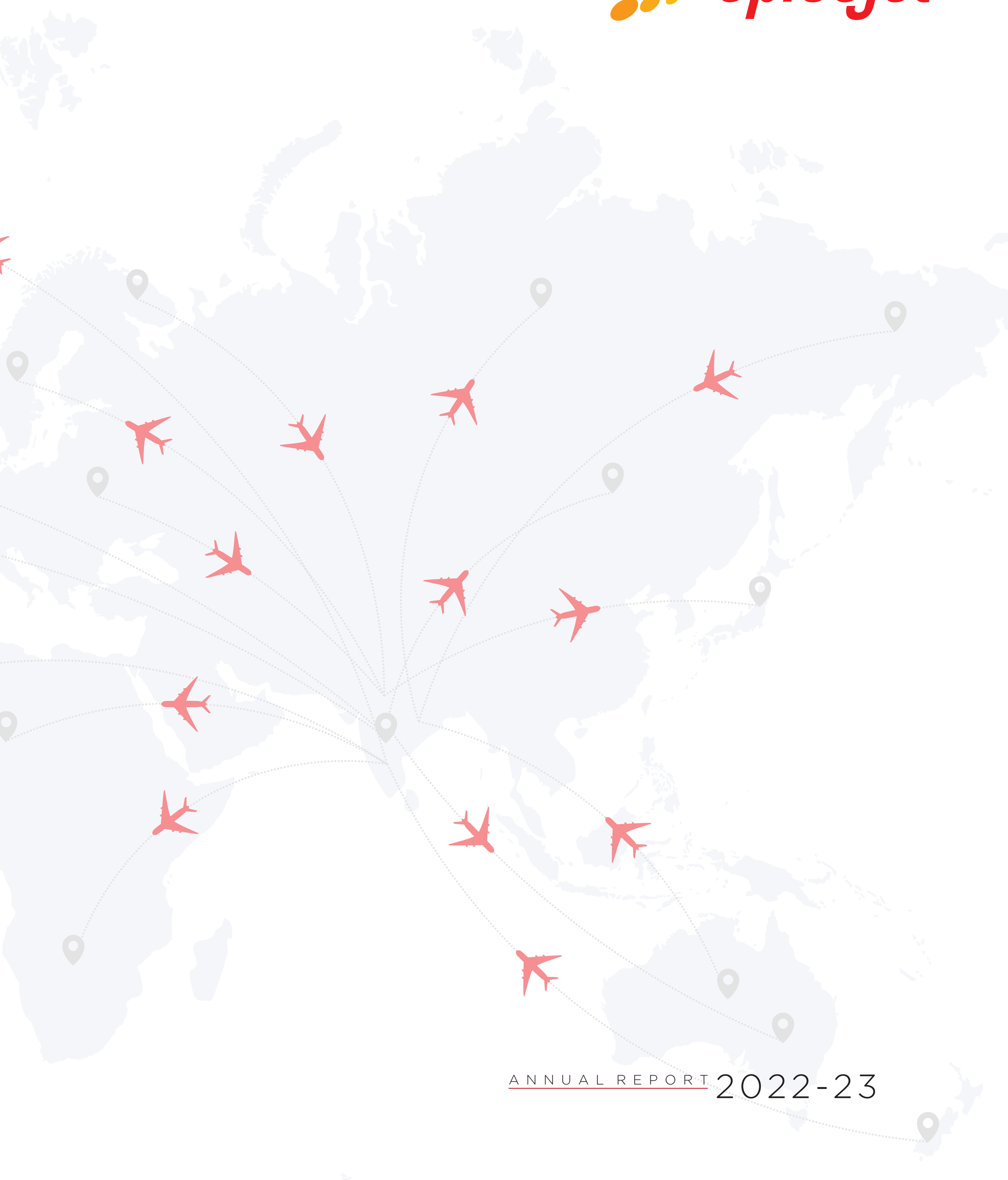
Chandan Sand

Digitally signed by Chandan Sand
DN: cn=Chandan Sand, o=SpiceJet Limited, ou, email=chandan.sand@spicejet.com, c=IN
Date: 2023.12.20 15:28:21 +05'30'

Chandan Sand
Sr. VP (Legal) & Company Secretary

Encl.: As above

SpiceJet



ANNUAL REPORT 2022-23

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.

CONTENTS

Corporate Overview

Statutory Reports

Financial Statements

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

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
City Union Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IDFC First Bank Limited
Indian Bank
Union Bank of India
Yes Bank Limited

Message from the Chairman and Managing Director

"We remain focused on adapting to the changing landscape of the aviation industry, identifying and seizing new opportunities. I assure you that every effort will be made to turn around your Company's fortunes and propel it to greater heights. The recent fund raise is testimony to our efforts and commitments."

Dear Shareholders,

I am delighted to share some ground breaking developments at SpiceJet, which I believe will significantly impact our journey ahead. The Board of Directors of the Company, recently approved a strategic move to raise fresh capital, totalling over Rs.2,240 crore (approximately USD 270 million).

This initiative involves the issuance of equity shares to Financial Institutions, FIIs, HNIs, and private investors, aiming to fortify our airline's financial strength and accelerate our growth trajectory.

I am proud to share that prominent investors, including Elara India Opportunities Fund, Aries Opportunities Fund, Mahapatra Group, Nexus Global Fund, Prabhudas Lilladher, Resonance Opportunities Fund, and others, will be part of this landmark initiative by subscribing to equity shares and equity warrants.

This is a significant fund raise that will empower SpiceJet to execute ambitious expansion plans and bolster its operational capabilities. It will strengthen our financial position, settle outstanding issues, help us enhance our product presence and expand our market reach. The funds raised will be instrumental in supporting various operational expansion initiatives, including fleet enhancement, route network expansion, and technological advancements.

Now, turning to our operational highlights for the financial year 2022-23, we have achieved significant milestones in on-time performance, reported a net profit in two of the four quarters, and are actively working towards bringing our grounded planes back into service.

Our commitment to enhancing services and the dedication of our employees have allowed us to maintain the trust and loyalty of our passengers. We are proud to report substantial progress in expanding our route network both domestically and internationally, unlocking new avenues for growth through strategic partnerships.

I firmly believe that SpiceJet has a bright future and I am committed to helping it achieve its full potential. I am pleased to share that I have already infused Rs.200 crore in the Company and will be further infusing about Rs.300 crore into the Company. With this equity contribution, the Company is entitled to additional credit facilities of Rs.200 crore under the emergency credit line guarantee scheme.

We remain focused on adapting to the changing landscape of the aviation industry, identifying and seizing new opportunities. I assure you that every effort will be made to turn around your Company's fortunes and propel it to greater heights. The recent fund raise is testimony to our efforts and commitments.

I am also happy to share that Carlyle Aviation Partners have acquired 7.03% equity stake in our Company and this transaction has helped further strengthen our balance sheet. We also concluded multiple settlements and successfully hived off SpiceXpress, the logistics platform of the Company.

As we look ahead, we are excited about the opportunities that lie before us. Our commitment to sustainable practices and technological innovation will drive our growth trajectory.

As we navigate the challenges and opportunities in the aviation industry, we remain focused on adapting to the changing landscape, identifying new opportunities, and turning around the company's fortunes. With a renewed financial strength and strengthened partnerships, we are optimistic about SpiceJet's bright future.

I extend my heartfelt gratitude to our dedicated employees, valued partners, and most importantly, to you, our esteemed shareholders. Your trust and support inspire us to reach new heights, and we remain resolute in our pursuit of excellence.

In conclusion, financial year 2022-23 was a testament to SpiceJet's determination, resilience, and ability to rise above challenges. We are confident that our collective efforts will drive us towards a future marked by success and growth.

Warm regards,

Ajay Singh

Chairman & Managing Director

Notice of Annual General Meeting

Notice is hereby given that the 39th Annual General Meeting (the **"AGM"**) of the members of SpiceJet Limited (the **"Company"**) will be held on Wednesday, the 10th day of January, 2024 at 3:30 p.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, 2023, together with the Report of the Board of Directors and the Statutory Auditors thereon.

2. **Re-appointment of Mrs. Shiwani Singh (DIN: 05229788) as a Director liable to retire by rotation**

   To appoint a director in place of Mrs. Shiwani Singh (DIN: 05229788), who retires by rotation and being eligible, seeks re-appointment.

Special Business:

3. **Issue and allotment of equity shares on preferential basis**

   To consider and if thought fit, to pass, the following resolution as a special resolution:

   "Resolved that pursuant to the provisions of Sections 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended (the **"Act"**), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the **"SEBI ICDR Regulations"**), the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"SEBI Listing Regulations"**), as amended from time to time, the listing agreement entered into by the Company with the BSE Limited (the **"Stock Exchange"**) on which the equity shares of the Company are listed, and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs (**"MCA"**), the Reserve Bank of India (**"RBI"**), the Securities and Exchange Board of India (**"SEBI"**) and/or any other competent authorities from time to time to the extent applicable and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to such approvals, consents, permissions and sanctions as may be necessary or required and subject to such conditions as may be imposed or prescribed while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue and allot up to 31,83,00,000 (Thirty One Crore Eighty Three Lakh only) equity shares of the face value of Rs.10 (Rupees Ten) each of an aggregate nominal amount of up to Rs.3,18,30,00,000 (Rupees Three Hundred Eighteen Crore Thirty Lakh only) at an issue price of Rs.50 (Rupees Fifty only) per share, on preferential basis, in one or more tranches and on such terms and conditions as the Board may deem fit to following person(s) (the **"Proposed Allottee(s)"**) under the non-promoter category:

S. No.	Name of the Proposed Allottee	Maximum no. of equity shares
1.	All Trade Consultants Pvt. Ltd.	40,00,000
2.	Amar Alliance Securities Pvt. Ltd.	10,00,000
3.	Anant Aggarwal	5,00,000
4.	Ananthkrishna Subramanian Iyer	5,00,000
5.	Anju Gupta	5,00,000
6.	Anuj Premkumar Agarwal HUF	5,00,000
7.	Aries Opportunities Fund Ltd.	4,00,00,000
8.	Arjun Juneja	10,00,000
9.	Ashibhadarsh Ventures Pvt. Ltd.	50,00,000
10.	Ashwin Mehta HUF	5,00,000
11.	Bhavana Holdings Pvt. Ltd.	8,00,000
12.	Biz Secure Labs Pvt. Ltd.	5,00,000
13.	Divyanshu Aggarwal	10,00,000
14.	Glaxo Finance Pvt. Ltd.	11,00,000
15.	Griebs Comosales LLP	10,00,000
16.	Harihara Mahapatra	2,00,00,000
17.	Harit Exports Pvt. Ltd.	5,00,000
18.	Hello Money Advisors LLP	10,00,000
19.	Indrasinh Sajubha Zala	5,00,000
20.	Intech Technology DMCC	20,00,000
21.	Jehangir Homi Mehta	5,00,000
22.	Kapil Garg	10,00,000
23.	Ketan P Kamdar	5,00,000
24.	KIFS International LLP	30,00,000
25.	Kirti Rungta	2,00,000
26.	Kollagunta Sreenivasan Gopalaswamy	5,00,000
27.	LKP Finance Ltd.	10,00,000

S. No.	Name of the Proposed Allottee	Maximum no. of equity shares
28.	Martina Developers and Fincon Pvt. Ltd.	2,00,000
29.	Monika Garware	20,00,000
30.	Morde Foods Pvt. Ltd.	20,00,000
31.	Mridul Das	5,00,000
32.	N Ravichandran	5,00,000
33.	Navin Mahavirprasad Dalmia	5,00,000
34.	Nexta Enterprises LLP	10,00,000
35.	Nexus Global Opportunities Fund	5,00,000
36.	Om Apex Investment Services Pvt. Ltd.	5,00,000
37.	Payal Nitin Magiya	5,00,000
38.	Prabhudas Lilladher Advisory Servcies Pvt. Ltd.	5,00,000
39.	Preeti Mahapatra	20,00,00,000
40.	Priya	5,00,000
41.	R. Shankari	5,00,000
42.	Raghav Investment Pvt Ltd	40,00,000
43.	Rajesh K Patel	5,00,000
44.	Rakesh Gupta	5,00,000
45.	Rashi Fincorp Ltd.	5,00,000
46.	Resonance Opportunities Fund	10,00,000
47.	Ridhi Vincom Pvt. Ltd.	20,00,000
48.	Rohit Agrawal	5,00,000
49.	Ruhina Sharma	5,00,000
50.	Saloni Jesal Shah	20,00,000
51.	Sanjiv Shyam Kela	5,00,000
52.	Shalini Chandrakant Morde	10,00,000
53.	Shree Shyam Enterprises	5,00,000
54.	Shree Shyam Investments	30,00,000
55.	Vanaja Sundar Iyer	20,00,000
56.	Vikasa India EIF I Fund - Share Class P	5,00,000
57.	Viney Parkash Aggarwal	5,00,000
58.	Vishal Nitin Sampat	5,00,000
	Total	**31,83,00,000**

Resolved further that the "Relevant Date" for calculating the minimum issue price of the equity shares to be allotted pursuant to preferential issue, in terms of Regulation 161 of the SEBI ICDR Regulations shall be December 11, 2023, which is the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue i.e. January 10, 2024.

Resolved further that:

(a) the consideration for allotment of the equity shares shall be paid by the respective Proposed Allottee's bank account;

(b) allotment of the equity shares shall be made only in dematerialised form;

(c) the equity shares allotted by way of preferential issue shall be made fully paid up at the time of the allotment;

(d) the equity shares so allotted shall rank *pari-passu* in all respect with the existing equity shares of the Company;

(e) the equity shares allotted on a preferential basis shall be locked-in for a period of six months from the date of trading approval;

(f) the entire pre-preferential allotment shareholding of the Proposed Allottee(s), if any, shall be locked-in from the Relevant Date up to a period of ninety trading days from the date of trading approval; and

(g) the equity shares issued and allotted on preferential basis shall be listed on the Stock Exchange subject to receipt of necessary regulatory permissions and approvals as the case may be.

Resolved further that for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification(s) to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the issue) and to authorise all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion may deem appropriate, without being required to seek any fresh approval of the members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the equity shares and listing thereof with the Stock Exchange as appropriate, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

Resolved further that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee constituted by Board of the Company or to any Director of the Company or to any other officer(s) or employee(s) of the Company or to any person, individual or firm as it may consider appropriate in order to give effect to this resolution.

Resolved further that all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respect."

4. **Issue and allotment of warrants with an option to apply for and be allotted equivalent number of equity shares on preferential basis**

To consider and if thought fit, to pass, the following resolution as a special resolution:

"Resolved that pursuant to the provisions of Sections 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended (the **"Act"**), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the **"SEBI ICDR Regulations"**) , the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"SEBI Listing Regulations"**), as amended from time to time, the listing agreement entered into by the Company with the BSE Limited (the **"Stock Exchange"**) on which the equity shares of the Company are listed, and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs (**"MCA"**), the Reserve Bank of India (**"RBI"**), the Securities and Exchange Board of India (**"SEBI"**) and/or any other competent authorities from time to time to the extent applicable and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to such approvals, consents, permissions and sanctions as may be necessary or required and subject to such conditions as may be imposed or prescribed while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue and allot up to 13,00,00,000 (Thirteen Crore only) warrants, having option to apply for and be allotted equivalent number of equity shares of the face value of Rs.10 (Rupees Ten) each of an aggregate nominal amount of up to Rs.1,30,00,00,000 (Rupees One Hundred Thirty Crore only) at an issue price of Rs.50 (Rupees Fifty only) per share, on preferential basis, in one or more tranches and on such terms and conditions as the Board may deem fit to following person(s) (the **"Proposed Allottee(s)"**) under the non-promoter category:

S. No.	Name of the Proposed Allottee	Maximum no. of warrants
1.	Arunim Purkayastha	1,00,00,000
2.	Elara India Oppurtunites Fund Ltd,	10,00,00,000
3.	Jyoti Gupta	50,00,000
4.	Mayur Gupta	50,00,000
5.	Silver Stallion Limited	1,00,00,000
	Total	**13,00,00,000**

Resolved further that the "Relevant Date" for calculating the minimum issue price of the equity shares to be allotted pursuant to preferential issue, in terms of Regulation 161 of the SEBI ICDR Regulations shall be December 11, 2023, which is the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue i.e. January 10, 2024.

Resolved further that:

(a) the consideration for allotment of the warrants and/or equity shares shall be paid by the respective Proposed Allottee's bank account;

(b) amount equivalent to at least twenty five per cent of the consideration determined in terms of the SEBI ICDR Regulations or such other higher amount as the Board may deem fit shall be paid against each warrant on the date of allotment of warrants and the balance consideration shall be paid at the time of allotment of equity shares pursuant to exercise of option against each such warrant;

(c) the currency of warrants to subscribe to equity shares shall be eighteen months from the date of allotment of warrants. In case the option to subscribe to equity shares against such warrants is not exercised by the allottee within eighteen months, the consideration paid by the allottee in respect of such warrants shall be forfeited by the Company;

(d) the allotment of warrants shall only be made in dematerialised form;

(e) the equity shares allotted pursuant to exercise of options attached to warrants issued on preferential basis shall rank *pari-passu* in all respect with the existing equity shares of the Company and shall be locked-in for a period of six months from the date of trading approval;

(f) the warrants issued on preferential basis shall be under lock-in for a period of one year from the date of allotment;

(g) the entire pre-preferential allotment shareholding of the allottees, if any, shall be locked-in from the Relevant Date up to a period of ninety trading days from the date of trading approval;

(h) the warrants will neither give any voting rights nor will entitle its holders any dividend until option attached to warrants are exercised and underlying equity shares are allotted; and

(i) the equity shares allotted pursuant to exercise of options attached to warrants issued on preferential basis shall be listed on the Stock Exchange subject to receipt of necessary regulatory permissions and approvals as the case may be.

Resolved further that for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment, listing and to finalise and execute all deeds, documents and writings as may be necessary, proper, desirable or expedient as it may deem fit without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto by the authority of this resolution.

Resolved further that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee constituted by Board of the Company or to any Director of the Company or to any other officer(s) or employee(s) of the Company or to any person, individual or firm as it may consider appropriate in order to give effect to this resolution.

Resolved further that all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respect."

5. Re-appointment of Mr. Ajay Aggarwal (DIN: 00001122) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

"Resolved that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the **"Act"**) read with Schedule IV of the Act (including any statutory modification, amendment or re-enactment thereof for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"SEBI Listing Regulations"**) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Ajay Aggarwal (DIN: 00001122), as an Independent Director of the Company, who holds office of Independent Director till February 10, 2024 and who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years effective from February 11, 2024 to February 10, 2029.

Resolved further that the Board of Directors of the Company including any committee(s) thereof as may be authorised, be and are hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Re-appointment of Mr. Manoj Kumar (DIN: 00072634) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

"Resolved that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the **"Act"**) read with Schedule IV of the Act (including any statutory modification, amendment or re-enactment thereof for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"SEBI Listing Regulations"**) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Manoj Kumar (DIN: 00072634), as an Independent Director of the Company, who holds office of Independent Director till May 27, 2024 and who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years effective from May 28, 2024 to May 27, 2029.

Resolved further that the Board of Directors of the Company including any committee(s) thereof as may be authorised, be and are hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

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

Date : December 19, 2023
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. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the **"Act"**), in respect of the special businesses are annexed hereto and forms part of the Notice.

2. Pursuant to the General Circular No. 9/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs, Government of India and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by the Securities and Exchange Board of India (collectively referred to as the **"e-AGM Circulars"**) companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the e-AGM Circulars, the AGM of the Company is being held through VC and the proceedings of the AGM shall be deemed to be conducted at the registered office of the Company.

3. **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 Act.**

4. The Register of Members and Share Transfer Books will remain closed from January 4, 2024 to January 10, 2024 (both days inclusive) for purpose of the AGM.

5. In compliance with the e-AGM Circulars, the Annual Report for financial year ended March 31, 2023, 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.

6. 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 following the process stated hereinafter for receiving the Annual Report in electronic mode.

7. As per Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail address. Security holder can register/update the contact details through submitting the requisite Form ISR-1 along with the supporting documents. Form ISR-1 can be obtained by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx and can be provided by any one of the following modes along with the supporting documents:

   (a) Through 'In Person Verification' (IPV): The authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or

   (b) Through hard copies which are self-attested, which can be sent to KFin Technologies Limited, Selenium Building, Tower-B, Plot No 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana - 500032; or

   (c) Through electronic mode with e-sign at link: https://ris.kfintech.com/clientservices/isc/default.aspx#

   Detailed FAQ can be found on the link: https://ris.kfintech.com/faq.html.

8. 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 directors is provided hereinafter and forms part of the Notice.

9. 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.

10. 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.

11. 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.

12. 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 Share Transfer Agent viz., KFin Technologies Limited, Selenium Building, Tower-B, Plot No 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana – 500032 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.

13. Members may participate in the AGM through VC facility by following the procedure as mentioned hereinafter. The VC facility allows participation of at least 1,000 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.

14. 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 January 3, 2024. 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.

15. 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.

16. 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.

17. The e-voting period commences on Saturday, January 6, 2024 at 9:00 a.m. and ends on Tuesday, January 9, 2024 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 date i.e. January 3, 2024, 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. January 3, 2024. 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 consider this Notice for information purposes only.

18. 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, January 3, 2024, 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. January 3, 2024, may follow steps mentioned hereinafter.

19. 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.

20. **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: As per Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 issued by the SEBI, individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories/Depository Participants. Members are advised to update their mobile number and e-mail address in their demat accounts in order to access remote 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 below link: 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/myeasitoken/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/myeasitoken/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 email 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 +91 22 4886 7000 or +91 22 2499 7000 and please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

(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, email 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 email 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 KFinTech at Tel No. 1800 309 4001 (Toll Free).

(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 and 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 January 6, 2024. 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.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the special businesses mentioned in the accompanying Notice:

Item No. 3 and 4

The Board of Directors of the Company, at its meeting held on December 12, 2023, has approved the issue of up to 31,83,00,000 (Thirty One Crore Eighty Three Lakh only) equity shares of the face value of Rs.10 (Rupees Ten) each (**"Tranche I Issue"**) and up to 13,00,00,000 (Thirteen Crore only) warrants, having option to apply for and be allotted equivalent number of equity shares of the face value of Rs.10 (Rupees Ten) each (**"Tranche II Issue"**), on a preferential basis.

Section 62 of the Companies Act, 2013 provides, *inter-alia*, that when it is proposed to increase the subscribed capital of a company by the issue of further shares, such further shares may be offered to any persons, whether or not those persons include the persons referred to in Section 62(1)(a) of the Companies Act, 2013, if it is authorised by a special resolution. Hence, the consent of the members of the Company by way of special resolutions are being sought pursuant to the provisions of Section 42, 62(1)(c) and all other applicable provisions of the Companies Act, 2013 and in terms of the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the **"SEBI ICDR Regulations"**).

Certain information in relation to the issue of equity shares and warrants including the information as required under Chapter V of the SEBI ICDR Regulations and the terms and conditions of the issue are as under:

1. **Objects of the preferential issue:** Due to cascading effect of Covid-19 pandemic and other factors, the Company's outstanding dues towards its statutory authorities, aircraft lessors, vendors, creditors etc. has increased enormously in last few years. The present preferential issues will strengthen the financial position of the Company and improve the cash flow of the Company. Disclosure as per BSE Notice dated December 13, 2022 bearing no. 20221213-47 regarding proceeds of issue is as follows :

   The proceeds of the Tranche I Issue aggregating up to Rs.15,91,50,00,000 (Rupees Fifteen Hundred Ninety One Crore Fifty Lakh only) from preferential allotment of up to 31,83,00,000 (Thirty One Crore Eighty Three Lakh only) equity shares shall be utilised in following manner:

Object/Purpose	Amount (In Rupees)	Tentative Timeline*
Payment of statutory obligations such as TDS, GST, PF etc.	3,60,00,00,000	June 30, 2024
Settlement with creditors for past dues	2,85,00,00,000	June 30, 2024
Uplifting and ungrounding of fleet and new fleet acquistion	3,55,00,00,000	December 31, 2024
ATF expesnes	1,40,00,00,000	June 30, 2024
Employee expenses	54,50,00,000	June 30, 2024
General Corporate Purposes – 25% of the funds to be raised through preferential issue	3,97,00,00,000	June 30, 2024
Total	**15,91,50,00,000**	

   The proceeds of the Tranche II Issue aggregating up to Rs.6,50,00,00,000 (Rupees Six Hundred Fifty Crore only) from preferential allotment of up to 13,00,00,000 (Thirteen Crore only) warrants, having option to apply for and be allotted equivalent number of equity shares shall be utilised in following manner:

Object/Purpose	Amount (In Rupees)	Tentative Timeline*
Payment of statutory obligations such as TDS, GST, PF etc.	1,44,00,00,000	July 31, 2025
Settlement with creditors for past dues	1,15,00,00,000	July 31, 2025
Uplifting and ungrounding of fleet and new fleet acquistion	1,45,00,00,000	July 31, 2025
ATF expesnes	60,00,00,000	July 31, 2025
Employee expenses	24,00,00,000	July 31, 2025
General Corporate Purposes – 25% of the funds to be raised through preferential issue	1,62,00,00,000	July 31, 2025
Total	**6,50,00,00,000**	

*Pending utilisation of funds for the purpose set forth above, the amount shall be kept in fixed/current deposits accounts maintained with the banks.

The proposed utilisation timelines are based on internal management estimates of the Company, assessed in light of current circumstances of the Company's business. These timelines are, however, dependent upon various factors beyond the Company's control, such as changes in costs, financial condition, competitive environment, inflation, employment, technological changes, interest or exchange rate fluctuations and finance charges, government regulations etc. If the proceeds are not utilised (in full or in part) for the objects stated above during the periods stated above due to any such factors, the remaining proceeds shall be utilised in subsequent periods in such manner as may be determined by the Company, in accordance with applicable laws.

2. **Issue size and maximum number of equity shares to be issued:** (a) up to 31,83,00,000 (Thirty One Crore Eighty Three Lakh only) equity shares of the face value of Rs.10 (Rupees Ten) each; and (b) up to 13,00,00,000 (Thirteen Crore only) warrants, having option to apply for and be allotted equivalent number of equity shares of the face value of Rs.10 (Rupees Ten). The aggregate issue size for equity shares and warrants, having option to apply for and be allotted equivalent number of equity shares is Rs.22,41,50,00,000 (Rupees Twenty Two Hundred Forty One Crore Fifty Lakh only).

3. **Basis of pricing of the issue:** In terms of Regulation 164 of the SEBI ICDR Regulations, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

   (i) Ninety trading days' volume weighted average price of the equity shares quoted on the stock exchange preceding the Relevant Date; or

   (ii) Ten trading days' volume weighted average prices of the equity shares quoted on the stock exchange preceding the Relevant Date.

   Explanation:

   "Relevant Date" means the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.

   Both the resolutions are proposed for consent of members by way of special resolution in the Annual General Meeting to be held on January 10, 2024. Accordingly the Relevant Date for both proposed preferential issue is December 11, 2023.

   "Stock Exchange" means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding ninety trading days prior to the Relevant Date. Equity shares of the Company are only listed on BSE Limited.

   In terms of existing Articles of Association of the Company, the issue price of the equity shares of the Company for preferential issue is not required to be determined through valuation. Since, the proposed preferential issue is for more than five percent of the post issue fully diluted share capital of the Company, the Company has also obtained a valuation report from an independent registered valuer namely SSPA & Co., Chartered Accountants [Firm Registration No. 128851W] having office at First Floor, "Arjun", Plot No. 6A, V. P. Road, Andheri (West), Mumbai – 400058, in terms of Regulation 166A of the SEBI ICDR Regulations, to consider the same for determining the issue price. The valuation report shall be 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 and shall also be available on website of the Company at www.spicejet.com under the 'Investors' section at link https://corporate.spicejet.com/InvestorsNotices.aspx.

   However, the issue price of the equity shares to be allotted pursuant to the present preferential issues shall be Rs.50 (Rupees Fifty only) per share which is higher of the floor price determined under Regulation 164 of the SEBI ICDR Regulations, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the Company.

4. **Intent of the promoters, directors or key managerial personnel or senior management of the issuer to subscribe to the offer:** The preferential issue under these resolutions are not being made to the promoters, directors or key management personnel of the Company.

5. **Shareholding pattern of the Company before and after the preferential issue:**

   The shareholding pattern of the Company before and after the preferential issues under Tranche I Issue is as mentioned below:

Category of shareholder	Pre-issue as on December 11, 2023		Post- Issue	
	Total number of shares	Percentage of total number of shares	Total number of shares	Percentage of total number of shares
Promoter and Promoter Group (A)	38,65,57,979	56.49	38,65,57,979	38.55
Public (B)	29,77,80,072	43.51	61,60,80,072	61.45
Total (A) + (B)	**68,43,38,051**	**100.00**	**1,00,26,38,051**	**100.00**
Custodian (C)	0	0.00	0	0.00
Grand Total (A) + (B) + (C)	**68,43,38,051**	**100.00**	**1,00,26,38,051**	**100.00**

Note: The aforesaid shareholding are based on capital as on December 11, 2023 without taking into consideration any potential dilutions by way of issuance of shares under the ESOP Scheme of the Company or conversion of outstanding 13,14,08,514 warrants held by promoter group.

The shareholding pattern of the Company before and after the preferential issues under Tranche II Issue is as mentioned below:

Category of shareholder	Pre-issue as on December 11, 2023		Post- Issue (Assuming conversion under Tranche II Issue)	
	Total number of shares	Percentage of total number of shares	Total number of shares	Percentage of total number of shares
Promoter and Promoter Group (A)	38,65,57,979	38.55	38,65,57,979	34.13
Public (B)	61,60,80,072	61.45	74,60,80,072	65.87
Total (A) + (B)	**1,00,26,38,051**	**100.00**	**1,13,26,38,051**	**100.00**
Custodian (C)	0	0.00	0	0.00
Grand Total (A) + (B) + (C)	**1,00,26,38,051**	**100.00**	**1,13,26,38,051**	**100.00**

Note: The aforesaid shareholding are based on capital as on December 11, 2023 considering allotment of all equity shares under Tranche I Issue but without taking into consideration any potential dilutions by way of issuance of shares under the ESOP Scheme of the Company or conversion of outstanding 13,14,08,514 warrants held by promoter group.

6. **Time frame within which the preferential issue shall be completed:** The allotment pursuant to these resolutions shall be completed within a period of fifteen (15) days from the date of passing of the resolution by members of the Company, provided that where any approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of fifteen (15) days shall be counted from the date of the order on such application or the date of approval or permission, as the case may be.

   Further, the allotment of equity shares pursuant to exercise of options attached to the warrants shall be completed within 15 days from the date of such exercise by the Proposed Allottee.

7. **Disclosure in case of wilful defaulter or a fraudulent borrower or fugitive economic offender:** Neither the Company, nor its directors or promoters have been declared as wilful defaulter or a fraudulent borrower as defined under Regulation 2(lll) of the SEBI ICDR Regulations and therefore disclosures specified in Schedule VI of the SEBI ICDR Regulations is not applicable.

   Further, none of the promoters or directors of the Company are fugitive economic offender as defined under Regulation 2(p) of the SEBI ICDR Regulations.

8. **The current and proposed status of the allottee(s) post the preferential issue namely, promoter or non-promoter:** The Proposed Allottee(s) are under Non-Promoter category. There will be no change in status of the Proposed Allottee(s) post the preferential issue.

9. **Undertaking as to re-computation of price:** Since the equity shares of the Company has been listed on the recognised Stock Exchange(s) for a period of more than ninety trading days prior to the Relevant Date, the Company is not required to re-compute the price of equity shares and therefore the Company is not required to submit the undertaking specified under Regulations 163(1)(g) and (h) of the SEBI ICDR Regulations.

10. **Certificate of practicing company secretary:** A copy of the certificate from a Practicing Company Secretary, KVMS & Co. LLP (Company Secretaries, ICSI Firm Regd. No. L2021DE010800) certifying that the preferential issue is being made in accordance with the requirements contained in Chapter V of the SEBI ICDR Regulations shall be 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 and shall also be available on website of the Company at www.spicejet.com under the 'Investors' section at link https://corporate.spicejet.com/InvestorsNotices.aspx.

11. **Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees and the percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue:**

Details are as follows:

S. No.	Name of the proposed allottee and Status	Name of the ultimate beneficial owner	Fresh allotment of equity shares under Tranche I Issue	Post Allotment holding after Tranche I Issue		Fresh allotment of equity shares under Tranche II Issue upon conversion	Post Allotment holding after Tranche II Issue and conversion thereof	
				No. of Shares	Percentage		No. of Shares	Percentage
1.	All Trade Consultants Pvt. Ltd.	Sushila Devi Agarwal and Vidya Agarwal	40,00,000	40,00,000	0.40	0	40,00,000	0.35
2.	Amar Alliance Securities Pvt. Ltd.	Divyanshu Aggarwal	10,00,000	10,00,000	0.10	0	10,00,000	0.09
3.	Anant Aggarwal	Not applicable	5,00,000	5,00,164	0.05	0	5,00,164	0.04
4.	Ananthkrishna Subramanian Iyer	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
5.	Anju Gupta	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
6.	Anuj Premkumar Agarwal HUF	Anuj Premkumar Agarwal	5,00,000	5,00,000	0.05	0	5,00,000	0.04
7.	Aries Opportunities Fund Ltd.	Nitin Singhal.	4,00,00,000	4,00,00,000	3.99	0	4,00,00,000	3.53
8.	Arjun Juneja	Not applicable	10,00,000	10,00,000	0.10	0	10,00,000	0.09
9.	Ashibhadarsh Ventures Pvt. Ltd.	Bhavin Vinod Parekh and Ashita Bhavin Parekh	50,00,000	50,00,000	0.50	0	50,00,000	0.44
10.	Ashwin Mehta HUF	Ashwin Shantilal Mehta	5,00,000	5,00,000	0.05	0	5,00,000	0.04
11.	Bhavana Holdings Pvt. Ltd.	Mahendra Vasantri Doshi	8,00,000	8,00,000	0.08	0	8,00,000	0.07
12	Biz Secure Labs Pvt. Ltd.	Sanjiv Shayam Kela	5,00,000	5,00,000	0.05	0	5,00,000	0.04
13.	Divyanshu Aggarwal	Not applicable	10,00,000	10,00,000	0.10	0	10,00,000	0.09
14.	Glaxo Finance Pvt. Ltd.	Surendra Kumar Duggar	11,00,000	11,00,000	0.11	0	11,00,000	0.10
15.	Griebs Comosales LLP	Rachit Poddar	10,00,000	10,00,000	0.10	0	10,00,000	0.09
16.	Harihara Mahapatra	Not applicable	2,00,00,000	2,00,00,000	1.99	0	2,00,00,000	1.77
17.	Harit Exports Pvt. Ltd.	Mohit Ramgopal Agarwal	5,00,000	5,00,000	0.05	0	5,00,000	0.04
18.	Hello Money Advisors LLP	Rachit Poddar	10,00,000	10,00,000	0.10	0	10,00,000	0.09
19.	Indrasinh Sajubha Zala	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
20.	Intech Technology DMCC	Amit Patel	20,00,000	20,00,000	0.20	0	20,00,000	0.18
21.	Jehangir Homi Mehta	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
22.	Kapil Garg	Not applicable	10,00,000	10,00,000	0.10	0	10,00,000	0.09
23.	Ketan P Kamdar	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
24.	KIFS International LLP	Vimal P. Khandwala,Rajesh P. Khandwala, and Jayesh P. Khandwala	30,00,000	30,00,000	0.30	0	30,00,000	0.26
25.	Kirti Rungta	Not applicable	2,00,000	2,00,000	0.02	0	2,00,000	0.02
26.	Kollagunta Sreenivasan Gopalaswamy	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
27.	LKP Finance Ltd.	Mahendra Vasantri Doshi	10,00,000	10,00,000	0.10	0	10,00,000	0.09

S. No.	Name of the proposed allottee and Status	Name of the ultimate beneficial owner	Fresh allotment of equity shares under Tranche I Issue	Post Allotment holding after Tranche I Issue		Fresh allotment of equity shares under Tranche II Issue upon conversion	Post Allotment holding after Tranche II Issue and conversion thereof	
				No. of Shares	Percentage		No. of Shares	Percentage
28.	Martina Developers and Fincon Pvt. Ltd.	Anubhav Dham	2,00,000	2,00,000	0.02	0	2,00,000	0.02
29.	Monika Garware	Not applicable	20,00,000	20,00,000	0.20	0	20,00,000	0.18
30.	Morde Foods Pvt. Ltd.	Harshal Chandrakant Morde	20,00,000	20,00,000	0.20	0	20,00,000	0.18
31.	Mridul Das	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
32.	N Ravichandran	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
33.	Navin Mahavirprasad Dalmia	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
34.	Nexta Enterprises LLP	Hardik Mahendra Shah and Geeta Chetan Shah	10,00,000	10,00,000	0.10	0	10,00,000	0.09
35.	Nexus Global Opportunities Fund	Jamal Ibrahim Mohammad Alhaj Alhi	5,00,000	8,00,000	0.08	0	8,00,000	0.07
36.	Om Apex Investment Services Pvt. Ltd.	G Venkatakrishnan Iyer	5,00,000	5,00,000	0.05	0	5,00,000	0.04
37.	Payal Nitin Magiya	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
38.	Prabhudas Lilladher Advisory Servcies Pvt. Ltd.	Amisha Niraj Vora	5,00,000	5,00,000	0.05	0	5,00,000	0.04
39.	Preeti Mahapatra	Not applicable	20,00,00,000	20,00,00,000	19.95	0	20,00,00,000	17.66
40.	Priya	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
41.	R. Shankari	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
42.	Raghav Investment Pvt Ltd	Ram Prakash Golyan and Madan Lal	40,00,000	40,00,000	0.40	0	40,00,000	0.35
43.	Rajesh K Patel	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
44.	Rakesh Gupta	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
45.	Rashi Fincorp Ltd.	Ashish Singhania and Vivek Singhania"	5,00,000	5,00,000	0.05	0	5,00,000	0.04
46.	Resonance Opportunities Fund	Yajjadeo LOTUN	10,00,000	10,00,000	0.10	0	10,00,000	0.09
47.	Ridhi Vincom Pvt. Ltd.	Rahul Bagaria	20,00,000	20,00,000	0.20	0	20,00,000	0.18
48.	Rohit Agrawal	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
49.	Ruhina Sharma	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
50.	Saloni Jesal Shah	Not applicable	20,00,000	20,00,000	0.20	0	20,00,000	0.18
51.	Sanjiv Shyam Kela	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
52.	Shalini Chandrakant Morde	Not applicable	10,00,000	10,00,000	0.10	0	10,00,000	0.09
53.	Shree Shyam Enterprises	Shakuntla Jain	5,00,000	5,00,000	0.05	0	5,00,000	0.04
54.	Shree Shyam Investments	Megha Bhuwania, Anil Kedia and Kusum Bhuwania	30,00,000	30,00,000	0.30	0	30,00,000	0.26
55.	Vanaja Sundar Iyer	Not applicable	20,00,000	20,00,000	0.20	0	20,00,000	0.18
56.	Vikasa India EIF I Fund - Share Class P	Mark Andrew Rankin, Dorsey Randal Buttram Jr. and Roshen Pujari	5,00,000	5,00,000	0.05	0	5,00,000	0.04
57.	Viney Parkash Aggarwal	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
58.	Vishal Nitin Sampat	Not applicable	5,00,000	5,00,000	0.05	0	5,00,000	0.04
59.	Arunim Purkayastha	Not applicable	0	0	0.00	1,00,00,000	1,00,00,000	0.88

S. No.	Name of the proposed allottee and Status	Name of the ultimate beneficial owner	Fresh allotment of equity shares under Tranche I Issue	Post Allotment holding after Tranche I Issue		Fresh allotment of equity shares under Tranche II Issue upon conversion	Post Allotment holding after Tranche II Issue and conversion thereof	
				No. of Shares	Percentage		No. of Shares	Percentage
60.	Elara India Oppurtunites Fund Ltd.	Rajendra Bhatt	0	0	0.00	10,00,00,000	10,00,00,000	8.83
61.	Jyoti Gupta	Not applicable	0	4,999	0.00	50,00,000	50,04,999	0.44
62.	Mayur Gupta	Not applicable	0	4,000	0.00	50,00,000	50,04,000	0.44
63.	Silver Stallion Ltd.	Bharti Amul Shah and Amul Shah	0	0	0.00	1,00,00,000	1,00,00,000	0.88
	Total		**31,83,00,000**			**13,00,00,000**		

There will be no change of control in the Company consequent to the preferential issue.

12. **Details of preferential issues already been made by the Company during the financial year 2023-24:** During the financial year 2023-24, the Company has made allotment of 3,41,72,000 (Three Crore Forty One Lakh Seventy Two Thousand only) equity shares of the face value of Rs.10 (Rupees Ten) each and 13,14,08,514 (Thirteen Crore Fourteen Lakh Eight Thousand Five Hundred Fourteen only) warrants, having option to apply for and be allotted equivalent number of equity shares of the face value of Rs.10 (Rupees Ten) each to Spice Healthcare Private Limited (Promoter Group) at an issue price of Rs.29.84 (Rupees Twenty Nine and Eighty Four Paisa) per share on preferential basis on September 4, 2023. The Company has also made allotment of 4,81,23,186 (Four Crore Eighty One Lakh Twenty Three Thousand One Hundred and Eighty Six only) equity shares of the face value of Rs.10 (Rupees Ten) each to 9 (Nine) aircraft lessors of Carlyle Aviation Partners (Non-Promoters) at an issue price of Rs.48 (Rupees Forty Eight) per share on preferential basis on September 4, 2023 consequent upon conversion of their existing outstanding dues of Rs.2,30,99,12,928 (Rupees Two Hundred and Thirty Crore Ninety Nine Lakh Twelve Thousand Nine Hundred and Twenty Eight only).

13. **Other disclosures:** No allotment under the present preferential issues are proposed to be made for consideration other than cash. No asset of the Company is being charged as security.

As per Section 62(1)(c) of the Companies Act, 2013, approval of the members by way of special resolution is required for allotment of further shares on preferential basis to above named allottee(s). Accordingly, the consent of the members is being sought, pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 and rules made thereunder and the SEBI ICDR Regulations to issue and allot equity shares on preferential basis as stated in the special resolution.

The directors recommend the resolutions for your approval.

None of the directors and key managerial personnel of the Company including their relatives are, in any way, concerned or interested in the resolution no. 3 and 4.

Item No. 5

Mr. Ajay Aggarwal (DIN: 00001122) was appointed as an Independent Director of the Company for a period of five years effective from February 11, 2019, and he holds office as an Independent Director of the Company upto February 10, 2024. As per the provisions of the Companies Act, 2013 (the **"Act"**) and rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"SEBI Listing Regulations"**), an independent director can hold office for a term of upto five consecutive years on the board of a company and can be re-appointed for another term of five consecutive years with the approval of members by way of a special resolution.

The Board of Directors in its meeting held on December 4, 2023 on the recommendation of the Nomination and Remuneration Committee and after taking into consideration the performance evaluation, background, experience and contribution made by Mr. Aggarwal during his tenure as an Independent Director of the Company, decided that the continued association of Mr. Aggarwal would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director of the Company and approved the re-appointment of Mr. Aggarwal as an Independent Director of the Company, for a second term of five consecutive years, effective from February 11, 2024 to February 10, 2029, subject to requisite approval of members.

Mr. Aggarwal is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent and information/disclosures as prescribed under the Act and applicable provisions of the SEBI Listing Regulations. The Company has also received a notice in writing from a member under Section 160 of the Act, proposing the candidature of Mr. Aggarwal for the office of Independent Director of the Company.

The Company has also received the following from Mr. Aggarwal:

(i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (the **"Directors Appointment Rules"**);

(ii) Intimation in Form DIR-8 in terms of the Directors Appointment Rules to the effect that he is not disqualified under Section 164(2) of the Act;

(iii) A declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and under the SEBI Listing Regulations;

(iv) Declaration pursuant to BSE Circular No. LIST/ COMP/14/2018-19 dated June 20, 2018 that he has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority;

(v) Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company;

(vi) A declaration that he is in compliance with Rules 6(1) and 6(2) of the Directors Appointment Rules, with respect to his registration with the data bank of independent directors maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Mr. Aggarwal, fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and he is independent of the management. Considering his area of expertise, rich experience and independence towards the Company, the appointment of Mr. Aggarwal has been proposed.

A copy of the draft letter for re-appointment of Mr. Aggarwal as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office on 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 upto the closure of remote e-voting.

The directors recommend the resolution for your approval.

Except, Mr. Aggarwal, none of the directors and key managerial personnel of the Company including their relatives are, in any way, concerned or interested in the said resolution.

Item No. 6

Mr. Manoj Kumar (DIN: 00072634) was appointed as an Independent Director of the Company for a period of five years effective from May 28, 2019, and he holds office as an Independent Director of the Company upto May 27, 2024. As per the provisions of the Companies Act, 2013 (the **"Act"**) and rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"SEBI Listing Regulations"**), an independent director can hold office for a term of upto five consecutive years on the board of a company and can be re-appointed for another term of five consecutive years with the approval of members by way of a special resolution.

The Board of Directors in its meeting held on December 4, 2023 on the recommendation of the Nomination and Remuneration Committee and after taking into consideration the performance evaluation, background, experience and contribution made by Mr. Kumar during his tenure as an Independent Director of the Company, decided that the continued association of Mr. Kumar would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director of the Company and approved the re-appointment of Mr. Kumar as an Independent Director of the Company, for a second term of five consecutive years, effective from May 28, 2024 to May 27, 2029, subject to requisite approval of members.

Mr. Kumar is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent and information/disclosures as prescribed under the Act and applicable provisions of the SEBI Listing Regulations. The Company has also received a notice in writing from a member under Section 160 of the Act, proposing the candidature of Mr. Kumar for the office of Independent Director of the Company.

The Company has also received the following from Mr. Kumar:

(i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (the **"Directors Appointment Rules"**);

(ii) Intimation in Form DIR-8 in terms of the Directors Appointment Rules to the effect that he is not disqualified under Section 164(2) of the Act;

(iii) A declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and under the SEBI Listing Regulations;

(iv) Declaration pursuant to BSE Circular No. LIST/ COMP/14/2018-19 dated June 20, 2018 that he has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority;

(v) Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company;

(vi) A declaration that he is in compliance with Rules 6(1) and 6(2) of the Directors Appointment Rules, with respect to his registration with the data bank of independent directors maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Mr. Kumar, fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and he is independent of the management. Considering his area of expertise, rich experience and independence towards the Company, the appointment of Mr. Kumar has been proposed.

A copy of the draft letter for re-appointment of Mr. Kumar as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office on 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 upto the closure of remote e-voting.

The directors recommend the resolution for your approval.

Except, Mr. Kumar, none of the directors and key managerial personnel of the Company including their relatives are, in any way, concerned or interested in the said resolution.

Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India in respect of re-appointment and/or fixation of remuneration of directors:

Name	Mrs. Shiwani Singh	Mr. Ajay Aggarwal	Mr. Manoj Kumar
DIN	05229788	00001122	00072634
Date of Birth/ Age	November 21, 1971 (52 years)	November 16, 1959 (64 years)	November 16, 1965 (58 years)
Date of first Appointment on the Board of SpiceJet Limited	May 21, 2015	February 11, 2019	May 28, 2019
Qualification	Graduate	B.Sc. (Hons) (Bombay University), Diploma in Multi-Track Recording Tech (USA) Diploma in Financial Management (K.C. College)	B.Com. (Hons) (Delhi University) and Executive Management Program from IIM Ahemdabad
Brief resume and experience	Mrs. Singh is competent businesswoman who takes care of her family's real estate and fashion accessories business. She brings rich and successful experience in general business management and also provides benefit of gender diversity to the Board of Directors.	Mr. Aggarwal have rich experience of over 41 years in providing training resources (videos/simulations/games/e-learning etc.) for Management Skills Development and Maritime Safety Training to Corporates and Shipping Companies across India. With his vast experience in training and development, Mr. Aggarwal brings rich diversity to our Board. He is an active member of Rotary Club of Mumbai Queen's Necklace since 1985 and served as Club President during year 1991-92.	Mr. Kumar is a businessman and he has interest in textile business/ trading. He is also a trustee of Hindu College, Lady Shri Ram College of Delhi University and Rtn. Naqshband Institute for Physically Challenged. Mr. Kumar is also an active member of Rotary Club of Delhi Midtown. He brings with him multilevel experience in business management which will also help the Company in having diversified knowledge based portfolio of the Board.
No. of Board meetings attended during the year 2022-23	1 (one)	3 (three)	3 (three)
Relationship with directors and Key Managerial Personnel	Mrs. Shiwani Singh is spouse of Mr. Ajay Singh, Chairman & Managing Director	Nil	Nil
Directorship in other companies as on March 31, 2023	Argentum Electric Vehicles Pvt. Ltd., Canvin Real Estate Pvt. Ltd., Greenline Communication Pvt. Ltd., Greenline Transit System Pvt. Ltd., I2N Technologies Pvt. Ltd., Multipurpose Trading and Agencies Ltd., Pan India Motors Pvt. Ltd., Spice Club Pvt. Ltd., Spice Ground Handling Services Pvt. Ltd., Spice Shuttle Pvt. Ltd., Spice Wecare Pvt. Ltd., SpiceJet Innovate Pvt. Ltd., SpiceJet Interactive Pvt. Ltd., SpiceJet Merchandise Pvt. Ltd., SpiceJet Technic Pvt. Ltd., SpiceTech System Pvt. Ltd., SpiceXpress and Logistics Pvt. Ltd. and Star Bus Services Pvt. Ltd.	A3M Direct Brand Purchase Pvt. Ltd., Multi Media Hrd Pvt. Ltd. and Viridis Chemicals Pvt. Ltd.	B H P C Clothing Pvt. Ltd., DCM Shriram Industries Ltd., M R Ram Chand and Co Pvt. Ltd., Raghushree Sales Pvt. Ltd. and Select World Tours (India) Pvt. Ltd.

Name	Mrs. Shiwani Singh	Mr. Ajay Aggarwal	Mr. Manoj Kumar
Chairperson/ Member of the Committee of the Board of Directors of SpiceJet Limited as on March 31, 2023	Audit Committee – Member Corporate Social Responsibility Committee – Member Stakeholders Relationship Committee – Member	Audit Committee – Member Nomination and Remuneration Committee – Chairperson Corporate Social Responsibility Committee – Chairperson	Audit Committee – Member Nomination and Remuneration Committee – Member Stakeholder Relationship Committee – Chairperson
Chairperson/ Member of the Committee of other companies in which he/she is a Director as on March 31, 2023	Multipurpose Trading & Agencies Ltd.: Nomination and Remuneration Committee – Chairperson Stakeholder Relationship Committee – Chairperson	Nil	DCM Shriram Industries Ltd: Risk Management Committee – Member Audit Committee – Member
Shareholding in the company (equity shares of Rs.10 each) as on March 31, 2023	6,001	20,000	8,000
Remuneration to be paid	Nil	Nil	Nil
Remuneration last drawn	Nil	Nil	Nil

[$] *No remuneration is being paid to non-executive directors other than the sitting fee for attending meetings of the Board and reimbursement for expenses incurred for participating in such meetings.*

Board's Report

Dear Members,

It is our immense pleasure to present the 39th Annual Report along with the audited financial statements of your Company for the financial year ended March 31, 2023. 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 2022-23, on a standalone and consolidated basis, is summarised below:

(Amount in Rupees million)

Particulars	Standalone		Consolidated	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
TOTAL INCOME	**98,597.50**	**75,445.60**	**98,418.89**	**75,717.15**
Expenses				
Operating Expenses	74,057.59	57,943.65	73,537.91	57,671.36
Cost of inventory consumed	902.92	608.92	924.55	1,008.30
Employee Benefit Expenses	8,438.71	7,087.49	8,800.07	7,349.93
Selling Expenses	2,278.11	1,220.49	2,279.84	1,219.46
Other Expenses	13,251.53	7,982.82	13,252.79	7961.51
Earnings before interest, tax, depreciation and amortization	**(331.36)**	**602.23**	**(376.27)**	**506.59**
Depreciation and amortisation expense	(10,193.64)	(12,897.32)	(10,227.41)	(12,933.36)
Finance Income	551.36	640.81	551.81	588.27
Finance Cost	(5,056.51)	(4,825.79)	(5,077.60)	(4,829.61)
Profit/ (Loss) before taxation and extraordinary items	**(15,030.15)**	**(16,480.07)**	**(15,129.47)**	**(16,668.11)**
Tax Expenses	-	-	-	-
Exceptional items	-	(774.58)	-	(774.58)
Profit/ (Loss) after taxation	(15,030.15)	(17,254.65)	(15,129.47)	(17,442.69)
Profit/ (Loss) brought Forward	**(48,902.29)**	**(31,724.67)**	**(49,420.55)**	**(32,051.82)**
Depreciation expense adjusted against reserves	-	-	-	-
Profit/ (Loss) for the year	(15,030.15)	(17,254.65)	(15,129.47)	(17,442.69)
Other comprehensive income	(1.10)	35.63	(0.48)	32.56
Transferred from general reserve	-	-	-	-
Other	25,599.01	41.40	25.61	41.40
Amount transferred to other equity	(38,334.53)	(48,902.29)	(64,524.89)	(49,420.55)

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 ended March 31, 2023, 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 Rs.98,597.50 million during the current financial year as against Rs.75,445.60 million in the previous financial year and reported standalone loss of Rs.15,030.15 million during the current financial year as against loss of Rs.17,254.65 million in the previous financial year.

2. State of Affairs and Material Development

(i) The Company is engaged in business of schedule airline services and has completed its eighteenth years of operation on May 23, 2023 making flying more affordable for the common man and connecting the unconnected parts of the country. The Company reported highest load factor of 88%

for domestic scheduled flights with an increase in load factor by 7.24% compared to last year. The Company also operated 1,568 charter flights carrying over 2,48,568 passengers.

(ii) Sale of cargo business undertaking: In terms of earlier special resolution(s) passed by the members, the Company, on March 31, 2023, *inter-alia*, entered into a Business Transfer Agreement with its subsidiary company namely SpiceXpress and Logistics Private Limited (**"SpiceXpress"**) for transfer of its cargo business undertaking as a going concern, on slump sale basis. Accordingly, SpiceXpress is now carrying cargo business effective April 1, 2023.

The transfer of cargo business undertaking to SpiceXpress will provide greater and differentiated focus to cargo and logistics business and will allow the possibility of raising capital for the business to accelerate its growth. The transfer, with separate and enhanced management focus, will provide greater opportunity and flexibility in pursuing long-term growth plans and strategies. It will also assist the management in evaluating the business performance as an independent entity while leveraging and unlocking significant value for the Company and its shareholders.

(iii) Dispute with erstwhile promoters: The Company had, in earlier financial years, received amounts aggregating to Rs.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 (the **"Court"**) between the erstwhile promoters, the present promoter and the Company, the Company was required to secure an amount of Rs.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 Rs.2,500 million with the Registrar. The Company has complied with these requirements in September 2017.

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 Rs.3,082.19 million to the counterparty, (b) explore the possibility of allotting non-convertible cumulative redeemable preference shares in respect of approximately Rs.2,708.70 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be Rs.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 Rs.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 Rs.290.00 million as counter-claim. Consequent to the Award, and without prejudice to the rights and remedies it may have in the matter, the Company accounted for Rs.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 counter-claim receivable of Rs.290.00 million, above.

The Company, its present promoter and the counterparties had challenged before the Court various aspects of the Award, including the above-mentioned interest obligations and rights (**"Section 34 Petitions"**). The Court vide its judgements dated July 31, 2023 has dismissed Section 34 Petitions filed by the Company, its present promoter and the counterparties and thereafter the Company preferred an appeal before the division bench of the Court under Section 37 of the Arbitration and Conciliation Act, 1996 which is pending adjudication.

In the execution petitions filed by the counterparties (**"Execution Petitions"**), the Court vide its order dated April 2, 2019 released Rs.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 Rs.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 Court vide its order dated September 2, 2020 in the said matter, directed the Company to deposit an amount of Rs.2,429.37 million of interest component under the Award (including the amount of Rs.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 (**"Supreme Court"**) against the aforesaid Order and the Supreme Court pursuant to its order dated February 13, 2023 has modified the said order dated September 2, 2020 passed by the Court and directed to release the bank guarantee placed with the Court (aggregating to Rs.2,707.81 million) to the counterparty towards quantum of principal sum due under the Award and pay an amount of Rs.750.00 million to the counterparty within period of three months towards liability on account of interest. The said amount of bank guarantee has been released to the counterparties during the quarter ended March 31, 2023 and accordingly entire principal of Rs. 5,790.9 million has been paid. However, the Company was unable to pay Rs. 750.00 million to the counterparty within the prescribed timeline and filed an application with Supreme Court for extension of time which was dismissed. Thereafter, the Company has further paid Rs.1,000.00 million to the counterparties, in terms of the Court order dated August 24, 2023 in the Execution Petitions, to show its bona fide without prejudice to its rights in the pending litigation.

(iv) Preferential issue: The Board of Directors of the Company, at its meeting held on December 12, 2023, has approved the issue of up to 31,83,00,000 (Thirty One Crore Eighty Three Lakh only) equity shares of the face value of Rs.10 (Rupees Ten) each and up to 13,00,00,000 (Thirteen Crore only) warrants, having option to apply for and be allotted equivalent number of equity shares of the face value of Rs.10 (Rupees Ten) each , on a preferential basis, subject to approval of members. The aggregate issue size for equity shares and warrants, having option to apply for and be allotted equivalent number of equity shares is Rs.22,41,50,00,000 (Rupees Twenty Two Hundred Forty One Crore Fifty Lakh only). This fund raise will strengthen financial position of the Company.

(v) Qualified Institutions Placement: The Company has passed an enabling resolution to raise funds for an amount not exceeding Rs.25.00 billion by way of qualified institutions placement. The detailed terms and conditions for the offer (including number of equity shares to be issued, identification of investors, price, quantum and timing of the issue) of fund raising through qualified institution placement will be determined by the Board in consultation with the lead managers, advisors, placement agents and such other agency or agencies as may be required to be consulted by the Company, considering the prevailing market conditions and in accordance with the applicable provisions of the law and other relevant factors.

(vi) During the financial year 2022-23, there was no change in the nature of Company's business.

(vii) 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 and Key Managerial Personnel

(i) As on March 31, 2023, the Board comprised five meambers with an Executive Chairman & Managing Director, besides three Independent Directors and one Non-Executive Non-Independent Director, of which one is a women director. During the financial year 2022-23, 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 has not been able to appoint 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 finalisation 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.

(ii) The Board of Directors in its meeting held on February 24, 2023 on the recommendation of the Nomination and Remuneration Committee has approved the re-appointment of Mr. Ajay Singh (DIN: 01360684) as Managing Director of the Company for a period of three (3) years with effect from May 21, 2023 which was subsequently approved by the members through postal ballot on August 31, 2023.

(iii) Mr. Ajay Aggarwal (DIN: 00001122) was appointed as an Independent Director of the Company for a period of five years effective from February 11, 2019, and he holds office as an Independent Director of the Company upto February 10, 2024.

The Board of Directors of the Company in its meeting held on December 4, 2023 on the recommendation of the Nomination and Remuneration Committee and after taking into consideration the performance evaluation, background, experience and contribution made by Mr. Aggarwal during his tenure as an Independent Director of the Company, decided to re-appoint Mr. Aggarwal as an Independent Director of the Company, for a second term of five consecutive years, effective from February 11, 2024 to February 10, 2029, subject to requisite approval of members.

(iv) Mr. Manoj Kumar (DIN: 00072634) was appointed as an Independent Director of the Company for a period of five years effective from May 28, 2019, and he holds office as an Independent Director of the Company upto May 27, 2024.

The Board of Directors of the Company in its meeting held on December 4, 2023 on the recommendation of the Nomination and Remuneration Committee and after taking into consideration the performance evaluation, background, experience and contribution made by Mr. Kumar during his tenure as an Independent Director of the Company, decided to re-appoint Mr. Kumar as an Independent Director of the Company, for a second term of five consecutive years, effective from May 28, 2024 to May 27, 2029, subject to requisite approval of members.

(v) Mr. Ashish Kumar was appointed as Chief Financial Officer of the Company with effect from September 9, 2022 consequent upon resignation of Mr. Sanjeev Taneja from the post of Chief Financial Officer of the Company effective August 31, 2022.

(vi) The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is in accordance with the Nomination and Remuneration Policy of the Company formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

4. Disclosure on Company's Policy on Directors' Appointment and Remuneration

The Nomination and Remuneration Policy of the Company was adopted by the Board based on the recommendation of the Nomination and Remuneration Committee. The Policy sets out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel and other employees of the Company and to harmonise the aspirations of human resources with the goals of the Company. The Nomination and Remuneration Policy is available on the website of the Company at www.spicejet.com under the 'Investors' section.

While formulating the Policy, the Board has ensured that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully, relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and the remuneration of the directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The Policy assist the Company to fulfill its responsibility towards attracting, retaining and motivating the Directors, Key Managerial Personnel, senior management personnel and other employees through competitive and reasonable remuneration in line with the corporate and individual performance.

5. Board Evaluation

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. Further, details on the same are given in the Corporate Governance Report which forms part of this report.

6. Declaration by Independent Directors

The independent directors on the Board of the Company have submitted a declaration to the Board 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.

All independent directors of the Company have affirmed compliance with the Schedule IV of the Companies Act, 2013 and the Company's Code of Conduct for Board Members and Senior Management.

All the Independent Directors of the Company have complied with the requirement of inclusion of their names in the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs and they meet the requirements of proficiency self-assessment test.

In the opinion of Board of Directors of the Company, independent directors on the Board of Company hold highest standards of integrity and are highly qualified, recognized and respected individuals in their respective fields. The Company has an optimum mix of expertise (including financial expertise), leadership and professionalism.

7. Share Capital

During the financial year 2022-23, the paid-up share capital of the Company has increased from Rs.6,017.97 million to Rs.6,018.46 million pursuant to allotment of 49,050 equity shares of Rs.10 each under SpiceJet Employee Stock Option Scheme - 2017.

There is no change in authorised share capital of the Company during the financial year 2022-23.

8. Dividend

The Board of Directors have not recommended any dividend for the financial year 2022-23.

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.

9. Transfer to Reserves

The Company has made no transfers to reserves during the financial year 2022-23.

10. 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 and the Companies (Acceptance of Deposits) Rules, 2014.

11. 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 2022-23, as required under Section 92 (3) of the Companies Act, 2013, shall also be placed on website of the Company.

12. Number of Meetings of the Board

During the financial year 2022-23, three (3) board meetings were held, the details of which are given in the Corporate Governance Report that forms part of this report. The Company was unable to hold minimum number of meetings of the Board due to a ransomware attack in May 2022 which affected IT system(s) of the Company and resulted in delay in completion of audit process and conducting the meeting of the Board within the prescribed timeline.

13. Directors' Responsibility Statement

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, 2023, the Directors of the Company 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. 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) loans to its subsidiary companies as stated below (ii) investment in subsidiary companies as stated in Annexure – A to this report and (iii) investment of Rs.0.25 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. Details of loan given to subsidiaries as on March 31, 2023 is as below:

S. No.	Name of the Company	(Amount in Rs. million)
1.	SpiceJet Merchandise Private Limited	106.78
2.	SpiceJet Technic Private Limited	10.28
3.	Canvin Real Estate Private Limited	238.90
4.	SpiceXpress and Logistics Private Limited	1.00
5.	Spice Ground Handling Services Private Limited	0.20
6.	Spice Club Private Limited	0.20
7.	SpiceJet Interactive Private Limited	0.20

15. Particulars of Contracts or Arrangement made with Related Parties

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the policy on materiality of related party transactions and also on dealing with related party transactions formulated by the Board of Directors of the Company pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The said policy is also available on the website of the Company at www.spicejet.com under the 'Investors' section.

The Company in terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 regularly submits disclosures of related party transactions on a consolidated basis, in the format specified to the stock exchange.

The disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is attached as Annexure – B and forms an integral part of this report.

16. Subsidiaries

As on March 31, 2023, 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.

17. 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.

18. 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 and has complied with the provisions of said Act. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year 2022-23, seventeen complaints were received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and as on March 31, 2023, one 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 – C.

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.

19. 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 49,050 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 and Sweat Equity) Regulations, 2021 (erstwhile the SEBI (Share Based Employee Benefits) Regulations, 2014. The details of this scheme including terms of reference, and requirement specified under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available on the website of the Company at www.spicejet.com under the 'Investors' section.

20. 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 14, 2023 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 – D and forms an integral part of this Report.

21. Conservation of Energy and Technology Absorption

Conservation of Energy: The management is highly sensitive of 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.

22. Statutory Auditors

The present Statutory Auditors of the Company, M/s. Walker Chandiok & 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.

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 financial statements for the year ended March 31, 2023.

23. Secretarial Auditors

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 (ICSI Membership No.: FCS 2870) to undertake the Secretarial Audit of the Company for financial year ended on March 31, 2023. The Report of the Secretarial Auditor is annexed as Annexure – E to this report.

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:

(i) Composition of Board of Directors: The airline industry has been affected by unprecedented Covid-19 pandemic and is taking longer time to recoup. This has not only affected the Company's operations but also deteriorated its financial positions which is creating serious apprehension in the mind of prospective candidate for independent director. The duty and responsibilities of director prescribed under the applicable laws vis-à-vis present financial conditions of the Company is not encouraging prospective candidate for appointment in the Company as independent director. Notwithstanding the above, the Company is still looking for a suitable candidature for independent woman director and after finalisation 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

(ii) Number of Board Meetings and Audit Committee Meetings: During May 2022, a ransomware attack affected IT system(s) of the Company and access to data and computer systems were blocked. This has resulted in delay in completion of audit process and conducting the Board Meeting and Audit Committee Meeting within the prescribed timeline.

(iii) Delay in submission of financial results to stock exchange: The delay in submission of financial results of the Company to stock exchange for financial year ended March 31, 2022 and quarter ended June 30, 2022 – The delay was due to ransomware attack on IT system of the Company.

The delay in submission of financial results of the Company to stock exchange for quarter ended December 31, 2022 – The delay was due to non-availability of requisite quorum for the Audit Committee Meeting scheduled on February 14, 2023 (within statutory time limit) to consider and recommend the financial results for quarter ended December 31, 2022 to the Board for their consideration.

(iv) Structural Digital Database: The Company has procured necessary software to maintain the prescribed database in January 2023. However, during the review period, no UPSI entry has been maintained by the Company.

(v) Dispute with erstwhile promoter: In view of the uncertainties involved in the matter, management believes that the manner, timing and other related aspects of adjustment of 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.

In terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended 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 along with Circular issued by stock exchange i.e. BSE Limited dated March 16, 2023, the Secretarial Auditor has also issued a Secretarial Compliance Report on May 30, 2023 for the year ended March 31, 2023.

24. 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 this report.

25. 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.

26. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

Details of applications made or pending during financial year ended March 31, 2023 under the Insolvency and Bankruptcy Code, 2016 against the Company are as follows:

S. No.	Name of Applicant	Amount (Rs. In millions)	Date of filing	Present status
1.	Acres Buildwell Private Limited	32.49	August 29, 2022	Parties settled the matter
2.	Willis Lease Finance Corporation	901.83	February 23, 2023	Dismissed as withdrawn

27. Secretarial Standards

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

28. Business Responsibility and Sustainability Report

A detailed Business Responsibility and Sustainability Report in terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith as Annexure - F to this report.

29. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

30. Foreign Exchange Earnings and Outgo

The details of Foreign Exchange earnings and outgo for the financial year ended March 31, 2023 are set out below:

Particulars	Amount (Rs. in millions)
Foreign Exchange Earnings	10,906
Foreign Exchange Outgo	24,590

31. 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 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, 2023.

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.

Pursuant to Section 134(3) (n) of the Companies Act, 2013 and Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and adopted a Risk Management Policy. The primary objectives of the policy include identification and categorisation of potential risks, their assessment and mitigation and to monitor these risks. The Company has also constituted a Risk Management Committee which oversee the processes of identification, evaluation and mitigation of risks. The Committee *inter alia* periodically reviews the organisational risks that are spread across operational, financial, technological and environmental spheres and provide guidance to the management team.

32. 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 consistent growth was made possible by their hard work, solidarity, cooperation and support.

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 their cooperation, support and guidance.

For and on behalf of the Board

Sd/-
Ajay Singh
Chairman & Managing Director

Place : Gurugram
Date : December 12, 2023

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 Rs. 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, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
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	(204.70)	(342.56)	(18.49)	(0.35)	(0.35)	(89.61)	(25,576.65)	(0.27)	(25.04)
Total assets	92.01	1,036.17	220.57	0.06	0.05	5.85	219.49	0.10	138.37
Total liabilities	296.61	1,358.63	238.96	0.31	0.30	95.36	25,796.04	0.27	163.26
Investments	5.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Turnover	181.98	1,118.56	124.10	0.00	0.00	0.08	0.00	0.00	211.67
Profit before taxation	67.72	(105.83)	124.01	(0.12)	(0.12)	(1.72)	(2.31)	(0.12)	(22.77)
Provision for taxation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit after taxation	67.72	(105.83)	124.01	(0.12)	(0.12)	(1.72)	(2.31)	(0.12)	(22.77)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Percentage of shareholding	100.00	100.00	100.00	100.00	100.00	100.00	98.00	100.00	68.00

ANNEXURE - B

Form No. AOC-2 for financial year ended on March 31, 2023

(Pursuant to section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements, or transactions entered into during the financial year ended March 31, 2023, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

No material related party transactions (i.e. transactions exceeding the thresholds as defined under the Companies Act, 2013), were entered during the financial year 2022-23 by the Company except transfer of cargo business undertaking of the Company to its subsidiary namely SpiceXpress and Logistics Private Limited. The required disclosure for the said transaction is as follows:

(a) Name(s) of the related party and nature of relationship: SpiceXpress and Logistics Private Limited (subsidiary)

(b) Nature of contracts/arrangements/transactions: Transfer cargo business undertaking, as a going concern, on slump sale basis

(c) Duration of the contracts/arrangements/transactions: Not applicable

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: The said transaction was for a lump sum consideration of Rs.25,557,700,000 based upon an independent valuation report. The consideration will be discharged by SpiceXpress and Logistics Private Limited by issuance of securities in the combination of equity shares and compulsorily convertible debentures on preferential basis as per the provisions of the Companies Act, 2013.

(e) Date(s) of approval by the Board, if any: June 30, 2021

(f) Amount paid as advances, if any: Nil

For and on behalf of the Board

Sd/-
Ajay Singh
Chairman & Managing Director

Place : Gurugram
Date : December 12, 2023

ANNEXURE - C

Disclosures pertaining to remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2023

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 and Managing Director	288	Nil
2.	Mrs. Shiwani Singh	Non-Executive Director	0	Nil
3.	Mr. Anurag Bhargava	Independent Director	1	Nil
4.	Mr. Ajay Aggarwal	Independent Director	1	Nil
5.	Mr. Manoj Kumar	Independent Director	1	Nil

B. The percentage increase in the median remuneration of employees in the financial year: 37.05%

C. The number of employees on the rolls of Company: 7,131

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 6.08%

(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 - D

Annual Report on Corporate Social Responsibility Activities

1. **Brief outline on CSR Policy:** The Company has adopted the Corporate Social Responsibility 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. This also reflects our commitment to operate and grow our business in a socially responsible way.

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

   During the financial year 2022-23, one (1) meeting of CSR Committee was held on February 14, 2023 which was attended by all the Members of the Committee except Mr. Ajay Aggarwal.

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.

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 - E

Secretarial Audit Report for financial year ended on March 31, 2023

(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.

My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by the Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

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, 2023, 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, 2023 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 and Sweat Equity) Regulations, 2021

e) 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, 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.

For the compliances of applicable environmental laws, labour laws and other general laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable environmental laws, labour laws and other general laws.

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.

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 "**SEBI 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 SEBI Listing Regulations as the Company has not appointed one independent woman director and the total number of directors are less than six.

2. The Company has conducted only three board meetings and three audit committee meetings during the period under review and accordingly is not in compliance of Regulation 17(2) and 18(2)(a) of the SEBI Listing Regulations respectively.

3. There was delay in submission of financial results by the Company to stock exchange for (a) financial year ended March 31, 2022, (b) quarter ended June 30, 2022 and (c) quarter ended December 31, 2022.

4. During the period under review, the Company has not maintained the prescribed database of unpublished price sensitive information in terms of Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulation, 2015.

5. As reported in the Secretarial Audit Report for previous financial year, the Company had, in earlier financial years, received amounts aggregating Rs.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. 50 of the standalone financial statements of the Company for financial year ended March 31, 2023.

6. 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. In this regard, we draw your attention to Para No. (vii) of the Annexure A of the Independent Auditor's Report on the standalone financial statements for the year ended March 31, 2023.

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 herein 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. Necessary approvals were obtained as per applicable provisions for meeting conducted at shorter notice. 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:

(a) During the audit period the paid-up share capital of the Company has increased from Rs.6,017.97 million to Rs.6,018.46 pursuant to allotment of 49,050 equity shares of Rs.10 (Rupees Ten only) each under SpiceJet Employee Stock Option Scheme – 2017.

(b) The Company on March 31, 2023 entered into a Business Transfer Agreement with its subsidiary namely SpiceXpress and Logistics Private Limited (**"SXPL"**) for transfer of its cargo business undertaking as a going concern, on slump sale basis. Accordingly, effective April 1, 2023, SXPL is carrying the cargo business.

For Mahesh Gupta & Company
Company Secretaries

Sd/-

Mahesh Kumar Gupta
Proprietor
FCS 2870::CP 1999
UDIN: F002870E002814173

Date : December 4, 2023
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, 2023 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: F002870E002814173

Date : December 4, 2023
Place : New Delhi

ANNEXURE - F

Business Responsibility and Sustainability Report

In our pursuit to equitably deliver benefits of growth, we have adopted the principles of business responsibility, as prescribed under the National Guidelines on Responsible Business Conduct (**"NGRBC"**) released by the Ministry of Corporate Affairs, Government of India. NGRBC urge businesses to conduct business responsibly and sustainably and also encourage and support their suppliers, vendors, distributors, partners and other stakeholders to follow the same principle.

This Business Responsibility and Sustainability Report is a step in the direction of greater transparency and accountability of our Company towards its stakeholders. As part of responsible governance practices, the Company is publishing this Business Responsibility and Sustainability Report for financial year ended March 31, 2023, developed in line with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and NGRBC to the extent applicable.

Section A: General Disclosures

I. Details of the listed entity:

S. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the listed entity	L51909DL1984PLC288239
2.	Name of the listed entity	SpiceJet Limited
3.	Year of incorporation	1984
4.	Registered office address	Indira Gandhi International Airport, Terminal 1D, New Delhi – 110037, India
5.	Corporate address	319, Udyog Vihar, Phase IV, Gurugram – 122016, Haryana, India
6.	Email	investors@spicejet.com
7.	Telephone	+91 124 3913939
8.	Website	www.spicejet.com
9.	Financial Year for which report is being done	April 1, 2022 to March 31, 2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited
11.	Paid-up capital	Rs.6,018,456,650 divided into 601,845,665 equity shares of Rs.10 each
12.	Name and contact details (telephone, email) of the person who may be contacted in case of queries on the BRSR report	Mr. Chandan Sand, Sr. VP (Legal) & Company Secretary +91 124 3913939 investors@spicejet.com
13.	Reporting Boundary (Standalone or Consolidated basis)	Standalone

II. Product/services:

14. Details of business activities (accounting for 90% of the entity's turnover):

S. No.	Description of Main Activity	Description of Business Activity	%Turnover of the entity
(i)	Air transportation	Air transport services of passengers and cargo	96.65

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	%Turnover of the entity
(i)	Air transport services of passengers and cargo	51101	96.65

III. Operation:

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	No. of plants	No. of offices	Total
National	0	38	38
International	0	4	4

17. Markets served by the entity:

(a) Number of locations:

Locations	Number
National (No. of States)	22
International (No. of Countries)	4

(b) What is the contribution of exports as a percentage of the total turnover of the entity?: The Company reports results of its operation on an overall basis. The revenue from operation from outside India constitute 24.99% of total revenue from operations.

(c) A brief on types of customers: Air travellers (retail and corporate), charters etc.

IV. Employees:

18. Details as the end of the financial year[1]:

(a) Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
	Employees					
1.	Permanent (D)	7,131	4,860	68.15	2,271	31.85
2.	Other than Permanent (E)	2,929	2,844	97.10	85	2.90
3.	**Total employees (D+E)**	10,060	7,704	76.58	2,356	23.42
	Workers					
4.	Permanent (F)	Not applicable				
5.	Other than Permanent (G)					
6.	**Total workers (F+G)**					

[1]Other than permanent employees includes contractors. The entire workforce of the Company is categorised as 'employees' and none as 'workers'. Therefore, the information required in all sections of this report in the 'workers' category is not applicable to the Company.

(b) Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
	Differently abled employees					
1.	Permanent (D)	4	2	50.00	2	50.00
2.	Other than Permanent (E)	1	1	100.00	0	0.00
3.	**Total differently abled employees (D+E)**	5	3	60.00	2	40.00
	Differently abled workers					
4.	Permanent (F)	Not applicable				
5.	Other than Permanent (G)					
6.	**Total differently abled workers (F+G)**					

19. Participation/ Inclusion/ Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	%(B/A)
Board of Directors	5	1	20.00%
Key Management Personnel	2	0	0.00%

20. Turnover rate for permanent employees and workers:

Particulars	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	26.87	39.24	30.07	26.66	29.97	27.50	16.15	16.24	16.18
Permanent Workers	Not applicable								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding/ subsidiary/ associate companies/ joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	SpiceJet Merchandise Private Limited	Subsidiary	100%	No
2.	SpiceJet Technic Private Limited	Subsidiary	100%	No
3.	Canvin Real Estate Private Limited	Subsidiary	100%	No
4.	SpiceJet Interactive Private Limited	Subsidiary	100%	No
5.	Spice Club Private Limited	Subsidiary	100%	No
6.	Spice Shuttle Private Limited	Subsidiary	100%	No
7.	SpiceXpress and Logistics Private Limited	Subsidiary	98%	No
8.	Spice Ground Handling Services Private Limited	Subsidiary	100%	No
9.	SpiceTech System Private Limited	Subsidiary	68%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes

(ii) Turnover: Rs.88,688.40 million (revenue from operations)

(iii) Net worth: Rs. (32,316.07) million

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group	Grievance Redressal Mechanism in place (Yes/ No) (Provide web-link)	FY 2022-23			FY 2021-22		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	NA	NA	NA	NA	NA	NA	NA
Investors and shareholders	Yes. Shareholders and investors can write to the Company/RTA to email IDs investors@spicejet.com or einward.ris@kfintech.com. They may also register their complaints on SEBI SCORES Portal i.e. www.scores.gov.in	20	0	NA	5	0	NA

Stakeholder Group	Grievance Redressal Mechanism in place (Yes/No) (Provide web-link)	FY 2022-23			FY 2021-22		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes. The mechanism is available at https://corporate.spicejet.com/Content/pdf/SpiceJet_WhistleBlowerPolicy.pdf.	0	0	NA	0	0	NA
Customers	Yes. The details are available at https://corporate.spicejet.com/GeneralAirTravelFaq.aspx	950	-	-	684	-	-
Value chain	NA	NA	NA	NA	NA	NA	NA
Others	NA	NA	NA	NA	NA	NA	NA

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Ethics, Accountability, and Transparency	Risk and Opportunity	Adherence to the highest standards of transparency and business ethics results in corporate governance excellence. Our governance mechanism is positioned to promoting transparency in the system, adhering to compliances, and ensuring accountability.	We have implemented ethical framework and have adopted a code of conduct.	Ethical behaviour protects the Company from punitive and reputational repercussions, beside loss of investors' confidence and brand erosion.
2.	Conservation of Energy and Fuel	Opportunity	Fuel is leading source of energy for aviation activity. The Company's measures includes maintenance of engine and airframe, flight planning, training to operational staff, regular analysis etc.	NA	Fuel cost is substantial part of overall cost and improvement in fuel consumption may results significant cost savings.
3.	Emissions Management	Risk and Opportunity	One of the most important solutions to climate change is reducing greenhouse gas emissions. We are therefore committed to use energy efficient equipment to reduce carbon footprint.	We intent to use new fuel efficient aircraft to reduce our carbon footprint.	There will be significant financial implication to move to new fuel efficient fleet.
4.	Safe and Healthy Working Conditions	Risk and Opportunity	Safety and social well-being has been our highest priority and at the core of our philosophy of sustainable business.	Compliance of all airworthiness directives issued by regulatory bodies. Providing employee counselling and conducting health related program.	Safe environment results in lower downtime and higher productivity.
5.	Waste management	Risk and Opportunity	Waste from our business activity may cause pollution. We strive to waste management.	Proper waste management plan including e-waste.	Recycling and reduction in single use plastic

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if applicable	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.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Nil								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Nil								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not applicable								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	The Company believe that a corporate enterprise 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, the Company has adopted the principles of business responsibility in its code of conduct.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Ajay Singh Chairman & Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Corporate Social Responsibility Committee evaluated the sustainability related issues, from time to time. The Committee is comprising of Mr. Ajay Aggarwal as Chairperson and Mr. Ajay Singh and Mrs. Shiwani Singh as members.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board and its committees									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board and its committees									Annually								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial, human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

Section C: Principle wise Performance Disclosure

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	Total 3 sessions were spent on familiarisation programmes as part of the meetings of the Board.	Principle 1 to 9	100%
Key Managerial Personnel	Nil	NA	NA
Employees other than Board of Directors and KMPs	Training to 1,265 employees were provided during the current financial year	Principle 1 to 9	12.57%
Workers	Not applicable		

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In Rs.)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine	Principle 1	BSE Limited	Please refer Para 22 (b) of the Corporate Governance Report		No.
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
Non-Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In Rs.)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy: Yes. Our Code of Conduct (available in the Company intranet) complies with the legal requirements of applicable laws and regulations, including anti-bribery, anti-corruption and ethical handling of conflicts of interest.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption: Nil

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest: Not applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same: The Company has approved policies and code of conduct for its Board, and it has procedures in place to avoid/ manage conflict of interests such as Code of Conduct for Directors and Senior Managements, Policy on Related Party Transactions, Policy for determining Material Subsidiaries, Code on Fair Disclosure of Unpublished Price Sensitive Information, Code of Conduct for Prevention of Insider Trading and Whistle Blower Policy. The Company undertakes training and awareness sessions on ethical business practices, including sessions to avoid or manage the instances of conflict of interests in an appropriate manner.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	N.A.	N.A.	N.A.
Capex	0.81%	1.47%	N.A.

2. Does the entity have procedures in place for sustainable sourcing? (Yes/No). If yes, what percentage of inputs were sourced sustainably?: Yes. All our vendor/suppliers are assessed on sustainability parameters (wherever possible) at the time of on boarding through the vendor/supplier selection process.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste: To ensure that waste is properly managed, we have implemented a set of steps for reusing, recycling, and disposing of waste. These include segregating of plastic waste and disposing it off with authorized vendors, disposing of batteries to authorized vendors once they reach the end of their life cycle, regularly emptying ground equipment waste oils, such as engine oil/hydraulic oil, at specified intervals, such as hourly, calendar, or by kilometre etc.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same: Not applicable.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?: Not applicable. We do not connect any assessment of life cycle of our services.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same: Not applicable.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry): Not applicable.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format: Not applicable.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category: Not applicable.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. (a) Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (E)	% (E/A)
Permanent employees											
Male	4,860	4,860	100%	4,860	100%	0	0%	4,860	100%	4,860	100%
Female	2,271	2,271	100%	2,271	100%	2,271	100%	0	0%	2,271	100%
Total	7,131	7,131	100%	7,131	100%	2,271	100%	4,860	100%	7,131	100%

(b) Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (E)	% (E/A)
Permanent employees											
Male	Not applicable										
Female											
Total											

2. Details of retirement benefits:

Benefits	FY 2022-23 (As on 31.03.2023)			FY 2021-22 (As on 31.03.2022)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.00%	NA	Note*	100.00%	NA	Note*
Gratuity	100.00%	NA	NA	100.00%	NA	NA
ESI	24.30%	NA	Note*	52.60%	NA	Note*

**Note: There has been delay in deposit of provident fund and ESI with the appropriate authorities. Please refer Para No. (vii) of the Annexure A of the Independent Auditor's Report on the standalone financial statements for the year ended March 31, 2023.*

3. Accessibility of workplaces: Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard: Yes. We encourage employees to disclose their disabilities to provide reasonable support to them to perform to their full potential.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy: Yes. The policy is available on intranet.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
Total	**100%**	**100%**	**NA**	**NA**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Not applicable
Other than Permanent Workers	
Permanent Employees	Various platforms are available with employees to register their complaint such as HR Help Desk, dedicated e-mail id for reporting POSH related complaints and strong whistle blower mechanism in place to effectively address complaints/ issues raised.
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity: Nil

8. Details of training given to employees and workers:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees	% (B / A)	Total (C)	No. of employees	% (D / C)
Employees						
Permanent	7131	1265	17.74	8796	0	0
Other than Permanent	2929	0	0	3465	0	0
Total	**10060**	**1265**	**12.57**	**12261**	**0**	**0**

* Note : Due to Covid reasons, all physical / classroom behavioural trainings were discontinued in FY 2021-22.

9. Health and safety management system:

The Company has implemented occupational health and safety management system for identifying workplace hazards, undertaking risk assessment, implementing necessary controls as per the level of risk, and eliminating or minimizing the identified risks. The Company has process to report the work-related safety concerns and each employee have access to non-occupational medical and healthcare services.

10. Describe the measures taken by the entity to ensure a safe and healthy work place:

We are committed to constantly improve our processes to ensure that our operation conforms to the highest level of safety standards. We adhere to all regulations as enumerated by the Directorate General of Civil Aviation and other regulatory bodies and persistently comply with all airworthiness directives issued by regulatory bodies.

11. Number of complaints on working conditions and health & saftey made by employees and workers: Nil

12. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

13. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions: Not applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of employees: Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners: The Company insist and ensure that all partners comply with the code of conduct.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   The Company strive to be responsible and sensitive to its stakeholders. Depending on a direct relationship of impact, influence and proximity or relevance, the Company identified various stakeholder groups like customers, employees, investors, suppliers and other value chain partners, local communities for engagement. The Company have devised a separate and dedicated mechanism to engage with each stakeholders (including shareholders, investors, vendors, customers, employees, government and other local authorities).

2. List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Board of Directors	No	Email, Meetings, Annual Report, Quarterly Reports etc.	Quarterly	Role and responsibility of Board of Directors as per the Companies Act, 2013 and other applicable laws.
Shareholders and investors	No	General Meetings, website, email, newspaper, corporate announcements, stock exchange website, Annual Reports etc.	Quarterly and annually	To update about the performance of the Company and deal with investor queries.
Employees	No	Email, website, workshop, intranet	Continuous	Engagement with employees to increase efficiency and execute business operations.
Customers	No	Email, SMS, Website, Newspaper, Advertisements, Social Media, inflight magazine	Continuous	Feedback to improve services
Vendors	No	Website	Continuous	Fair and transparent procurement
Communities	Yes	Website and social media	Continuous	To understand needs of the communities and provide facilities
Government and authorities	No	Corporate filing, audits and compliances.	Need based	Compliance of applicable laws

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   The Company has formed various committees to engage with respective stakeholders.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   No.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   The Company through its CSR initiatives engage with the communities based on their needs and provide support to them, to the extent possible and feasible.

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees	% (B / A)	Total (C)	No. of employees	% (D / C)
Employees						
Permanent	7,131	6,833	95.82%	8,796	7,009	79.68%
Other than permanent	2,929	1,218	41.58%	3,465	1,860	53.48%
Total Employees	10,060	8,051	80.02%	12,261	8,869	72.34%
Worker						
Other than permanent	Not applicable					
Other than permanent						
Total worker						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (A)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (B)	%(B/A)	No. (C)	%(C/A)
Employees										
Permanent										
Male	4860	1893	39%	2967	61%	5838	2372	41%	3466	59%
Female	2271	1429	63%	842	37%	2864	1596	56%	1268	44%
Other than Permanent										
Male	2844	2805	99%	39	1%	3222	3187	99%	35	1%
Female	85	83	98%	2	2%	76	75	99%	1	1%

3. Details of remuneration/salary/wages, in the following format:

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	Please refer Annexure - C of the Board's Report			
Key Managerial Personnel (KMP)	This information may not be disclosed due to confidentiality.			
Employees other than BoD and KMP				
Workers	Not applicable			

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No): Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues: The Company's Code of Conduct strongly deters wrongdoings and promote equal opportunities for all at workplace. The Code ensures there is no discrimination or harassment in the workplace and appropriate grievance mechanism is in place. In addition to this, the company has policies such as POSH Policy, Whistleblower Policy, Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Other Employee etc.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	17	1	NA	15	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA

Particulars	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases: The Company has adopted a policy in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and formed an internal complaint committee which also ensure that a person who lodges a complaint in good faith and without malice is protected and will not allow a person raising a concern to be victimized for doing so. Similar mechanism for protection to complainant is also available in terms of whistle blower policy.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No): Yes. The Company's Code of Conduct is also applicable on its vendors which includes aspects of human rights pertaining to their operations and conduct of business, and all vendors need to comply with the Code as part of the agreement/contract.

9. Assessments for the financial year 2022-23:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	100%
Discrimination at workplace	Nil
Wages	Nil
Others – please specify	Nil

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above: The Company has a policy on the prevention of sexual harassment, which is a gender-neutral subject matter. Risks, if any, arising from such assessments are duly taken care of, by committees comprising of both internal and external stakeholders.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints: During the reporting period, no business processes have been modified or introduced for addressing human rights grievances/complaints.

2. Details of the scope and coverage of any Human rights due-diligence conducted: Nil

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?: Yes

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Rupees million) and energy intensity, in the following format:

Parameters	FY 2022-23	FY 2021-22
Total electricity consumption (A)	56.66	55.43
Total fuel consumption (B) – ATF and Petrol/Diesel	47,906.64	29,649.83
Total energy consumption (A+B+C)	47,963.30	29,705.26

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any: Not applicable.

3. Provide details of the following disclosures related to water, in the following format: Not applicable

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation: Not applicable

5. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details: The Company is conscious of the alarming levels of pollution and growing importance on the usage of clean and renewable sources of energy. The Company 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.

6. Provide details related to waste management by the entity, in the following format: The Company has implemented various waste disposal and reduction initiatives across all offices and its operation.

7. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes: Not applicable

8. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format: Not applicable: Not applicable

9. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: Not applicable

10. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: The Company is in compliance of all applicable environmental law/regulations/guidelines in India.

Leadership Indicators

1. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link: The Company has an emergency procedure integrated into its management system for dealing with emergency situations as per applicable laws. A list of potential emergency situations has been identified and the roles and responsibilities of all concerned personnel are also defined to handle the emergencies effectively. The plan covers man-made and natural disasters, including a major aircraft accident, and includes command and control, crisis communications, humanitarian response, and business continuity. Training and awareness sessions are conducted for the employees and emergency handling teams to prepare them for actual emergency situations.

2. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard: There were no areas/materials in the value chain of the entity which have been identified as having significant adverse impact on the environment.

3. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts: Nil

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. (a) Number of affiliations with trade and industry chambers/associations: The Company is a member of Federation of Indian Airlines and International Air Transport Association.

   (b) List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to:

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1.	Federation of Indian Airlines	National
2.	International Air Transport Association	International

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken
Competition Commission of India	Express Industry Council of India alleged cartelization between five domestic airlines including the Company for fixing the rate of fuel surcharge in cargo. Competition Commission of India vide its order dated March 7, 2018 held that the Company along Indigo and Jet Airways are in contravention of the provisions of the Competition Act, 2002 and imposed a penalty of Rs.51 million on the Company.	An appeal has been filed against the order of the Competition Commission of India before the Competition Appellate Tribunal. The said order is stayed. The appeal is sub-judice.

Leadership Indicators

1. Details of public policy positions advocated by the entity: Not applicable

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year: The Company shall endeavour to take these projects in future.
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: Not applicable
3. Describe the mechanisms to receive and redress grievances of the community: The Company's Corporate Social Responsibility Policy is designed to support and provide for social and community development, which inter-alia, focuses on the needs and aspirations of the communities. In case there is a concern or grievance, the same can be logged with the CSR team representative and adequate action will be taken, as deemed appropriate.
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers[2]	1.71%	2.13%

[2]*Based on trade payable as on end of the financial year.*

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): Not applicable
2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: Not applicable
3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No): No

   (b) From which marginalized /vulnerable groups do you procure?: Not applicable

   (c) What percentage of total procurement (by value) does it constitute?: Not applicable
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: Not applicable
5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved: Not applicable
6. Details of beneficiaries of CSR Projects: Not applicable

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback: A well-established system is in place for dealing with customer complaint and feedback. Customers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc.
2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

Particulars	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA

Particulars	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Others[3]	950	Nil	NA	684	Nil	NA

[3]Complaints relating to various subject matters such as cancellation of tickets, incorrect bookings, refund of fares, flight delays, baggage mishandling and flight cancellation. Apart from this there are consumer complaints filed against the Company in various courts/ consumer redressal forums.

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reason for recall
Voluntary recalls	Not applicable	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No): Yes. In order to assist the Company in identification, evaluation and mitigation of strategic, operational, and external environment risks, the Company has framed and adopted a risk management policy as per applicable laws. The Company also has a committee on 'risk management' which includes cyber security risk.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services: Nil. The Company witnessed a ransomware attack on Information Technology (IT) system(s) on May 25, 2022 which affected operations of certain flights. Immediately, the Company took corrective measures with assistance of cyber experts and authorities about the ransomware attack to investigate the root causes and to further suggest remedial steps.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available): All information regarding services provided by the Company is available on its website i.e. www.spicejet.com as well as mobile applications.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services: The Company connects with its customer through messages and email for information related to its services. These information are also available on the Company's website.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services: Any delay/ cancelation of flight is informed well in advance to customers through email and messages.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No): 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. 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.

5. Provide the following information relating to data breaches:

   (a) Number of instances of data breaches along-with impact: Nil

   (b) Percentage of data breaches involving personally identifiable information of customers: Nil

Corporate Governance Report

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 2022-23 are as under:

1. Philosophy on Corporate Governance

Our philosophy on the corporate governance centers on promoting responsible business practices that prioritise the well-being of customers, stakeholders and the environment. It ensures how effectively the Board of Directors and management are discharging their functions in building and satisfying stakeholders' confidence. It involves balancing the interests of all stakeholders, management, customers, suppliers, financiers, government and community. Since corporate governance also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management from action plans and internal control to performance measurement and corporate disclosure.

We believe that strong governance standards, focusing on fairness, transparency, accountability and responsibility are vital, not only for the healthy and vibrant corporate sector growth, but also for inclusive growth of the economy. We have always focused on good corporate governance, which is a key driver of sustainable corporate growth and long term value creation for its stakeholders. We have measures to periodically review and revise the corporate governance practices by subjecting business processes to audits and checks that measures up to the required standards.

2. Board of Directors

The primary role of the Board of Directors 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. Effective Board of the Company believes in the principles that are essential in the oversight, insight, and foresight of the business. The Board has a legal responsibility to provide oversight and accountability for the organisation. 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, 2023 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.

(i) Composition of the Board

As on March 31, 2023, 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 woman 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, 2023, 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 finalisation 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.

(ii) Board Meetings and attendance of Directors

All meetings of Board and Committees are governed by a structured agenda. 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 well in advance of 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 2022-23, three (3) Board Meetings were held on August 31, 2022, November 14, 2022 and February 24, 2023. Due to time constraints, the Board Meeting held on February 24, 2023 was adjourned and continued on February 27, 2023 for certain agenda items.

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[3]	Directorship in other companies[4]	Committees membership/ chairpersonship in other public companies[5]	Directorship in other listed entity (Category of directorship)
Mr. Ajay Singh	3	-	-	-
Mrs. Shiwani Singh	1	1	1	Multipurpose Trading and Agencies Ltd. (Non-Executive Director)
Mr. Anurag Bhargava	3	-	-	-
Mr. Ajay Aggarwal	3	-	-	-
Mr. Manoj Kumar	3	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]Due to time constraints, the Board Meeting held on February 24, 2023 was adjourned and continued on February 27, 2023. The adjourned Board Meeting was attended by all Directors except Mr. Ajay Aggarwal.
[4]Excluding directorships in private companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013 and subsidiaries of SpiceJet Limited.
[5]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.

During May 2022, a ransomware attack affected IT system(s) of the Company and access to data and computer systems were blocked. This has resulted in delay in completion of audit process and conducting the Board Meeting and submission of financial results for quarter and year ended March 31, 2022 and quarter ended June 30, 2022. Therefore the time gap between two consecutive Board Meetings (i.e. Board Meeting held on February 15, 2022 and Board Meeting held on August 31, 2022), was more than one hundred and twenty days.

The Board has also passed resolution(s) by circulation on August 19, 2022 and October 30, 2022 in terms of Section 175 of the Companies Act, 2013 read with rules made thereunder. All directors provided their assent/ dissent on such resolution(s) except Mr. Anurag Bhargava who did not voted on the resolution(s). The resolution(s) passed by circulation were also place in the subsequent Board Meeting.

The last Annual General Meeting of the Company was held on December 26, 2022 through video conference and other audio visual means which was attended by all Directors of the Company except Mrs. Shiwani Singh.

(iii) Shares held by Non-Executive Directors

Details of equity shares of the Company held by Non-Executive Directors as on March 31, 2023 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	20,000
Mr. Manoj Kumar	Independent Director	8,000

(iv) Familiarisation Programmes

The role of Independent Directors has been of paramount importance to the corporate world, its investors (particularly minority investors), stakeholders, regulators as these directors are required to uphold ethical standards of integrity and probity and assist in implementing best corporate governance practices, while fulfilling the strict criteria of being independent of the management and the Company. It becomes imperative on the part of the Company to adequately familiarise independent directors with the Company, its operations, management and regulatory framework governing the organisation. The familiarisation programmes are aimed to familiarise the Independent Directors with the Company, their roles responsibilities in the Company, nature of industry in which the Company operates and business model of the Company by imparting suitable training sessions.

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, presentations on the business and performance of the Company are made at the Board Meetings to familiarise the Independent Directors with the strategy, operations and functions of the Company. 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. Each Director of the Company has complete access to any information relating to the Company. The Board members are also encouraged to advise the Company to adopt further programmes for their familiarisation with the Company.

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.

(v) Independent Directors

The Company believes that the primary role of Independent Directors includes setting top executive remuneration, assessing any situation related to the corporate finance decision making. They also play an important role in managing and controlling conflicts in the organization. Hence, all Independent Directors on the Board of the Company are Non-Executive Directors. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 (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 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.

(vi) Resignation of Independent Directors

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

(vii) Core skills/expertise/competencies of Directors

The Board evaluates its composition to ensure that the appropriate mix of skills, experience, independence and knowledge to ensure its continued effectiveness. The Board members should, at a minimum, have background that when combined provide a portfolio of experience and knowledge that will serve SpiceJet's governance and strategic needs. The Directors have demonstrated experience and ability that is relevant to the Board's oversight role with respect to SpiceJet's business and affairs.

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.	✓	✓	✓	✓	✓

(viii) Board Committees

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with the approval of the Board and function within their respective charters. These Committees play a pivotal role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform their duties entrusted by the Board.

During the year under review, all recommendations of the Board Committees were duly accepted by the Board. 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:

Board of Directors

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

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 purpose of a company's audit committee is to provide oversight of the financial reporting process, the audit process, the company's system of internal controls and compliance with laws and regulations. The audit committee can expect to review significant accounting and reporting issues and recent professional and regulatory pronouncements to understand the potential impact on financial statements.

As on March 31, 2023, 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 Act 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 Act 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 2022-23, three (3) Audit Committee Meetings were held on August 31, 2022, November 14, 2022 and February 24, 2023. The necessary quorum was present for all the meetings.

The composition of the Audit Committee as on March 31, 2023 and the attendance of members at the meetings held during financial year 2022-23 are given below:

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Mr. Anurag Bhargava	Independent Director	Chairperson	3	3
Mrs. Shiwani Singh	Non - Executive and Non-Independent Director	Member	3	1
Mr. Ajay Aggarwal	Independent Director	Member	3	3
Mr. Manoj Kumar	Independent Director	Member	3	3

The time gap between two consecutive Audit Committee Meetings (i.e. Audit Committee Meeting held on February 14, 2022 (concluded on February 15, 2022) and Audit Committee held on August 31, 2022), was more than one hundred and twenty days due to delay in completion of audit process for financial year 2021-2022 on account of a ransomware attack which affected IT system(s) of the Company.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee's terms of reference, its objectives, composition, meeting requirements, authority and power, responsibilities, reporting and evaluation functions are in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. Nomination and Remuneration Committee recommend the set up and composition of the Board and its Committees including the formulation of the criteria for determining qualifications, positive attributes and independence of a director. 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, 2023, the Nomination and Remuneration Committee comprised three Directors, of whom two members are Independent Directors and one is Executive Director. The composition of the Committee meets the requirements of Section 178 of the Act 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 Act and Regulation 19 the SEBI Listing Regulations. 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.

During the financial year 2022-23, three (3) meetings of the Nomination and Remuneration Committee were held on August 31, 2022, November 14, 2022 and February 24, 2023 with necessary quorum being present.

Effective August 31, 2022, the Nomination and Remuneration Committee was reconstituted with Mr. Ajay Aggarwal (Independent Director) as Chairperson Mr. Ajay Singh (Chairman and Managing Director) and Mr. Manoj Kumar (Independent Director) as members.

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	Member	3	3
Mr. Ajay Singh	Chairman and Managing Director	Member	3	3
Mr. Manoj Kumar	Independent Director	Member	3	3
Mrs. Shiwani Singh[6]	Non - Executive and Non-Independent Director	Member	NA	NA

[6] *Cease to be member of the Nomination and Remuneration Committee effective August 31, 2022.*

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, 2023, 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 2022-23, the Company has paid Rs.60.00 million to Mr. Ajay Singh, Chairman & Managing Director as remuneration against the approved remuneration of Rs.72.00 million and has taken provisions for remaining remuneration of Rs.12.00 million. The Company has also paid outstanding remuneration of Rs.18.00 million to Mr. Ajay Singh for previous financial year.

6. Performance evaluation of Directors

In compliance with the provisions of the Act and the SEBI Listing Regulations, annual performance evaluation was conducted for all Board members as well as the working of the Board and its Committees. This evaluation was led by the Chairperson of the Nomination and Remuneration Committee with specific focus on performance and effective functioning of the Board. For the financial year ended March 31, 2023, 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. The Board evaluation was conducted through questionnaire designed with qualitative parameters and feedback based on ratings.

Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance of Executive Directors etc. Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/ recommendation to the Board, etc.

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.

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 Act, the Company has constituted Stakeholders' Relationship Committee. As on March 31, 2023, 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 2022-23 on February 14, 2023. 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	0
Mrs. Shiwani Singh	Non-Executive and Non-Independent Director	Member	1	1
Mr. Ajay Singh	Chairman and Managing Director	Member	1	1

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

During the financial year 2022-23, 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 20 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, 2023.

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 Committee is constituted and functions as per Regulation 21 read with Part D of Schedule II of the SEBI Listing Regulations to frame, implement and monitor the risk management plan for the Company. 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, 2023, 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 were held during the financial year 2022-23 on November 14, 2022 and February 14, 2023. 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 and Managing Director	Chairperson	2	2
Mr. Anurag Bhargava	Independent Director	Member	2	1
Mr. Chandan Sand	Sr. VP (Legal) & Company Secretary	Member	2	2

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
38th AGM (2021-22)	December 26, 2022 at 11:30 a.m.	Through video conference and other audio visual means.	Nil
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

10. Postal Ballot

During the year under, no postal ballot exercise was initiated.

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 shareholder 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. General Shareholder Information

(a)	Venue, date and time of the 39th Annual General Meeting	:	Venue: Through Video Conferencing Date: January 10, 2024 Time: 3:30 p.m.
(b)	Financial Year	:	April 1, 2022 to March 31, 2023
(c)	Book Closure date	:	January 4, 2024 to January 10, 2024 (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, 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, 2023. 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

13. Market Price Data

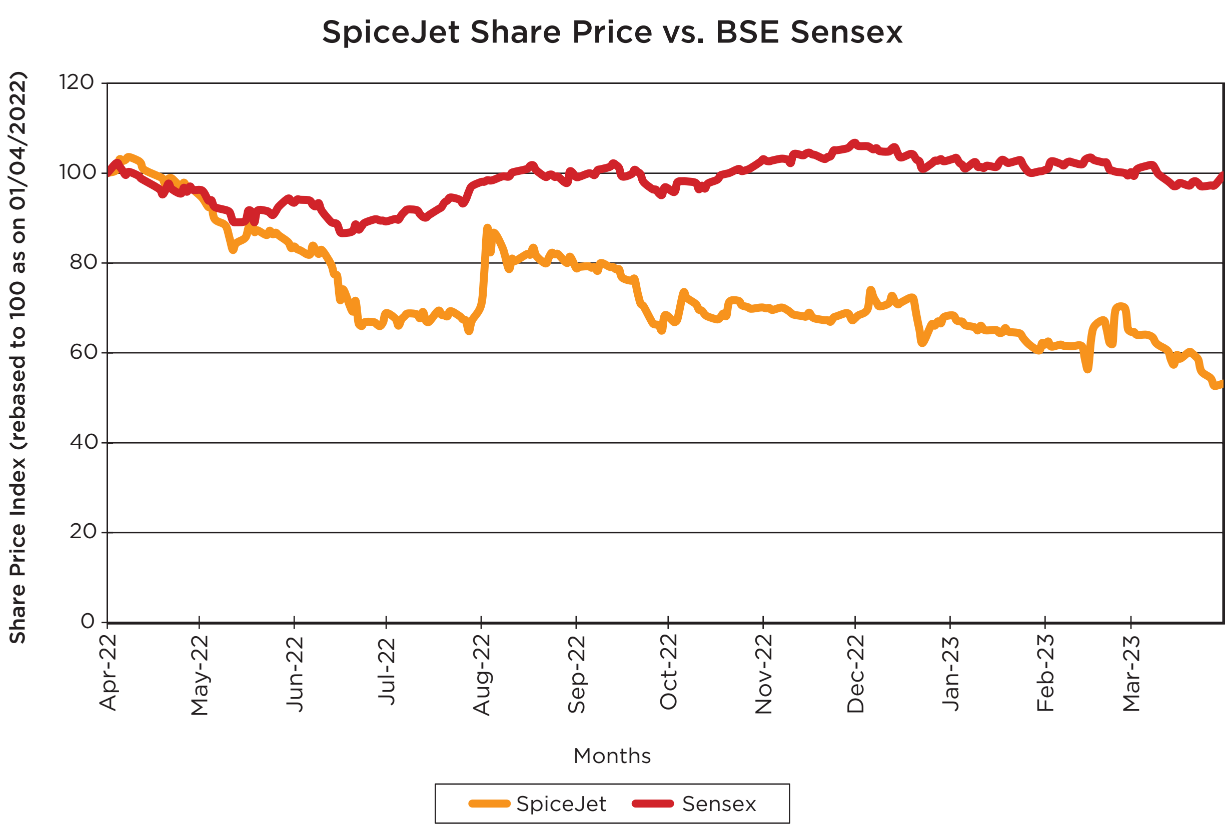
The market capitalisation of the Company is included in the computation of S&P BSE Small Cap. The table below sets out the monthly high and low quotations of the shares traded at BSE Limited (www.bseindia.com) during the period under review:

Month	Open Price	High Price	Low Price	Close Price
Apr-22	55.20	62.20	54.70	54.90
May-22	54.90	54.90	46.40	47.50
Jun-22	48.05	48.60	37.15	38.10
Jul-22	38.50	40.45	34.60	38.30
Aug-22	38.40	52.40	38.40	46.40
Sep-22	42.00	47.00	36.40	39.00
Oct-22	38.90	42.35	37.70	39.95
Nov-22	39.60	40.45	37.20	38.35
Dec-22	38.70	43.25	35.00	38.75
Jan-23	39.35	39.35	34.30	35.45
Feb-23	35.60	42.20	32.00	37.25
Mar-23	37.35	37.74	29.75	30.31

14. 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, 2022 to March 31, 2023.

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



15. 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.

16. Shareholding Pattern as on March 31, 2023

S. No.	Category	No. of Shares	Percentage (%)
1.	Promoters[7]	35,49,49,793	58.98
2.	Resident individuals	21,27,75,708	35.35
3.	Bodies corporates	1,33,18,238	2.21
4.	Non Resident Indians	85,35,856	1.42
5.	HUF	46,19,042	0.77
6.	Non Resident Indian – Non Repatriable	27,45,970	0.46
7.	Foreign portfolio – Corp	23,98,758	0.40
8.	Employees	16,69,105	0.28
9.	Clearing members	5,06,026	0.08
10.	Foreign Institutional Investors	1,07,400	0.02
11.	Foreign Portfolio Investors	75,002	0.01
12.	NBFC	42,216	0.01
13.	Mutual Funds	37,000	0.01
14.	Directors	34,001	0.01
15.	Directors and their relatives	25,000	0.00
16.	Trusts	6,250	0.00
17.	Foreign Nationals	300	0.00
	Total	**60,18,45,665**	**100.00**

[7]Number of equity shares pledged with various banks and financial institutions - 16,66,37,437 equity shares.

17. Distribution of Shareholding as on March 31, 2023

Category	Shareholders		Shares	
	Number	% of total	Number	% of total
1-5000	3,34,454	83.66	3,98,95,178	6.62
5001-10000	31,580	7.90	2,52,54,388	4.19
10001-20000	17,132	4.28	2,59,00,784	4.30
20001-30000	5,925	1.48	1,51,72,826	2.52
30001-40000	2,716	0.67	97,81,150	1.62
40001-50000	2,148	0.53	1,01,04,790	1.67
50001-100000	3,350	0.83	2,46,30,537	4.09
100001 and above	2,427	0.60	45,11,06,012	74.95
Total	**3,99,732**	**100.00**	**60,18,45,665**	100.00

18. 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.

19. 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 as on March 31, 2023. 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.

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 2022-23 is as follows:

S. No.	Particulars	Amount in Rs. million
1.	Audit fees	10.10
2.	Limited review fees	2.85
3.	Tax audit fees	0.95
4.	Reimbursement	0.40

21. Credit Rating: During the year under review, Acuité Ratings & Research Limited has reaffirmed its long-term rating of 'ACUITE B' (read as ACUITE B) and its short term rating of 'ACUITE A4' (read as ACUITE A four) on the banking facilities availed by the Company with 'Stable' outlook.

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 2022-23 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: Details of non-compliances, penalties, strictures imposed by stock exchange or SEBI or any statutory authority on matter related to capital markets during the last three years are as follows:

S. No.	Details of non-compliances	Amount in Rupees (Rs.)
(i)	Non-appointment of one independent woman director as per the requirement of Regulation 17(1) of the SEBI Listing Regulations during the last three years. 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.	5,900 per day
(ii)	Delay of one day in submission of unaudited financial results for the quarter ended December 31, 2021 to the stock exchange in terms of Regulation 33(3)(a) of SEBI Listing Regulations.	5,900
(iii)	Time gap between two consecutive Board Meetings (i.e. Board Meeting held on February 15, 2022 and Board Meeting held on August 31, 2022), was more than one hundred and twenty days. Further, the Company has conducted only three Board Meetings during a year.	11,800
(iv)	Delay of ninety-three days in submission of annual audited financial results for financial year ended March 31, 2022 to the stock exchange in terms of Regulation 33(3)(d) of SEBI Listing Regulations on account of ransomware attack which affected IT system(s) of the Company.	2,71,400
(v)	Delay of sixteen days in submission of unaudited financial results for quarter ended June 30, 2022 to the stock exchange in terms of Regulation 33(3)(a) of SEBI Listing Regulations on account of ransomware attack which affected IT system(s) of the Company.	88,500
(vi)	Delay of ten day in submission of unaudited financial results for the quarter ended December 31, 2022 to the stock exchange in terms of Regulation 33(3)(a) of SEBI Listing Regulations.	59,000
(vii)	The Company has conducted only three meetings of the Audit Committee and time gap between two meetings was more than one hundred and twenty days at one instance.	Nil
(viii)	During the period under review, the Company has not maintained the prescribed database of unpublished price sensitive information in terms of Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulation, 2015.	Nil

(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 Company has conducted only three board meetings and three audit committee meetings during a year, further, time gap between two meetings was more than one hundred and twenty days at once instance and 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 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 I to this report.

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 II and forms part of 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 2022-23, 17 complaints were received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and as on March 31, 2023, only 1 (one) complaint was pending for its disposal.

(g) **Code of Conduct:** In compliance with the SEBI Listing Regulations and the Act, 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, 2023, 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) **Compliance Certificate by Chief Executive Officer and Chief Financial Officer:** In terms of Regulation 17(8) of the SEBI Listing Regulations, the Managing Director and Chief Financial Officer 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 2022-23. 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 2022-23, 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

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, 2023 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: F002870E002814096

Date : December 4, 2023
Place : New Delhi

ANNEXURE II

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, 2023, 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, 2023 except as stated below:

(i) 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.

(ii) The Company has conducted only three board meetings during a year and the time gap between two meetings was more than one hundred and twenty days at one instance.

(iii) The Company has conducted only three meetings of the audit committee during a year and time gap between two meetings was more than one hundred and twenty days at one instance.

For Mahesh Gupta & Company

Company Secretaries

Sd/-

Mahesh Kumar Gupta
Proprietor
FCS 2870::CP 1999
UDIN: F002870E002814195

Date : December 4, 2023
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 under the "Investors" section.

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, 2023.

Sd/-

Ajay Singh
Chairman & Managing Director

Date : December 12, 2023
Place : Gurugram

ANNEXURE IV

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

We, Ajay Singh, Chairman & Managing Director and Mr. Ashish Kumar, Chief Financial Officer 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, 2023 and that to the best of our knowledge and belief:

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

   (2) 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:

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

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

   (3) 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/-

Ashish Kumar
Chief Financial Officer

Date : December 12, 2023
Place : Gurugram

Management Discussion and Analysis

1. Indian Economy and Prospects

India's economy is one of the fastest-growing in the world, and it has shown considerable resilience amidst global financial crises and downturns. According to International Monetary Fund, India is projected to be the world's third largest economy by 2027-28 and will hit GDP of USD 5 trillion dollars. India boasts a large and fast-growing domestic consumer market owing to its large population and rising middle-class.

The government is pushing substantial infrastructure projects under schemes like "Make in India", "Digital India", "Smart Cities", and "Atmanirbhar Bharat (Self-reliant India)". These initiatives aim to foster industrial production and improve India's digital and physical infrastructure, thus enhancing ease of business and attracting foreign investment.

India now ranks at 63 in "Ease of Doing Business" from a rank of 142 in 2014. India has been implementing incremental economic reforms, including easing regulations, tax cuts for businesses, liberalizing the FDI policy, and reforms in labor laws and in the long term these initiatives are expected to also boost foreign investments and economic growth, which in turn would have its impacts on the Indian aviation sector.

While India embarks on its next growth trajectory, reducing economic inequality (where the benefits of growth aren't distributed evenly across the society), reducing unemployment and better healthcare and education infrastructure needs to be addressed.

The Indian economy has prospects for growth driven by factors such as a large consumer base, increasing urbanization, and a youthful demographic. However, challenges like regulatory complexity, infrastructure gaps, and global economic uncertainties persist. Effective reforms, technological advancements, and sustainable development efforts will contribute to a more resilient and prosperous Indian economy in the future.

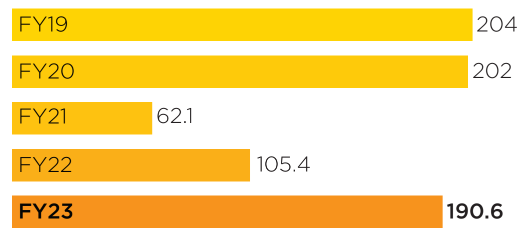
2. Indian Aviation

(a) Industry Overview

Aviation is one of the fastest growing sector in India. The need for high-speed movement across the country and outside India facilitates the growth of the sector in India. The rising middle-class high-income population would also result in families undertaking frequent vacations and actively seeking out employment in different parts of the countries. This would facilitate the need for high-speed mobility, for which the answer is aviation sector. .

According to the Ministry of Civil Aviation, air passenger traffic in India, both domestic and international, witnessed strong recovery in FY 2022-23 and registered a growth from 105.4 million passengers in FY 2021-22 to 190.50 million passengers in FY 2022-23, an increase of 80.9%. These growth parameters year on year basis are encouraging however the same is yet to reach the pre-pandemic levels.

Passenger traffic at a glance **(in Mn)**



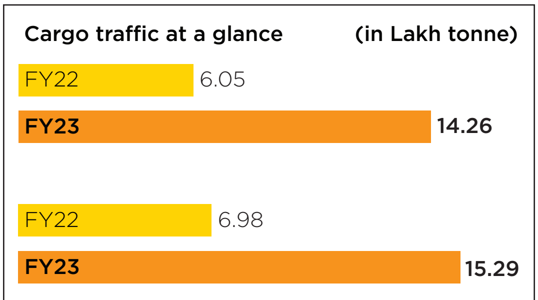
Source: DGCA

Despite a strong recovery in the industry, it still faces challenges on account of high ATF prices and depreciation of Rupee against Dollar, which has strong impact on the airline finances. Fuel expenses account for 35-40% of the airlines' expenses, while 40-50% the operating expenses – including aircraft lease rentals, fuel expenses in case catering to International sector, and a maintenance expenses – are denominated in Dollar terms. Moreover, airlines in the country have to pay exorbitantly for using airport infrastructure like runways and terminals. Privatization of airports has raised concerns about fee increases.

The sector also witnessed privatization of Air India which will further lead to consolidation. The group has plans to merge Air India with Vistara Airlines and Air Asia India. An incumbent airline also made debut "Akasa", a new start up airline. Indian aviation space is presently witnessing a changing landscape and is now home to the largest aircraft order stream consolidated amongst all operating airlines.

The Indian aviation market is intrinsically linked to the macro-economy, and hence economic pressures in the nature of looming concerns of a US recession, high inflation in Europe, the impact of the Ukraine situation and Israel-Palestine conflict will all have bearing on the sector. Undoubtedly, variety of global socio-economic events will remain at the forefront of the aviation industry's minds as we look to seek the new and exciting opportunities in 2023-24.

According to the Ministry of Civil Aviation, domestic cargo traffic in India grew at 15.3% while international cargo growth stood at 7.2% during the year. Further, the proportion of total domestic cargo carried as belly cargo registered positive growth of 2.6% in the FY 2022-23 as compared to last year.



Source: DGCA

Cargo sector in the country is anticipated to grow strongly on the back of rising need to transport high value & time sensitive products such as electronics, pharmaceuticals, perishable, and auto parts. As per industry estimates, the international air cargo market contributed to 60% of the total aviation revenue in 2022 due to growing needs of transporting goods across border while Asia Pacific air cargo market held more than 30% of the global market share owing to the presence of some of largest and rapidly growing economy.

Indian Cargo sector is expected to boom owing to its strategic location and push from the government. India is set to become a transshipment hub between markets of Asia and Europe which is currently served by Middle East. The cargo market in India is mostly concentrated in Delhi, Mumbai, Bengaluru, and Hyderabad. However, AAI aims to invest USD 3.58 billion in the next 5 years to augment airport facilities and infrastructure to meet set targets and develop transshipment hubs at major airports over the next 6 years. There are at present 21 international and 35 domestic cargo terminals in the country. The government is establishing as many as 33 new domestic cargo terminals by 2024- 2025 for 10 mn tonnes target by 2030.

In conclusion, while the Indian aviation industry has promising prospects, it has its challenges as well, and managing those effectively while capitalizing on available opportunities will determine its successful growth in the future.

(b) Government initiatives

The Government of India has various measures like the New Civil Aviation Policy 2016, the Regional Connectivity Scheme - UDAN, The Drone Policy, NextGen Airport for Bharat (NABH) Nirman scheme, Aircraft Leasing under the GIFT City and extension of Emergency Credit Line Guarantee Scheme by National Credit Guarantee Trustee Company.

Traditionally, Indian Carriers have relied on foreign lessors for consummating aircraft financing transactions. Given the opportunity presented by these activities and the lucrativeness of the business, the Government listed "aircraft leases" as a "financial product" under the The International Financial Services Centres of 2019. The availability of operating and financial leases for aircraft/ helicopters and engines of aircraft/ helicopters would help to create a comprehensive ecosystem within the Indian aviation industry.

Earlier under the ECLGS scheme, the amount of funding to eligible borrowers in the Civil Aviation sector was further enhanced to Rs.1500 crore to be allowed only subject to proportionate equity contribution by the promoters/owners).

The Union Budget FY 2023-24 had announcement to revive 50 aircraft landing sites comprising airports, heliports and water aerodromes which is likely to give larger wings to the RCS. The importance of the RCS can be gauged from the fact that the RCS has seen a doubling of allocation in this year's Budget since the last allocation and has increased from Rs. 600 crore to Rs. 1,244 crore.

These policy initiatives by the government are aimed to make air travel more affordable and widespread which will propel further growth.

3. Developments at SpiceJet

(a) Performance and other development

During the period, the Company consummated restructuring deals with creditors, hived off cargo business into separate subsidiary and infusion of equity from the promoter.

In order to strengthen the Company's financial position and ensure and long-term viability of business, it was approved by the shareholders to permit promoter/ promoter group companies to infuse upto Rs. 500 Crore into the Company under permissible capital raising instruments. The Company has already received the first tranche of the equity from the promoter.

Further, effective April 1, 2023, the Company had hived off its cargo and logistics business SpiceXpress into a separate entity - SpiceXpress and Logistics Private Limited to unlock value for potential for prospective investors. The move resulted in a one-time gain of Rs. 2,555.77 crore for SpiceJet, substantially reducing its negative net worth as a part of overall balance sheet clear up exercise.

Additionally, the Company successfully allotted shares amounting to USD 28.16 Mn. to Carlyle Aviation Partners as a part of the debt swap deal consummated with the lessors. The same lessor has also proposed to acquire compulsorily convertible debentures (CCDs) in SpiceXpress and Logistics Private Limited, aggregating to USD 65.5 Mn. The CCDs will be converted into equity shares of SpiceXpress and Logistics Private Limited at an anticipated future valuation of USD 1.5 Bn or Rs. 12,422 crore.

In terms of Passenger Load Factor (PLF), a measure of capacity utilisation of airlines, for scheduled domestic operations, SpiceJet registered the highest PLF of 88.6% in the industry. SpiceJet also topped the position in terms of international operations with a PLF of (84.9%) followed by Air India (83.1%).

The Company continues to modernize the 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 pave the way for long term sustainable profitability.

(b) Brand consolidation

Hot Meals has always been one of the most loved offerings by SpiceJet. The airline took this offering to a whole new level by introducing an exclusive in-flight menu specially curated by globally renowned Michelin-starred chef, Vikas Khanna. Besides adding a whole range of gourmet delights, the proceeds from the sales were utilised towards supporting girl child education in India.

Sustainability is the need of the hour. SpiceJet did its bit towards the environment by introducing bio-degradable and recycled meal tray set-ups.

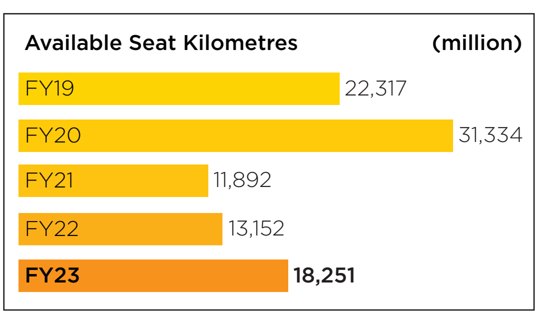
For the first time ever, the 44th Chess Olympiad was held in India. SpiceJet decked a B-737 aircraft with a special livery to commemorate this historic sporting event.

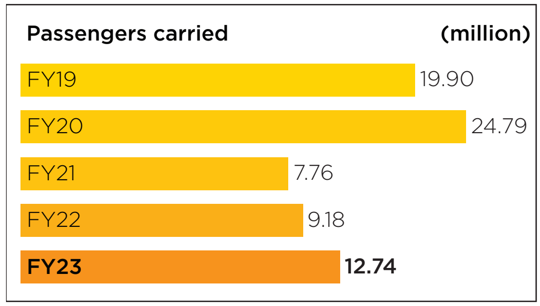
The airline made international travel convenient by introducing online Visa services through its website. Not only that, they also provided lucrative offers on Visa charges based on the booking value. Meanwhile, SpiceJet also launched a taxi service that provided 100% confirmed and sanitised cabs with zero wait time and zero cancellation fee. This service was available for both pre-departure and post arrival travel.

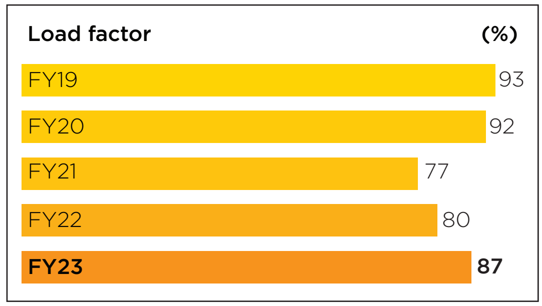
Please also refer to Board's report for more detailed information on developments at SpiceJet.

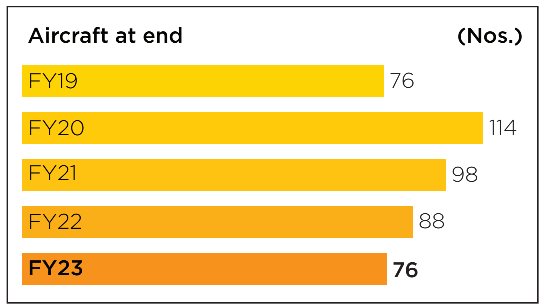
4. Operational and Financial Highlights

(a) Operational Highlights



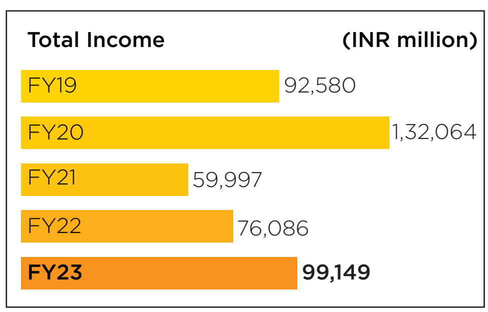






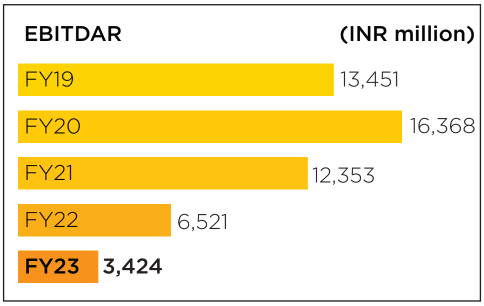
(b) Financial Highlights

(i) Total Income (Rs. million)

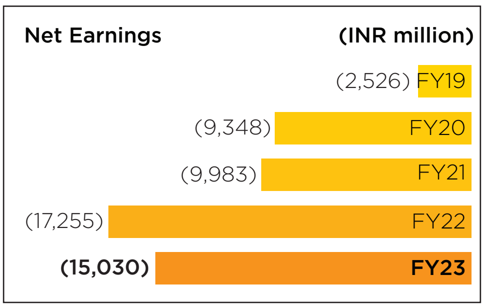


SpiceJet's total income increased by 30% to Rs. 99,148.86 million in FY 2022-23 from Rs. 76,086.41 million in FY 2021-22. Revenue from operations increased by 35% to Rs. 88,688.40 million in FY 2022-23 from 65,573.27 million in FY 2021-22. Revenue from freighter operations decreased by 68% to Rs. 6,244.52 million in FY 2022-23 from Rs. 19,436.10 in FY2021-22 due to termination of freighter aircraft. Other income decreased by 1% to 10,460.46 million in FY 2022-23 from 10,513.14 million in FY 2021-22.

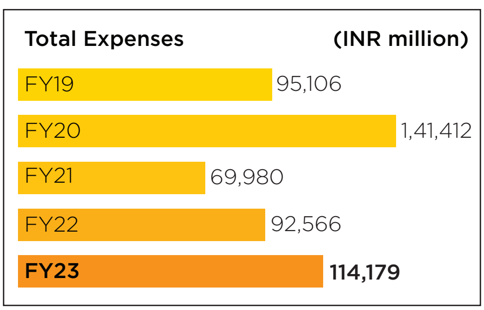
(ii) EBITDAR (Rs. million)



(iii) Net Earnings (Rs. million)



(iv) Total Expenses (Rs. million)



- **Aircraft Fuel and Oil:** Expenditure on aircraft fuel increased by 62% to 47,716.54 million in FY 2022-23 from 29,457.78 million in FY 2021-22 primarily on account of increase in operational utilisation and increase fuel cost.
- **Lease-Rental Aircraft and Engines:** Expenditure on lease rental on aircraft and engines decreased by 37% to 3,755.73 million in FY 2022-23 from 5,919.21 million in FY 2021-22 mainly due to reduction in operation of wet lease aircraft and return of certain aircraft.
- **Aircraft Maintenance Cost:** Expenditure on aircraft maintenance cost increased by 5% to 11,670.97 million in FY 2022-23 from 11,100.21 million in FY 2021-22.
- **Employee Benefit/Expenses:** Employee remuneration and benefits/expenses increased by 19% to 8,438.71 million in FY 2022-23 from 7,087.51 million in FY 2021-22 mainly due to restoration of salary during the year post-pandemic period.
- **Selling expenses:** Selling expenses increased by 87% to 2,278.11 million in FY 2022-23 from 1,220.49 million in FY 2021-22 with an increase in operations and a strong rebound in the business post-pandemic.
- **Other expenses:** Other expenses increased by 21% to 6,462.02 million in FY 2022-23 from 5,360.99 million in FY 2021-22. (Excluding forex exchange loss of 6,781.51 million in FY 2022-23 and 2,621.83 million in FY 2021-22)
- **Finance Cost:** Finance Cost marginally increased by 5% to 5,056.51 million in FY 2022-23 from 4,825.79 million in FY 2021-22.
- **Depreciation and amortization:** Depreciation and amortization decreased by 21% to 10,193.64 million in FY 2022-23 from 12,897.32 million in FY 2021-22 mainly due to termination of certain long-term aircraft leases.

(c) Key Financial Ratios

Particulars	FY 2022-23	FY 2021-22	Remarks
Debtors Turnover Ratio	43.90	21.98	The increase in ratio is attributable to the significant increase in revenue from operations and decrease in average trade receivables.
Inventory Turnover Ratio	0.60	0.40	The increase in ratio is attributable to the significant increase in revenue from operations.
Interest Coverage Ratio	(0.02)	0.03	The decrease in ratio is attributable to the decrease in EBITDA by 155%
Current Ratio	0.22	0.25	The decrease in ratio is due to significant increase in current liabilities as compared to decrease in current Assets.
Debt Equity Ratio	(2.27)	(1.94)	The increase in ratio attributable to the significant decrease in negative net worth as compared to Debt.
Operating Profit Margin	16%	12%	The increase in ratio is attributable to increase in revenue by 35% as compared to increase in expense by 28%.
Net Profit Margin	(15)%	(23)%	The variance in ratio is attributable to the increase in total income by 30% as compared to increase in cost by 23%

(d) Segment wise information

Particulars	Quarter ended			Year ended	Year ended
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
Segment revenue					
a. Air transport services	20,912.96	22,020.13	14,826.03	82,728.50	46,340.40
b. Freighter and logistics services	595.69	1,196.21	3,891.64	6,244.52	19,436.10
c. Elimination	(60.08)	(70.32)	(60.65)	(284.62)	(203.23)
Total	**21,448.57**	**23,146.02**	**18,657.02**	**88,688.40**	**65,573.27**
Segment results					
a. Air transport services	373.52	950.63	(4,730.71)	(15,338.88)	(16,940.18)
b. Freighter and logistics services	(204.93)	117.60	150.99	308.72	460.11
(Loss)/profit before exceptional items	**168.59**	**1,068.23**	**(4,579.72)**	**(15,030.15)**	**(16,480.07)**
Exceptional items:					
a. Air transport services					(774.58)
b. Freighter and logistics services					
(Loss)/profit after exceptional items	**168.59**	**1,068.23**	**(4,579.72)**	**(15,030.15)**	**(17,254.65)**
Segment assets					
a. Air transport services	102,361.27	81,098.08	93,408.45	102,361.27	93,408.45
b. Freighter and logistics services	647.22	894.14	1,795.30	647.22	1,795.30
Total Assets	**103,008.49**	**81,992.22**	**95,203.75**	**103,008.49**	**95,203.75**
Less: Adjustment through slump sale	(210.75)			(210.75)	-
Net assets	**102,797.74**	**81,992.22**	**95,203.75**	**102,797.74**	**95,203.75**
Segment liabilities					
a. Air transport services	133,944.04	138,701.87	136,798.74	133,944.04	136,798.74
b. Freighter and logistics services	1,396.48	1,296.37	1,289.33	1,396.48	1,289.33
Total liabilities	135,340.52	139,998.24	138,088.07	135,340.52	138,008.07
Less: Adjustment through slump sale	(226.70)	-	-	(226.70)	-
Net liabilities	**135,113.82**	**139,998.24**	**138,088.07**	**135,113.82**	**138,088.07**

(e) Change in net worth

Particulars	FY 2022-23	FY 2021-22	Remarks
Net (loss)/profit	**(15,030.15)**	**(17,254.65)**	There is an increase in net worth due to increase in assets and decrease in liabilities as compared to previous financial year.
Net worth	**(32,316.07)**	**(42,884.32)**	
Total assets	102,797.74	95,203.75	Further, the loss for the year ending March 2023 has also decreased which result in increase in net worth.
Total liabilities	135,113.81	138,088.07	
Return on net worth	(46.51%)	(40.24%)	

5. Opportunities, Risks, Concerns and Threats:

Outplaying the threats looming post out-break of covid, the airline industry is rapidly growing as increasing numbers of Indians become able to afford air travel. With the Indian government investing heavily in improving airport infrastructure across the country, SpiceJet can leverage this to offer flights to destinations previously uncharted on its own and also through development of international alliances to expand its international footprint and increase customer base.

While there are many opportunities for growth, the fluctuating oil prices and depreciating domestic currency can significantly impact profitability as was evident from Russia-Ukraine war. Further, economic downturns may impact discretionary spending power of many consumers leading to reduction in demand for air travel.

The airline industry is highly competitive and capital-intensive and having a long term delivery stream for fuel efficient aircraft is key to future growth. With supply chain issue being faced by the manufacturers and increased financing costs the affordability of air travel can get impacted which will ultimately impact revenue. Further, any aggressive marketing strategy or enhanced services by competitors at reduced pricing may impact our market shares.

6. Future Outlook for SpiceJet

Despite the challenges posed by the Covid-19 pandemic, surge in crude prices, rupee depreciation and geopolitical uncertainity, India is currently the third-largest domestic civil aviation market in the world, which is a testament to both the vitality and potential of this market as well as to the inherent strengths of the Indian aviation industry: adaptability, agility, and innovation.

The rapid urbanization and growing middle class in India indicate a large potential market for SpiceJet to capture. Rising disposable income within India's populous demographic brings promising prospects for future growth.

Further, expansions into tier 2 and tier 3 cities could provide more growth opportunities. The government's pro-aviation policies such as UDAN (Ude Desh ka Aam Naagrik) are aimed to make flying more affordable and widen the aviation network across the country. These reforms can offer more routes and potential growth, with SpiceJet being one of the leading regional operators

We remain encouraged with the double digit traffic growth and our outlook for the next year would continue to induct more cost efficient Boeing 737 MAX aircraft, unground the grounded aircraft in the fleet and optimize the existing cost structure.

With fresh capital infusion underway, we hold a positive outlook and the management of the Company will be taking effective steps to overcome the present challenges, capitalise on emerging opportunities and re-establish itself as more efficient passenger airline 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 stands firm in its belief that Human Resources (HR) are pivotal drivers of transformation within the organization. Emphasizing individual growth in a professional setting, the company fosters a culture conducive to innovation, empowerment, and exceptional performance. HR serves as a cornerstone in SpiceJet's journey toward a digitally empowered, forward-looking entity, recognizing that nurturing talent through upskilling and empowerment is pivotal for groundbreaking accomplishments and sustained market leadership.

In its pursuit of readiness for the future, SpiceJet is optimizing its processes, digitizing HR functions to enhance employee interaction and efficiency. The organization has long championed experiential learning and offers diverse training programs aligned with a robust competency framework. This framework is seamlessly integrated into various HR processes, ensuring clarity in job roles and fostering a transparent performance evaluation system.

SpiceJet takes immense pride in being an equal opportunity employer and fostering a workplace that champions gender equality. Upholding a zero-tolerance policy for sexual harassment, the company prioritizes a secure environment for all employees, providing regular training on sexual harassment prevention. Additionally, SpiceJet actively encourages employee participation in CSR initiatives, collaborating with reputable NGOs, thereby contributing to the welfare of the underprivileged and the environment.

The organization is dedicated to propelling employee career advancement while cultivating an inclusive environment where everyone feels valued. Throughout FY 2022-23, SpiceJet continued its commitment to excellence in HR management, reinforcing its status as an employer of choice. Initiatives were directed at attracting and retaining top talent, alongside health management strategies amidst pandemic challenges, demonstrating the company's investment in holistic employee development.

Striving to be a leading employer in the industry, SpiceJet fosters a collaborative, transparent, and participatory culture, recognizing and rewarding individual contributions and innovative thinking. While the previous fiscal year focused on resource consolidation due to pandemic-induced hiring constraints, the company's HR management persistently aims to guide employees toward their future, not just for the benefit of customers but for their personal growth as well.

Furthermore, SpiceJet places utmost importance on diversity and inclusion, recognizing the richness brought by diverse perspectives and backgrounds. The company actively promotes an environment where differences are celebrated, ensuring equitable opportunities for all employees to thrive and contribute their best.

9. Information Technology

During this time SpiceJet continued its investment in cloud, data and enhanced data security while also enhancing and producing innovative solutions launched last year.

Keeping in mind our increased data requirements, need for enhanced IT security, geographically distributed backups and access to AI hardware and big data services, we have made significant progress in moving the data and IT infrastructure to a public cloud platform from our current captive/managed cloud solution.

We continued to enhance our data hub with data from all our IT platforms including operational DFDR data and data from the flight operations software. We also enabled big data techniques to process the large amount of DFDR data from each flight. This has enabled us to take the flight safety software developed by us to production and send out automated reports of safety related performance for each flight to the pilots and management teams.

We also continued to enhance our revenue management software with better visibility to the revenue teams on the predicted load and RASK for each flight being made available to them starting 60 days in advance and allowing for the revenue team to actively manage load and revenue for each flight in the system.

Our innovative web based departure control software developed last year was enhanced and put in operation at a few airports.

We rolled out SpiceTag which is our in-house software for cargo management that enables on-boarding of multiple kinds of partners, customers onto the platform and automates the entire cargo operations process. This software is currently in testing by the SpiceXpress team and should replace 3rd party software that is currently being used. SpiceTag is superior in functionality to the 3rd party software and supports both Airport To Airport and Door to Door cargo operations. It will help us to reduce cost while increasing efficiencies and automation.

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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including 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 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, 2023, 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 Rs. 15,549.03 million over the periods up to September 30, 2021 for recovery of rent, maintenance and other expenses incurred on Boeing 737 Max aircrafts, which were grounded since March 2019. As further explained in the said note, the Company had settled the aforesaid claims with Boeing and 737 Max aircraft lessors during the year ended March 31, 2022. 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 in the quarter ended December 31, 2021, the Company should have restated the opening reserves to reverse the recoverable along with consequent reversal of 'Other income' and related 'Foreign exchange loss (net)' impact recorded in earlier years, 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 years, the reported loss for the year ended March 31, 2022 would have been lower by Rs. 12,418.96 million. Our opinion for the year ended March 31, 2022 was also qualified in respect of this matter.

4. As stated in Note 50 to the accompanying standalone financial statement which describes the details related to an ongoing litigation in reference to which the Hon'ble High Court of Delhi has given its judgements and orders to pay interest on advances received from Mr. Kalanithi Maran and M/s KAL Airways Private Limited ('the Erstwhile Promoters'). Due to reasons explained in the aforesaid note, the management is of the view that the impact of the aforementioned judgement on the accompanying standalone financial statement is presently unascertainable. In absence of such computation, we are unable to comment on the adjustments, if any, that may be required to the accompanying standalone financial statement on account of aforesaid matter.

5. 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

6. We draw attention to Note 2A(a)(iii) to the accompanying standalone financial statement which describes that the Company has incurred net loss (after other comprehensive income) of Rs. 15,031.25 million during the year ended March 31, 2023, and, as of that date, the Company's accumulated losses amounts to Rs. 74,156.90 million which have resulted in complete erosion of its net worth and the current liabilities have exceeded its current assets by Rs. 75,809.61 million as at March 31, 2023. These conditions and other matters set forth in the aforesaid note, indicates the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Based on management's assessment of future business projections and other mitigating factors as described in the aforesaid note, which, inter alia, is dependent on successful renegotiation of payment terms to various parties and raising of additional funds, the management is of the view that the going concern basis of accounting is appropriate for preparation of accompanying standalone financial statement.

   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 optimisation 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.

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 section 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 2A(g) and 32 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 contract liabilities (i.e., deferred revenue) 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 passenger 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.
Provision for maintenance in relation to aircrafts We refer to notes 2A(l)(ii), 24 and 31 of the standalone financial statements for accounting policies, disclosures and information related to accounting judgements, assumptions and estimates relating to provision for aircraft maintenance.	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;

Key audit matter	How our audit addressed the key audit matter
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, 2023, the Company has recognised provisions for aircraft maintenance amounting to Rs. 2,796.26 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.	• 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, 2023; and • Evaluated appropriateness and adequacy of the disclosures made in standalone financial statements with respect to the provision for aircrafts maintenance.
Impairment of non-financial assets We refer to notes 2A(e), 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 carried forward impact of Covid-19 pandemic and other business reasons, 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 of passenger aircrafts in accordance with the accounting principles and determined the value-in-use of its cash generating units (CGUs) and compared with the carrying value. 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 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, 2023. 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; • 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 standalone 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, forg ery, 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 matters 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 matters 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, 4 and 6 under the Basis for Qualified Opinion section and Material Uncertainty Related to Going Concern section, in our opinion, may have an adverse effect on the functioning of the Company;

    f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 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;

    h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on March 31, 2023 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 48 and 50 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2023;

        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, 2023;

        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, 2023;

        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 person(s) or entity(ies), 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 person(s) or entity(ies), 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, 2023; and

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Neeraj Goel
Partner
Membership Number: 099514
UDIN: 23099514BGSCPH6419
Place: Gurugram
Date: August 14, 2023

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, 2023

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

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

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

(b) The Company has a regular programme 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 programme, 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 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 Rs. 171.37 million, which have been mortgaged as security for loans or borrowings taken by the Company, confirmation 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) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

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

Particulars	Amount (Rs. In Million)
Aggregate amount provided/ granted during the year to subsidiaries:	49.10
Balance outstanding as at balance sheet date in respect of above cases:	357.56

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

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

(d) There is no overdue amount in respect of loans granted to such companies.

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

(f) The Company has not granted any loans, 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 provided by it.

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

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

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

Name of the statute	Nature of the dues	Amount (Rs. In Million)	Period to which the amount relates	Due Date	Date of Payment
The Income-tax Act, 1961	Tax deducted at source	192.59	April 2020 to March 2021	Multiple dates	Not paid
The Income-tax Act, 1961	Tax deducted at source	435.40	April 2021 to March 2022	Multiple dates	Not paid
The Income-tax Act, 1961	Tax deducted at source	885.13	April 2022 to September 2022	Multiple dates	Not paid
Central Goods and Services Tax Act,2017	Goods and services tax	612.82	February 2020 to March 2021	Multiple dates	Not paid
Central Goods and Services Tax Act,2017	Goods and services tax	73.80	April 2021 to March 2022	Multiple dates	Not paid
Central Goods and Services Tax Act,2017	Goods and services tax	22.58	April 2022 to September 2022	Multiple dates	Not paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	0.18	April 2020 to March 2021	Multiple dates	Not paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	291.23	April 2021 to March 2022	Multiple dates	Not paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	429.73	April 2022 to September 2022	Multiple dates	Not paid
Payment of Bonus Act, 1965	Statutory Bonus Act	33.74	April 2020 to March 2021	Multiple dates	Not paid
Payment of Bonus Act, 1965	Statutory Bonus Act	34.46	April 2021 to March 2022	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 (Rs. in Million)	Amount paid under protest (In Rs. Million)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax (including penalty for delay)	170.07	-	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	Custom duty (including penalty for delay)	5.56	-	October 2010 to March 2015	Customs, Excise and Service Tax Appellate Tribunal

Name of the statute	Nature of dues	Gross amount (Rs. in Million)	Amount paid under protest (In Rs. Million)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom duty (including penalty for delay)	29.05	-	December 2012 to September 2016	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Custom duty (including penalty for delay)	7.33	-	October 2016 to March 2017	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Custom duty	40.41	-	April 2017 to March 2018	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Custom duty	72.50	-	April 2018 to March 2019	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Custom duty	46.80	-	April 2019 to March 2020	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Custom duty	50.80	-	September 2020 to December 2021	Customs, Excise and Service Tax Appellate Tribunal
Goods and Services Tax Act, 2017	Integrated goods and services tax	582.44	582.44	August 2017 to March 2021	GST Appellate Tribunal
Goods and Services Tax Act, 2017	Goods and services tax	40.45	-	July 2017 to March 2019	GST Appellate Tribunal
Goods and Services Tax Act, 2017	Goods and services tax	112.14	-	July 2017 to December 2020	Supreme Court
Goods and Services Tax Act, 2017	Goods and services tax	3.10	-	April 2017 to March 2018	GST Appellate Tribunal
Goods and Services Tax Act, 2017	Goods and services tax	4.77	-	April 2018 to March 2019	GST Appellate Tribunal
Goods and Services Tax Act, 2017	Goods and services tax	0.38	-	April 2019 to March 2020	GST Appellate Tribunal
Goods and Services Tax Act, 2017	Goods and services tax	2.26	-	April 2022 to July 2022	GST Appellate Tribunal
Goods and Services Tax Act, 2017	Goods and services tax	6.51	-	April 2017 to March 2018	GST Appellate Tribunal
Income-tax Act, 1961	Tax deducted at source	222.54	-	Financial year 2008-09	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Tax deducted at source	122.01	-	Financial year 2009-10	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Tax deducted at source	180.07	-	Financial year 2010-11	High Court of Delhi
Income-tax Act, 1961	Tax deducted at source	171.65	-	Financial year 2011-12	High Court of Delhi
Income-tax Act, 1961	Tax deducted at source	21.37	-	Financial year 2012-13	High Court of Delhi
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	142.37	-	November 2008 to January 2012	Regional Provident Fund Commissioner

(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 [Rs. In Million]	Whether principal or interest	Number of days delay or unpaid till the date of audit report
Overdraft facility	City Union Bank Limited	1,000.00	Principal	Refer note 26 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 per the provisions of 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) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

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

(xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial year amounting to Rs. 3,760.10 million and Rs. 13,959.66 million respectively. For the purpose of reporting under this clause, the amount of cash losses in the previous year has been arrived at after considering the effects (if any) 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 realisation 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 6 under section 'Material Uncertainty Related to Going Concern' in our audit report. We, however, 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: 23099514BGSCPH6419
Place: Gurugram
Date: August 14, 2023

ANNEXURE B

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 standalone financial statements of SpiceJet Limited ('the Company') as at and for the year ended March 31, 2023, 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 the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('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 on Audit of Internal Financial Controls Over Financial Reporting ('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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone 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 standalone 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, 2023:

   The Company's internal financial controls over determination of interest on advances received consequent to the Order dated July 31, 2023 issued by

Hon'ble High Court of Delhi as more fully explained in Note 50 to the standalone financial statements, were not operating effectively, which could potentially lead to material misstatement in respect to finance cost, loss before tax and other financial liabilities and related disclosures in the standalone financial statements as at and for the year ended March 31, 2023.

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, 2023, based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at March 31, 2023.

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 standalone financial statements of the Company as at and for the year ended March 31, 2023, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

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

Neeraj Goel
Partner
Membership Number: 099514
UDIN: 23099514BGSCPH6419
Place: Gurugram
Date: August 14, 2023

Standalone Balance Sheet

as at March 31, 2023

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

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	12,052.22	13,166.42
Capital work-in-progress	5A	60.27	60.27
Right of use assets	4	27,672.57	42,212.16
Intangible assets	5	6.21	23.56
Financial assets			
(i) Investments	6	27.62	21.07
(ii) Loans	7	296.82	368.46
(iii) Other receivables	8	25,557.70	-
(iv) Other financial assets	9	4,979.63	9,907.08
Income-tax assets	10	1,311.15	881.78
Other non-current assets	11	9,649.78	7,357.58
Total non-current assets		**81,613.97**	**73,998.38**
Current assets			
Inventories	12	1,563.21	1,450.73
Financial assets			
(i) Investments	13	4.56	4.33
(ii) Trade receivables	14	1,538.78	2,501.94
(iii) Other receivables	15	9,454.82	9,853.85
(iv) Cash and cash equivalents	16A	323.36	95.79
(v) Bank balances other than (iv) above	16B	12.77	507.20
(vi) Other financial assets	17	3,598.89	2,661.22
Other current assets	18	4,687.38	4,130.31
Total current assets		**21,183.77**	**21,205.37**
Total assets		**102,797.74**	**95,203.75**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	6,018.46	6,017.97
Other equity	20	(38,334.53)	(48,902.29)
Total equity		(32,316.07)	(42,884.32)
Non-current liabilities			
Financial liabilities			
(i) Borrowings	21	4,655.89	3,128.81
(ii) Lease liabilities	22	28,440.69	43,322.85
(iii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,417.41	3,473.29
Provisions	24	1,504.91	2,752.50
Other non-current liabilities	25	101.53	118.58
Total non-current liabilities		**38,120.43**	**52,796.03**
Current liabilities			
Financial liabilities			
(i) Borrowings	26	7,196.77	7,664.95
(ii) Lease liabilities	27	33,188.78	29,185.38
(iii) Trade payables	28		
Total outstanding dues of micro enterprises and small enterprises		491.09	542.60
Total outstanding dues of creditors other than micro enterprises and small enterprises		28,256.06	24,991.20
(iv) Other financial liabilities	29	1,728.18	899.52
Other current liabilities	30	21,974.17	18,055.70
Provisions	31	4,158.33	3,952.69
Total current liabilities		**96,993.38**	**85,292.04**
Total liabilities		**135,113.81**	**138,088.07**
Total equity and liabilities		**102,797.74**	**95,203.75**

Summary of significant accounting policies 2

The accompanying notes including summary of significant accounting policies and other explanatory information are an integral part of these standalone financial statements.

This is the standalone balance sheet referred to in 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 14, 2023

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 14, 2023

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 14, 2023

Ashish Kumar
Chief Financial Officer
Place: Gurugram
Date: August 14, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

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

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	32	88,688.40	65,573.27
Other income	33	9,909.10	9,872.33
Total income		**98,597.50**	**75,445.60**
Expenses			
Operating expenses	35A	74,057.59	57,943.65
Purchases of stock-in-trade	35B	957.84	601.24
Changes in inventories of stock-in-trade	35C	(54.92)	7.68
Employee benefits expense	36	8,438.71	7,087.49
Sales and marketing expenses	37	2,278.11	1,220.49
Other expenses	38	6,462.02	5,360.99
Foreign exchange loss (net)	40	6,789.51	2,621.83
Total expense		**98,928.86**	**74,843.37**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**(331.36)**	**602.23**
Depreciation and amortisation expense	41	(10,193.64)	(12,897.32)
Finance income	34	551.36	640.81
Finance costs	39	(5,056.51)	(4,825.79)
Loss before exceptional items		**(15,030.15)**	**(16,480.07)**
Exceptional items	42	-	(774.58)
Loss before tax		**(15,030.15)**	**(17,254.65)**
Tax expense		-	-
Loss for the year		**(15,030.15)**	**(17,254.65)**
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss:			
Remeasurement (loss)/gain on defined benefit obligations		(1.10)	35.63
Income tax impact		-	-
Other comprehensive income for the year		**(1.10)**	**35.63**
Total comprehensive income for the year		**(15,031.25)**	**(17,219.02)**
Earnings per equity share	43		
Basic		(24.97)	(28.69)
Diluted		(24.97)	(28.69)

Summary of significant accounting policies 2

The accompanying notes including summary of significant accounting policies and other explanatory information are an integral part of these standalone financial statements.

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

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

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 14, 2023

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 14, 2023

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 14, 2023

Ashish Kumar
Chief Financial Officer
Place: Gurugram
Date: August 14, 2023

Standalone Cash Flow Statement

for the year ended March 31, 2023

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

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities			
Loss before tax		**(15,030.15)**	**(17,254.65)**
Adjustments for:			
Depreciation and amortisation expense		10,193.64	12,897.32
Impairment of loans and trade receivables		99.41	36.55
Property, plant and equipment written off		-	53.70
(Profit)/loss on sale of property, plant and equipment (net)		(7.62)	6.13
Advances/other balances written off		918.51	128.51
Share based payment expense		18.87	41.40
Liabilities/provision no longer required written back		(7,224.48)	(1,568.59)
Gain on de-recognition of lease liabilities and right of use assets		(2,423.31)	-
Interest on lease liabilities		3,128.43	2,901.37
Finance cost - others		1,928.08	1,924.42
Interest income from financial assets measured at amortised cost		(228.59)	(253.37)
Net gain on financial assets measured at fair value through profit or loss		(0.23)	(0.17)
Interest income		(322.77)	(387.44)
Unrealised foreign exchange loss (net)		5,823.05	2,917.73
Operating (loss)/profit before working capital changes		**(3,127.16)**	**1,442.91**
Movements in working capital :			
Trade and other receivables		(616.27)	(489.22)
Inventories		(112.48)	107.55
Other financial assets		(262.49)	430.37
Other assets		(3,711.23)	(629.64)
Trade payables		4,731.10	6,036.98
Other financial liabilities		437.74	374.75
Other liabilities		3,503.22	1,787.86
Provisions		516.75	1,292.79
Cash flows from operations		**1,359.18**	**10,354.35**
Income taxes paid (net of refunds)		(429.37)	(577.52)
Net cash flows from operating activities	A	**929.81**	**9,776.83**
Cash flows from investing activities			
Purchase of property, plant and equipment and capital work-in-progress (including capital advances)		133.75	(331.89)
Proceeds from sale of property, plant and equipment		56.74	51.32

Standalone Cash Flow Statement

for the year ended March 31, 2023

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

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Movement in loan to subsidiaries (net)		10.90	213.80
(Purchase)/sale of investments (net)		(0.08)	0.44
Movement in fixed deposits (net)		494.43	(482.87)
Movement in margin money (net)		4,485.86	(1,012.61)
Finance income received		426.11	330.60
Net cash flows from/(used in) investing activities	**B**	**5,607.71**	**(1,231.21)**
Cash flows from financing activities			
Proceeds from issue of equity shares on exercise of stock options		0.49	8.60
Proceeds from long-term borrowings		3,021.71	1,475.18
Repayment of long-term borrowings		(624.37)	-
Movement in short-term borrowings (net)		(1,957.73)	(1,708.23)
Repayment of lease liabilities (including interest of Rs. 3,128.43 million (March 31, 2022: Rs. 2,901.37 million)		(6,259.97)	(7,992.19)
Finance costs paid		(496.58)	(542.19)
Net cash used in financing activities	**C**	**(6,316.44)**	**(8,758.83)**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**221.08**	**(213.21)**
Effects of exchange difference on cash and cash equivalents held in foreign currency		6.49	13.00
Cash and cash equivalents at the beginning of the year		95.79	296.00
Cash and cash equivalents at the end of the year		**323.36**	**95.79**
Notes :			
Components of cash and cash equivalents (refer note 16A)			
Balances with banks:			
– In current accounts		218.20	92.94
– In deposit accounts (with original maturity upto 3 months)		0.33	0.43
Cash on hand		104.83	2.42
		323.36	**95.79**

The accompanying notes including summary of significant accounting policies and other explanatory information are an integral part of these standalone financial statements.

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

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

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 14, 2023

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 14, 2023

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 14, 2023

Ashish Kumar
Chief Financial Officer
Place: Gurugram
Date: August 14, 2023

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

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

a. Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid	Number	Amount
As at April 01, 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**
Issued during the year pursuant to exercise of employee stock options	49,050	0.49
At March 31, 2023	**601,845,665**	**6,018.46**

b. Other equity

For the year ended March 31, 2023

Particulars	Reserves and surplus				Total other equity
	Capital reserve	Securities premium	Share options outstanding account	Retained earnings	
As at April 01, 2022	**-**	**10,134.09**	**40.20**	**(59,076.58)**	**(48,902.29)**
Loss for the year	-	-	-	(15,030.15)	(15,030.15)
Other comprehensive income for the year	-	-	-	(1.10)	(1.10)
Total comprehensive income for the year	**-**	**10,134.09**	**40.20**	**(74,107.83)**	**(63,933.54)**
Transactions with owners in their capacity as owners:					
Share based payment expense	-	-	25.36	-	25.36
Transfer to securities premium on exercise of stock options	-	6.45	(6.45)	-	-
Adjustment on account of slump sale (refer note 51)	25,573.65	-	-	-	25,573.65
As at March 31, 2023	**25,573.65**	**10,140.54**	**59.11**	**(74,107.83)**	**(38,334.53)**

For the year ended March 31, 2022

Particulars	Reserves and surplus				Total other equity
	Capital reserve	Securities premium	Share options outstanding account	Retained earnings	
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 for the year	-	-	-	35.63	35.63
Total comprehensive income for the year	**-**	**10,054.58**	**78.31**	**(59,076.58)**	**(48,943.69)**
Transactions with owners in their capacity as owners:					
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)**

The accompanying notes including summary of significant accounting policies and other explanatory information are an integral part of these standalone financial statements.

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

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 14, 2023

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 14, 2023

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 14, 2023

Ashish Kumar
Chief Financial Officer
Place: Gurugram
Date: August 14, 2023

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(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, 2023. 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 14, 2023.

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, 2023 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules 2015, as amended.

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

ii. Historical cost convention

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

iii. Going concern assumption

The Company has incurred a net loss (after other comprehensive income) of Rs. 15,031.25 million for the year ended March 31, 2023, and as of that date, the Company has negative retained earnings of Rs. 74,156.90 million and negative net worth of Rs. 32,316.07 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 in last few years, whose effects have also impacted the standalone financial statement for the year ended March 31, 2023.

On account of its operational and financial position, and the impact of the Covid-19 pandemic in earlier periods, 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. 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 further settlements in order to minimize/avoid any or further penalties. Further, the Company continues to defend itself in certain litigations at various Appellate/Judicial levels including matters summarised in Note 48 and 50.

The Company continues to implement various measures such as return to service of its grounded fleet, 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 passenger operation and yields, the Company has earned revenue from passenger business of Rs. 77,859.31 million for the year ended March 31, 2023 as compared to Rs. 43,050.54 million for the year ended March 31, 2022. Till December 31, 2022, the Company had received funds aggregating to Rs. 2,109.80 million under Emergency Credit Line Guarantee Scheme ('ECLGS') scheme. The Company has further received Rs. 913.20 million under ECLGS scheme during the quarter ended March 31, 2023. Subsequent to year-end, the Company received disbursement of additional funds aggregating to Rs. 5,412.96 million as eligible under ECLGS scheme and the Company has also initiated

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

the process for issue of fresh equity shares/ equity warrants to the promoter group for value aggregating to Rs. 5,000 million and is further considering raising of fresh capital through issue of eligible securities to qualified institutional buyer, in accordance with applicable law. The part of above proceeds will be used in maintenance of its grounded fleet for getting these aircrafts return to service which will lead to additional revenue. Additionally, the Company is in process of seeking shareholder approval to issue equity shares to one of the large lessor against some of its outstanding dues. 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 profitable operations and raise funds as necessary, in order to meet its liabilities as they fall due. Accordingly, these standalone financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future. The auditors have included 'Material Uncertainty Related to Going Concern' paragraph in their audit report in this regard.

iv. Critical accounting estimates and judgements

In preparing these financial statements, the 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) and 45 – estimates required for employee benefits.

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

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

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

Note 2(A) (e) and (q) – estimates/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.

Note 2(A) (u) – estimates/judgement required to determine grant date fair value of stock options.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

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

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

For depreciation purposes, the Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the life of the principal asset and depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied and the same is depreciated based on their specific useful lives. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the 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 Q400 aircrafts are capitalized and depreciated over the remaining useful life of the asset.

Depreciation

The Company, based on technical assessment 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 in the range of 2-6 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

e) Impairment of non-financial assets

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

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

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

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

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

f) Borrowing 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 (point in time consideration) 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 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. No significant element of financing is deemed present as the sales are either made with a nil credit term or with a credit period of 0-90 days.

Rendering of services

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

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 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.

Tours and packages

Income and related expense from sale of tours and packages are recognised upon services being rendered and where applicable, are stated net of discounts and applicable taxes. The income and expense are stated on gross basis. The sale of tours and packages not yet serviced is credited to unearned revenue, i.e., 'Contract liabilities' disclosed under other current liabilities.

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 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.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

an unconditional right to defer its settlement for 12 months after the reporting date.

iii. Post-employment benefits

The Company operates the following post-employment schemes:

a. Defined benefit plans – gratuity

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

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

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

b. Defined contribution plan – provident fund

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

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 (including unabsorbed depreciation) 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

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 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.

Aircraft maintenance covered by third party maintenance agreements, wherein the cost is charged to the statement of profit and loss at a contractual rate per hour in accordance with the terms of the agreements. The Company recognises aircraft repair and maintenance cost (other than major inspection costs) in the statement of profit and loss on incurred basis.

m) **Cash and cash equivalents**

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

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

n) **Foreign currency transactions**

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

Initial recognition

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

Conversion

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

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

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

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 (except trade receivables) 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;

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

- 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 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

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.

For recognition of impairment loss on loans and other financial assets, 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

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 and engines 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.

Where the aircraft is held under finance lease as per erstwhile Ind AS, the milestone incentives are deferred and recognised under the head 'Other operating revenue' in the statement of profit and loss, on a straight line basis over the remaining initial lease period of the respective aircraft for which the aircraft is expected to be used. In case of prepayment of finance lease obligations for aircraft taken on finance lease and consequently taking the ownership of the aircraft, before the expiry of the lease term, the unamortised balance of such deferred incentive is recorded as a reduction to the carrying value of the 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 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 of instrument 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

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. 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

Recent accounting pronouncement [as applicable]

Amendment to Ind AS 1, Presentation of Financial Statements

The Ministry of Corporate Affairs ("MCA") vide notification dated March 31, 2023, has issued an amendment to Ind AS 1 which requires entities to disclose material accounting policies instead of significant accounting policies. Accounting policy information considered together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The amendment also clarifies that immaterial accounting policy information does not need to disclose. If it is disclosed, it should not obscure material accounting information. The Company is evaluating the requirement of the said amendment and its impact on these financial statements.

Amendment to Ind AS 8, Accounting Policies, Change in Accounting Estimates and Errors

The Ministry of Corporate Affairs ("MCA") vide notification dated March 31, 2023, has issued an amendment to Ind AS 8 which specifies an updated definition of an 'accounting estimate'. As per the amendment, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty and measurement techniques and inputs are used to develop an accounting estimate. Measurement techniques include estimation techniques and valuation techniques. The Company is evaluating the requirement of the said amendment and its impact on these financial statements.

Amendment to Ind AS 12, Income Taxes

The Ministry of Corporate Affairs ("MCA") vide notification dated March 31, 2023, has issued an amendment to Ind AS 12, which requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases of lessees and decommissioning obligations and will require recognition of additional deferred tax assets and liabilities. The Company is evaluating the requirement of the said amendment and its impact on these financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(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	Freehold land	Total
Gross block										
As at April 01, 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**
Additions#	0.70	178.88	7.79	9.08	3.00	0.47	4.86	-	-	204.78
Disposals	81.15	0.46	5.74	0.83	3.23	91.57	1.25	-	-	184.23
Adjustment on account of slump sale arrangement$	1.94	55.57	25.79	9.37	3.84	99.96	5.96	-	-	202.43
Exchange differences *	-	-	-	-	-	-	-	539.43	-	539.43
As at March 31, 2023	**1,248.97**	**3,940.18**	**249.25**	**467.17**	**39.03**	**582.36**	**104.22**	**18,376.61**	**171.37**	**25,179.16**
Accumulated depreciation										
As at April 01, 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	1,255.39	-	1,828.24
Disposals	16.26	15.44	0.69	2.79	1.44	50.40	-	61.30	-	148.32
Exchange differences*	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**436.85**	**1,200.79**	**173.18**	**386.65**	**32.62**	**475.49**	**80.88**	**8,869.02**	**-**	**11,655.48**
Depreciation charge for the year	92.63	255.77	39.40	53.10	2.83	68.46	14.98	1,056.65	-	1,583.82
Disposals	39.07	0.38	2.47	0.65	0.56	92.63	0.41	-	-	136.17
Exchange differences*	-	-	-	-	-	-	-	149.21	-	149.21
Adjustment on account of slump sale arrangement$	0.67	12.66	15.30	7.24	2.75	80.94	5.84	-	-	125.40
As at March 31, 2023	**489.74**	**1,443.52**	**194.81**	**431.86**	**32.14**	**370.38**	**89.61**	**10,074.88**	**-**	**13,126.94**
Net Block										
As at March 31, 2022	**894.51**	**2,616.54**	**99.81**	**81.64**	**10.48**	**297.93**	**25.69**	**8,968.16**	**171.37**	**13,166.13**
As at March 31, 2023	**759.23**	**2,496.66**	**54.44**	**35.31**	**6.89**	**211.98**	**14.61**	**8,301.73**	**171.37**	**12,052.22**

* Represents foreign exchange loss capitalised during the year and depreciation thereon. Refer note 2A(n) for details.

Additions to aircraft comprise of capitalisation of overhaul cost of Rs. Nil for the year ended March 31, 2023 and Rs. 170.06 million for the year ended March 31, 2022.

**Rotables and tools, ground support equipment and motor vehicles are subject to a first charge to secure the facilities provided by Indian Bank.

$ The Company (the "transferee") has entered into business transfer agreement with SpiceXpress and Logistics Private Limited (the "acquiree") for transfering Cargo business undertaking and accordingly, transferred the above assets. Refer note 51 for details.

^Refer note 21 for details of mortgage related to property, plant and equipment on various borrowings and refer note 47 for contractual commitments for the acquisition of property, plant and equipment.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(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 01, 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**
Additions	2,169.34	-	-	2,169.34
Deletions/modification	13,677.49	-	6.26	13,683.75
Balance as at March 31, 2023	**59,634.56**	**4,462.19**	**632.65**	**64,729.40**
Accumulated depreciation				
As at April 01, 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**
Depreciation charge for the year	7,797.69	557.53	80.33	8,435.55
Deletions	5,410.37	-	-	5,410.37
Balance as at March 31, 2023	**33,948.81**	**2,808.43**	**299.59**	**37,056.83**
Net block				
As at March 31, 2022	**39,581.22**	**2,211.29**	**419.65**	**42,212.16**
As at March 31, 2023	**25,685.75**	**1,653.76**	**333.06**	**27,672.57**

5. Intangible Assets

Particulars	Software	Total
Gross block		
As at April 01, 2021	381.86	381.86
Additions	-	-
Disposals	-	-
As at March 31, 2022	**381.86**	**381.86**
Additions	7.71	7.71
Disposals	-	-
As at March 31, 2023	**389.57**	**389.57**
Accumulated amortisation		
As at April 01, 2021	287.17	287.17
Amortisation charge for the year	71.13	71.13
Disposals	-	-
As at March 31, 2022	**358.30**	**358.30**
Amortisation charge for the year	25.06	25.06
Disposals	-	-
As at March 31, 2023	**383.36**	**383.36**
Net block		
As at March 31, 2022	**23.56**	**23.56**
As at March 31, 2023	**6.21**	**6.21**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

5. A Capital work-in-progress

Particulars	As at March 31, 2023	As at March 31, 2022
Capital work-in-progress ('CWIP')	60.27	60.27
	60.27	**60.27**

The following table represent ageing of capital work-in-progress as at March 31, 2023:

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*	-	1.92	3.47	54.88	60.27
Total	**-**	**1.92**	**3.47**	**54.88**	**60.27**

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**

*Project temporarily suspended pertains to construction of premises which has been put on hold due to stay order from government.

6. Non-current investments (fully paid-up)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Unquoted equity investments in subsidiaries, measured at cost		
10,000 (March 31, 2022:10,000) equity shares of SpiceJet Merchandise Private Limited*##	0.10	0.10
2,010,000 (March 31, 2022:2,010,000) equity shares of SpiceJet Technic Private Limited*##	20.10	20.10
10,000 (March 31, 2022:10,000) equity shares of Canvin Real Estate Private Limited*#	0.10	0.10
10,000 (March 31, 2022:10,000) equity shares of SpiceJet Interactive Private Limited*##	0.10	0.10
10,000 (March 31, 2022:10,000) equity shares of Spice Shuttle Private Limited*#	0.10	0.10
10,000 (March 31, 2022:10,000) equity shares of Spice Club Private Limited*#	0.10	0.10
9,800 (March 31, 2022:9,800) equity shares of SpiceXpress and Logistics Private Limited***#	0.10	0.10
102,000 (March 31, 2022:102,000) equity shares of SpiceTech System Private Limited**##$	6.57	0.10
10,000 (March 31, 2022:10,000) equity shares of Spice Ground Handling Services Private Limited*##	0.10	0.10
	27.37	**20.90**

*These represent investments in wholly owned subsidiaries as at March 31, 2023, which are incorporated in India.

**This represents investment in subsidiary (68% stake) as at March 31, 2023, which is incorporated in India.

***This represents investment in subsidiary (98% stake) as at March 31, 2023, which is incorporated in India.

$Investment inter alia, includes Rs. 6.47 million, recognised on account of grant of employee stock options to the eligible employees of its subsidiary company. Refer note 44 for details.

#Face value of Rs. 10 each

##Face value of Rs. 1 each

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

Particulars	As at March 31, 2023	As at March 31, 2022
b. Unquoted equity investments measured at fair value through profit or loss ('FVTPL')		
1,076 (March 31, 2022: 750) equity shares of Aeronautical Radio of Thailand Limited	0.25	0.17
	0.25	**0.17**
Aggregate amount of unquoted investments	27.62	21.07
Aggregate amount of impairment in value of investments	27.62	0.17

7. Non-current loans

(Unsecured, considered good unless stated otherwise)

Loan to subsidiaries (refer note 54)		
Unsecured, considered good	296.82	368.46
Unsecured, credit impaired	60.74	-
	357.56	**368.46**
Impairment allowance		
Unsecured, credit impaired	(60.74)	-
	(60.74)	**-**
	296.82	**368.46**

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 receivables

(Unsecured, considered good unless stated otherwise)

Other receivables (refer note 51)	25,557.70	-
	25,557.70	**-**

9. Other non-current financial assets

(Unsecured, considered good unless stated otherwise)

Deposits with original maturity of more than 12 months (also refer note 16B)	1,496.26	5,982.12
Security deposits	3,483.04	3,800.97
Interest accrued but not due on loan to subsidiaries	0.33	123.99
	4,979.63	**9,907.08**

10. Income tax assets

Advance income-tax	1,311.15	881.78
	1,311.15	**881.78**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

11. Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Deposit with Delhi High Court (also refer note 50)	5,955.99	3,187.02
Goods and services tax paid under protest (refer note 48 (b) (vii))	582.44	580.70
Capital advances		
Unsecured, considered good	3,111.35	3,589.86
Unsecured, considered doubtful	109.32	109.32
	9,759.10	**7,466.90**
Impairment allowance		
Unsecured, considered doubtful	(109.32)	(109.32)
	(109.32)	**(109.32)**
	9,649.78	**7,357.58**

12. Inventories

(valued at lower of cost or net realisable value)

Engineering stores and spares	1,409.53	1,391.91
Stock in trade - in flight inventory	85.28	30.36
Other stores and spares	68.40	28.46
	1,563.21	**1,450.73**

13. Investments at fair value through profit or loss ('FVTPL')

Quoted investment in mutual funds		
7,122 (March 31, 2022: 7,122) units of ICICI Prudential Saving Funds - Direct Plan- Growth [NAV Rs. 462.59 (March 31, 2022: Rs. 437.71)]	3.29	3.12
52,700.92 (March 31, 2022: 52,700.92) units of L&T Low Duration Fund-Direct Plan-Growth [NAV Rs. 24.05 (March 31, 2022: Rs. 22.97)]	1.27	1.21
	4.56	**4.33**
Aggregate amount of quoted investments and market value thereof	4.56	4.33

14. Trade receivables

(Unsecured, considered good unless stated otherwise)

Trade receivables		
Unsecured, considered good	1,656.12	2,574.32
Unsecured, credit impaired	51.82	58.11
	1,707.94	**2,632.43**
Impairment allowance		
Unsecured, considered good	(117.34)	(72.38)
Unsecured, credit impaired	(51.82)	(58.11)
	(169.16)	**(130.49)**
	1,538.78	**2,501.94**

For information related to trade receivables from related parties, refer note 54.

For details of contract balances refer to note 30.

The carrying amount of trade receivables approximates their fair value, as included in note 55. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 57.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

As at March 31, 2023	Outstanding from the due date of invoice					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	835.38	242.07	207.89	101.02	269.76	1,656.12
Undisputed trade receivables – credit impaired	-	-	23.58	-	28.24	51.82
Total	**835.38**	**242.07**	**231.47**	**101.02**	**298.00**	**1,707.94**

As at March 31, 2022	Outstanding from the due date of invoice					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	1,067.99	767.35	460.67	75.35	202.96	2,574.32
Undisputed trade receivables – credit impaired	-	23.58	-	5.54	28.99	58.11
Total	**1,067.99**	**790.93**	**460.67**	**80.89**	**231.95**	**2,632.43**

15. Other receivables

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2023	As at March 31, 2022
Maintenance receivables	4,638.31	2,312.36
Insurance claim receivables	-	100.48
Other receivables (refer note 50)	4,816.51	7,441.01
	9,454.82	**9,853.85**

16. A. Cash and cash equivalents

Balances with banks:		
– In current accounts	218.20	92.94
– In deposit accounts (with original maturity upto 3 months)	0.33	0.43
Cash on hand	104.83	2.42
	323.36	**95.79**

16. B. Bank balances other than cash and cash equivalents

Deposits with original maturity for more than 3 months but less than 12 months	9.19	4.73
Deposits with remaining maturity of less than 12 months	3.58	2.47
Margin money/security against non-fund based facilities*	1,496.26	6,482.12
	1,509.03	**6,489.32**
Less: Amount disclosed under other non-current financial asset (refer note 9)	(1,496.26)	(5,982.12)
	12.77	**507.20**

*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, 2023

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

17. Other current financial assets

(Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee advances (refer note 54)	292.03	126.90
Interest accrued on bank deposits	78.86	182.38
Security deposits	2,625.83	1,788.23
Contract asset	602.17	563.71
	3,598.89	**2,661.22**

18. Other Current Assets

Prepaid expenses	655.21	454.93
Balance with government authorities	3,183.58	3,102.00
Advances to suppliers		
Unsecured, considered good	848.59	573.38
Unsecured, credit impaired	159.26	159.26
	4,846.64	**4,289.57**
Impairment allowance		
Unsecured, considered good	(159.26)	(159.26)
	(159.26)	**(159.26)**
	4,687.38	**4,130.31**

19. Equity Share Capital

Authorised	
(1,500,000,000 equity shares of Rs. 10 each)	
As at April 01, 2021	15,000.00
Increase during the year	-
As at March 31, 2022	15,000.00
Increase during the year	-
As at March 31, 2023	**15,000.00**
Issued, subscribed and paid-up capital	
Equity shares of Rs. 10 each issued, subscribed and fully paid	
As at April 01, 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
Issued during the year pursuant to exercise of employee stock options	0.49
As at March 31, 2023	**6,018.46**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(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, 2023		As at March 31, 2022	
	Number	Value (Rs.)	Number	Value (Rs.)
Shares outstanding at the beginning of the year	601,796,615	6,017.97	600,936,903	6,009.37
Issued during the year pursuant to exercise of employee stock options	49,050	0.49	859,712	8.60
Shares outstanding at the end of the year	**601,845,665**	**6,018.46**	**601,796,615**	**6,017.97**

B. Term/rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, 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 shareholders	As at March 31, 2023		As at March 31, 2022	
	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	50.57%
Mr. Ajay Singh (HUF)	50,336,838	8.36%	52,846,838	8.78%
Total	**354,670,288**	**58.93%**	**357,180,288**	**59.35%**

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 2,395,482 shares (March 31, 2022 - 2,346,432) 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. The Company did not issue any bonus share and has not bought back any share in preceding five years.

E. Details of promoter shareholding

Particulars	As at March 31, 2023		
	Number of shares	% of total shares	% change during the year
Mr. Ajay Singh	304,333,450	50.57%	0.00%
Mr. Ajay Singh (HUF)	50,336,838	8.36%	-0.42%
Mrs. Kalpana Singh	279,505	0.05%	0.00%

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%

F. Shares reserved for issue under options

For details of shares reserved for issue under ESOP, refer note 44

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

20. Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Reserves and surplus		
Capital reserve	25,573.65	-
Securities premium	10,140.54	10,134.09
Share options outstanding account	59.11	40.20
Retained earnings	(74,107.83)	(59,076.58)
	(38,334.53)	**(48,902.29)**

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	**10,134.09**	**10,054.58**
Additions during the year	6.45	79.51
Balance at the end of the year	**10,140.54**	**10,134.09**

b. **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	**40.20**	**78.31**
Share based payment expense	25.36	41.40
Transfer to securities premium on exercise of stock options	(6.45)	(79.51)
Balance at the end of the year	**59.11**	**40.20**

c. **Retained earnings**

Retained earnings comprises of current year and prior periods undistributed earnings or losses after tax.

Balance at the beginning of the year	**(59,076.58)**	**(41,857.56)**
Loss for the year	(15,030.15)	(17,254.65)
Other comprehensive income for the year	(1.10)	35.63
Balance at the end of the year	(74,107.83)	(59,076.58)

d. **Capital reserve**

Balance at the beginning of the year	**-**	**-**
Movement during the year (refer note 51)	25,573.65	-
Balance at the end of the year	**25,573.65**	**-**

21. Long term borrowings (secured)

Term loans		
Rupee loan from bank	4,498.17	1,975.17
Less: Current maturities of long-term borrowings (refer note 26)	(272.43)	(500.00)
	4,225.74	**1,475.17**
Other loans		
External commercial borrowing	6,764.50	6,350.72
Less: Current maturities of long-term borrowings (refer note 26)	(6,334.35)	(4,697.08)
	430.15	**1,653.64**
	4,655.89	**3,128.81**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

Repayment terms (including current maturities) and security details for term loans:

a The Company had taken a term loan of Rs. 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. The loan has been fully repaid during the current year.

b The Company has availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from Yes Bank Limited amounting to Rs. 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 term loan is secured as follows:

- Second charge on movable fixed assets of the Company, both present and future;
- 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 The Company had availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from IDFC Bank Limited ('IDFC Bank') amounting to Rs. 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 Company held by the Promoter; and
- 100% credit guarantee by National Credit Guarantee Trust Company Limited (NCGTC)

d During the year, the Company has availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from Yes Bank Limited amounting to Rs. 1,509.80 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 Company;
- 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)

e During the year, the Company has availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from Indian Bank Limited amounting to Rs. 600.00 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% spread over MCLR rate of the bank revised every year capped at 9.25%). The loan is secured as follows:

- Exclusive charge on fixed deposits of the Company with the bank;
- Second charge on movable fixed assets;
- Second pari-passu charge on current assets of the Company;
- 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)

f During the year, the Company has availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from Indian Bank Limited amounting to INR 913.20 million (sanctioned amount: Rs. 1,286.40 million). The loan is repayable in 48 equal

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

instalments commencing after 2 years from the date of the borrowing and carries an interest rate of 9.25% (1% spread over MCLR rate of the bank revised every year capped at 9.25%). The loan is secured as follows:

- Exclusive charge on fixed deposits of the Company with the bank;
- Second charge on movable fixed assets;
- Second pari-passu charge on current assets of the Company;
- 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)

Repayment terms (including current maturities) and securities details for external commercial borrowing:

g 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 5.31%. During the previous year, the Company had negotiated revised payment schedule and the repayment was to be commenced w.e.f April 1, 2022. Further, the Company has negotiated revised schedule during the current year and thereafter subsequent to year end as well. The repayment will now commence w.e.f. July 2023.

22. Non current lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liability	28,440.69	43,322.85
	28,440.69	**43,322.85**

23. 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	3,417.41	3,473.29
	3,417.41	**3,473.29**

Terms and conditions of the above financial liabilities:

Trade payables are non interest bearing and carry a credit period exceeding 365 days

24. Non-current provisions

Provision for gratuity (also refer note 45)	559.73	586.49
Provision for aircraft redelivery	943.85	768.25
Provision for aircraft maintenance	1.33	1,397.76
	1,504.91	**2,752.50**

25. Other non-current liabilities

Deferred incentive	118.77	135.82
Less: Current portion	(17.24)	(17.24)
	101.53	**118.58**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

26. Current borrowings (secured)

Particulars	As at March 31, 2023	As at March 31, 2022
Working capital demand loan from bank [refer note (a) and (b) below]	590.00	1,000.00
Pre-shipment credit foreign currency loan [refer note (c) below]	-	1,467.87
Current maturities of long-term borrowings (also refer note 21)	6,606.77	5,197.08
	7,196.77	**7,664.95**

At March 31, 2023, the Company had available Rs. 2,064.00 million (March 31, 2022: Rs. 5,104.00 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 previous year, working capital demand loan of Company has been recalled by the City Union Bank Limited ('the Bank') and then, the Bank had 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 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., Rs. 1,000 million) in multiple tranches i.e., Rs. 410 million in financial year 2022-23 and balance in financial year 2023-24.

c Pre-shipment credit foreign currency loan from bank is secured by fixed deposits placed by the Company having a carrying value of Nil (31 March 2022: Rs. 375 million) and was repayable within 6 months from each drawdown. The loan carried an interest rate benchmarked to the LIBOR rate at each drawdown. The interest rate on these borrowings ranged between 3.15% to 4.05% per annum. The loan has been repaid by the Company during the current financial year.

Changes in liabilities arising from financing activities

Particulars	April 1, 2022	Cash flows	Foreign exchange impact	Others*	March 31, 2023
Non-current borrowings (including current maturities)	8,325.89	2,397.36	539.42	-	11,262.67
Current borrowings	2,467.87	(1,957.73)	79.86	-	590.00
Finance costs	188.33	(496.58)	-	887.50	579.25
Lease liabilities	72,508.23	(6,259.97)	6,370.50	(10,989.30)	61,629.46
Total liabilities from financing activities	**83,490.32**	**(6,316.92)**	**6,989.78**	**(10,101.80)**	**74,061.38**

Changes in liabilities arising from financing activities

Particulars	April 1, 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**

*This includes lease terminations and modifications, rent concessions and other adjustments.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

27. Current lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities	33,188.78	29,185.38
	33,188.78	**29,185.38**

28. Current trade payables

Trade payables		
Total outstanding dues of micro enterprises and small enterprises	491.09	542.60
Total outstanding dues of creditors other than micro enterprises and small enterprises	28,256.06	24,991.20
	28,747.15	**25,533.80**
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	452.75	518.49
- Interest due on above	38.34	24.12
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	38.34	24.12
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, 2023

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*	38.34	399.98	20.05	12.15	20.57	491.09
(ii) Others	16,331.75	3,472.97	5,767.80	3,399.02	2,701.93	31,673.47

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

*MSME stands for micro enterprises and small enterprises.

#Unbilled pertains to provision for expenses.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

29. Other current financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Employee related payables	1,101.30	512.14
Book overdraft	5.75	109.21
Security deposits received	41.88	89.84
Interest accrued on borrowings	579.25	188.33
	1,728.18	**899.52**

30. Other current liabilities (unsecured)

Current portion of deferred incentives	17.24	17.24
Amount due under order of Delhi High Court (also refer note 50)	6,425.55	6,425.55
Contract liabilities	4,952.00	4,204.53
Advance received from agents	3,657.54	3,446.77
Statutory dues (including interest thereon)	5,935.45	3,094.50
Airport taxes payable	973.87	855.21
Others liabilities	12.52	11.90
	21,974.17	**18,055.70**

31. Short-term provisions

Provision for employee benefits		
Provision for gratuity (also refer note 45)	103.73	90.38
Provision for compensated absences	226.83	283.47
Provision for aircraft redelivery	925.64	1,053.40
Provision for aircraft maintenance	2,794.93	2,418.24
Provision for contingencies (also refer note 48)	107.20	107.20
	4,158.33	**3,952.69**
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 (current and non-current)		
At the beginning of the year	3,816.00	2,462.82
Additions during the year	873.45	1,353.18
Utilisation/reversal during the year	(1,893.19)	-
At the end of the year	**2,796.26**	**3,816.00**
Provision for aircraft redelivery (current and non-current)		
At the beginning of the year	1,821.64	1,789.07
Additions during the year	227.04	140.10
Utilisation/reversal during the year	(179.19)	(107.53)
At the end of the year	**1,869.49**	**1,821.64**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

32. Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services		
Passenger revenue	77,673.55	42,918.74
Cargo revenue	7,860.67	20,585.21
Sale of goods		
Sale of food and beverages in flight	185.75	131.80
Other operating revenues		
Incentives received	82.47	26.93
Income from training services	217.94	184.59
Subsidies received under various schemes	1,285.15	1,088.50
Ground handling services	1,299.31	589.59
Others	83.56	47.91
	88,688.40	**65,573.27**
India	66,529.19	42,948.64
Outside India	22,159.21	22,624.63
	88,688.40	**65,573.27**

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, 2023	As at March 31, 2022
Trade receivables	1,538.78	2,501.94
Contract assets	602.17	563.71
Contract liabilities*	**4,952.00**	**4,204.53**

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 Rs. 4,204.53 million (March 31, 2022: Rs. 2,604.32 million) (excludes amount collected on behalf of third parties and amount refunded due to cancellations).

33. Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net gain on financial assets measured at fair value through profit or loss	0.23	0.17
Gain on derecognition of lease liabilities and right of use assets*	2,423.31	-
Liabilities/provision no longer required written back	7,224.48	1,568.59
Profit on disposal of property, plant and equipment (net)	7.62	-
Warranty claims from aircraft manufacturer/insurance claims (refer note 50)	14.20	7,550.24
Miscellaneous income	239.26	753.33
	9,909.10	**9,872.33**

*on account of early termination of lease

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

34. Finance income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on financial assets	228.59	253.37
Interest income on:		
Bank deposits	288.95	313.77
Loan to subsidiaries	0.18	52.70
Others	33.64	20.97
	551.36	**640.81**

35. A Operating expenses

Aviation turbine fuel	47,716.54	29,457.78
Lease charges - aircraft, engines and auxiliary power units (also refer note 46)	3,755.73	5,919.21
Aircraft repairs and maintenance	5,594.85	4,977.48
Supplemental lease charges - aircraft, engines and auxiliary power units	5,450.65	5,616.86
Consumption of stores and spares	625.47	505.87
Aviation insurance	1,003.88	1,091.43
Landing, navigation and other airport charges	7,955.15	7,590.55
Aircraft navigation software expenses	743.73	502.33
Aircraft redelivery costs	105.28	44.17
Cargo handling costs	798.12	1,903.47
Other miscellaneous operating expenses	308.19	334.50
	74,057.59	**57,943.65**

35. B Purchases of stock-in-trade

Inflight food and beverages held as stock-in-trade	957.84	601.24
	957.84	**601.24**

35. C Changes in inventories of stock-in-trade

Inventory at the beginning of the year	30.36	38.04
Less : Inventory at the end of the year	(85.28)	(30.36)
Changes in inventories of stock-in-trade	**(54.92)**	**7.68**

36. Employee benefits expenses

Salaries, wages and bonus	7,694.78	6,294.96
Contribution to provident and other funds	427.39	344.92
Share based payment expense (also refer note 44)	18.87	41.40
Gratuity expense (also refer note 45)	140.06	151.74
Staff welfare	157.61	254.47
	8,438.71	**7,087.49**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

37. Sales and marketing expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Commission to agents	1,833.77	817.49
Business promotion and advertisement	444.34	403.00
	2,278.11	**1,220.49**

38. Other expenses

Rent	825.84	834.26
Rates and taxes	356.11	206.33
Repairs and maintenance		
Buildings	101.27	95.20
Plant and machinery	21.66	17.45
Others	450.14	526.57
Crew accommodation cost	392.20	286.02
Recruitment and training cost	387.26	395.58
Communication	125.38	130.11
Printing and stationery	93.49	84.75
Travelling and conveyance	1,354.06	1,237.19
Legal, and professional fees*	490.78	514.47
Power and fuel	107.97	100.43
Advances/other balances written off	918.51	128.51
Impairment of loans and trade receivables	99.41	36.55
Insurance	162.60	140.49
Credit card charges	207.99	152.48
Bank charges	10.00	37.25
Loss on sale of property, plant and equipment (net)	-	6.13
Property, plant and equiptment written off	-	53.70
Miscellaneous expenses	357.35	377.52
	6,462.02	**5,360.99**

***Payment to auditor**		
As auditor		
Audit fees	9.15	9.00
Tax audit fees	0.75	0.75
Limited review	2.85	2.85
In other capacity		
Other services (certification fees)	-	0.08
Reimbursement of expenses	0.40	0.06

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

39. Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on:		
Term loan from banks	432.06	376.17
Loan from others	418.83	174.09
Interest on lease liabilities and redelivery provisions	3,128.43	2,901.37
Other borrowing costs	1,077.19	1,374.16
	5,056.51	**4,825.79**

40. Foreign exchange loss/(gain), (net)

Foreign exchange loss, (net)*	6,789.51	2,621.83
	6,789.51	**2,621.83**

*Foreign exchange loss for the year ended March 31, 2023 includes Rs. 3,962.71 million (March 31, 2022 : Rs. 1,749.26 million), pertaining to foreign exchange loss on restatement of lease liabilities.

41. Depreciation and amortisation expense

Depreciation on property, plant and equipment (refer note 3)	1,733.03	1,828.24
Depreciation on right of use assets (refer note 4)	8,435.55	10,997.92
Amortisation on intangible assets (refer note 5)	25.06	71.13
	10,193.64	**12,897.29**

42. Exceptional items

Settlement with aircraft manufacturer (refer note 48 (b) (xi))	-	774.58
	-	**774.58**

43. 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:

Number of equity shares outstanding at the beginning of the year	601,796,615	600,936,903
Number of equity shares issued	49,050	859,712
Number of equity shares outstanding at the end of the year	601,845,665	601,796,615
Weighted average number of equity shares		
a. Basic	**601,863,331**	**601,349,055**
Effect of dilution: stocks options^	-	574,552

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
b.	**Diluted#**	**601,863,331**	**601,923,607**
	Loss for the year	**(15,030.15)**	**(17,254.65)**
	Earnings per share :		
	— Basic earnings per share (Rs.)	(24.97)	(28.69)
	— Diluted earnings per share (Rs.)	(24.97)	(28.69)
	Face value per share (Rs.)	10.00	10.00

#Considering loss, diluted earnings per share is same as basic earnings per share

^Share options (unvested) are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

c. Having regard to the status of the matters relating to the allotment and conversion of share warrants, as stated in note 49, it is not possible to determine the effect, if any, of those on earnings per share calculations. Accordingly, earnings per share do not include the impact on the allotment and conversion of share warrants stated in note 50.

44. Employee stock option plans

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 Rs. 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 option pricing model.

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 07, 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	50.39% to 52.33%	3.50 to 5.50	Nil	5.75% to 6.13%
August 31, 2022	565,000	3 years	46.42	39.39	10.00	50.35% to 48.12%	3.50 to 5.50	Nil	7.04% to 7.22%
November 14, 2022	450,000	3 years	39.08	32.76	10.00	48.14% to 49.89%	3.50 to 7.50	Nil	7.27% to 7.41%

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

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.

Effect of employee stock option scheme on the statement of profit and loss:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Share based payment expense	18.87	41.40

Reconciliation of outstanding share options:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of options	Weighted average exercise price (Rs.)	No. of options	Weighted average exercise price (Rs.)
Options outstanding as at the beginning of the year	**702,800**	**10.00**	**1,562,512**	**10.00**
Add: Options granted during the year*	1,015,000	10.00	-	10.00
Less: Options exercised during the year	49,050	10.00	859,712	10.00
Options outstanding as at the year end	**1,668,750**	**10.00**	**702,800**	**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, 2023 is 6 years (March 31, 2022: 6 years).

The weighted average share price at the date of exercise of stock options during the year was Rs. 46.42 (March 31, 2022: Rs. 72.38).

Option excersiable as at March 31, 2023 is 156,250 (March 31, 2022: 20,300)

45. 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 Rs. 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, 2023	As at March 31, 2022
(i) Amounts recognized in balance sheet		
Defined benefit obligation ('DBO')	663.46	676.87
Defined benefit obligation ('DBO')	**663.46**	**676.87**
Bifurcation of DBO at the end of the year - current and non-current		
Current liability	103.73	90.38
Non-current liability	559.73	586.49

(ii) Amount recognized in other comprehensive income	Year ended March 31, 2023	Year ended March 31, 2022
Actuarial gain	1.10	(35.63)
Actuarial gain recognized in other comprehensive income	**1.10**	**(35.63)**
(iii) Expenses recognized in Statement of profit and loss		
Current service cost	92.14	109.94
Interest cost on DBO	47.92	41.81
Expense recognized during the year	**140.06**	**151.74**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

		As at March 31, 2023	As at March 31, 2022
(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	**676.86**	618.42
	Current service cost	92.14	109.94
	Interest cost	47.92	41.81
	Benefits paid	(154.56)	(57.66)
	Actuarial gain		
	a. Effect of changes in financial assumption	0.50	(35.77)
	b. Effect of experience adjustments	1.07	(42.53)
	c. Effect of changes in demographic assumptions	(0.47)	42.66
	Present value of defined benefit obligation at the end of the year	**663.46**	**676.86**
(v)	**For determining the DBO liability the following actuarial assumptions were used:**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
	Discount rate	7.36%	7.26%
	Salary escalation rate	4.50%	4.50%
	Pre-retirement mortality	IALM(2012-14)	IALM(2012-14)
	Attrition rate	25% (Upto 30 years) 14.3% (Age 31-44) 2.4% (above age 44)	21.50% (Upto 30 years) 11.20% (Age 31-44) 1.5% (above age 44)
	Number of employees	10,060	12,000
	Retirement age (years)	60.00	58.00
	Average age (years)	32.35	32.15
	Average past service (years)	4.59	4.29
	Average remaining working life (years)	27.65	25.88
	Average monthly basic salary	250.01	296.05
	Weighted average remaining duration of DBO (years)	6.76	7.70
(vi)	**Maturity profile of defined benefit obligation:**	**As at March 31, 2023**	**As at March 31, 2022**
	Within the next 12 months (next annual reporting period)	103.73	90.38
	Between 2 and 5 years	262.24	257.72
	Beyond 5 years	675.10	755.05
(vii)	**Sensitivity analysis for gratuity:**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
	Impact of the change in discount rate on present value of DBO as at the end of the year		
	Discount rate + 50 Basis points	(20.62)	(23.50)
	Discount rate - 50 Basis points	22.05	25.22
	Impact of the change in salary increases on present value of DBO as at the end of the year		
	Salary rate + 50 basis points	20.37	24.39
	Salary rate - 50 basis points	(19.80)	(23.38)

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, 2023

(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, 2023	As at March 31, 2022
Discount rate	7.36%	7.26%
Future salary increase	4.50%	4.50%

c. Defined contribution plan:

During the year, the Company recognized Rs. 399.35 million (March 31, 2022 - Rs. 307.62 million) as provident fund expense under defined contribution plan and Rs. 28.04 million (March 31, 2022 - Rs. 37.30 million) for contributions to employee state insurance scheme in the statement of profit and loss.

46. Lease

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, 2023, the Company has recognized an expense of Rs. 4,581.57 million (March 31, 2022 Rs. 6,753.47 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, 2023.

A. Amount recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on right of use assets	8,435.55	10,997.92
Interest on lease liabilities (net off rent waiver)	2,289.27	2,786.21
Rent expenses related to short term leases	4,581.57	6,753.47

Refer note 4 for additions to Right-of-use assets and the carrying amount of right of use assets as at March 31, 2023. Further, refer note 57 for maturity analysis of lease liabilities.

B. Total cash outflow of leases

Total cash outflow of leases	6,259.97	7,992.19

For maturity profile of lease payment obligation, refer note 57.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

47. Capital and other commitments

a. As at March 31, 2023, the Company has commitments of Rs. 597,094.13 million (March 31, 2022 - Rs. 550,358.71 million) relating to the acquisition of aircraft.

b. As at March 31, 2023, the Company has commitments of Rs. 3,279.00 million (March 31, 2022 - Rs. 7,872.00 million) relating to the bank guarantees.

48. 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 31.

ii) Matters wherein management has concluded the liability to be possible have been disclosed under note 48 (b) below.

b) Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Demand arising out of legal cases filed against the Company in various consumer courts and forums (refer note (i) below)	339.59	210.11
Demand arising out of other legal cases filed against the Company (refer note (ii) below)	126.46	124.75
Demand arising out of goods and service tax (refer note (iii) below)	112.10	112.10
Demand in respect of provident fund dues for international workers as explained in note (iv) below	142.37	142.37
Demand in respect of services tax (including interest and penalty) as explained in note (v) below	170.70	170.70
Show cause notice received in respect of service tax as explained in note (vi) below	4,287.42	3,458.92
Demand arising out of Integrated Goods and Services Tax ('IGST'), on overseas repairs and replacement of various aircraft equipment as explained in note (vii) below	582.44	580.70
Demand in respect of inter-corporate deposit received from Mallanpur Steels Limited (refer note (viii) below)	35.00	35.00
Demand in respect of order from the Competition Commission of India as explained in note (ix) below	51.00	51.00
Demand on account of tax deducted at source related claims (refer note x below)	718.34	718.34
The Company has various demands arising from Income-Tax assessments pertaining to Assessment year 2006-07 to 2021-22 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 Company has not disclosed the same as a contingent liability.		

i. The Company is contesting various consumer related legal cases in various forums. Based on the legal view from an external consultant and internal analysis, contingent liabilities have been created for these cases, except where the livelihood of any outflow of resources is remote.

ii. The Company is contesting various vendor/employee related legal cases in various forums. Based on the legal view from an external consultant and internal analysis, contingent liabilities have been created for these cases, except where the livelihood of any outflow of resources is remote.

iii. The goods and services tax related demand pertains to differential amount of IGST on account of incorrect classification as per customs chapter tariff head pertaining to bills of entry in relation to imports of various goods.

iv. The Company has received a demand notice from the Regional Provident Fund Commissioner, Gurgaon for Rs. 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

Company has responded to the notice disputing the demand and, without admitting any liability towards the same, has deposited an amount of Rs. 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. 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 Rs. 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 Rs. 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.

v. The Company has received a demand order for a sum of Rs. 77.28 million, and applicable interest, as well as penalty of Rs. 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 Rs. 77.28 million (including a portion of applicable interest) on a conservative basis (also refer note 31). 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 Rs. 170.70 million, has not been accrued pending final outcome of this matter and has been disclosed as a contingent liability.

vi. 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, the 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 Company is low, and accordingly has made no adjustments to the financial statements.

vii. 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, 2023 have been shown as recoverable.

viii. M/s Hindustan Development Corporation Limited ("HDCL") (now renamed as Mallanpur Steels Limited) who had lent Rs. 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 Rs. 35 million. The Company had made a deposit of Rs. 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 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.

ix. The Competition Commission of India ("CCI") passed an order dated November 17, 2015 against, inter alia, the Company, which included a demand of Rs. 424.80 million. The Company's appeal against this order with Competition

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

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 Rs. 51 million was imposed on the Company. The 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.

x. The Company has received certain show cause notices from the income tax authorities citing various defaults, including non-deduction of tax deducted at source on certain payments. Based on their assessment of the contentions of the income tax authorities, the 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 Company is low, and accordingly has made no adjustments to the financial statements.

xi. The aircraft manufacturer of Q400 aircraft initiated a claim against the Company in the foreign court amounting to approximately Rs. 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 Indian court of law for execution of the said summary judgement. During the previous year, the Company has entered into a settlement agreement with the aircraft manufacturer which has resulted in a one-time expense of Rs. 774.58 million on account of this settlement, which has been disclosed as exceptional items.

xii. 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.

c) Certain aircraft/engine lessors have filed application(s) under Section 9 of the Insolvency and Bankruptcy Code, 2016 due to alleged non-payment. The Company has certain disputes in the matter and the amounts claimed are disputed debts and accordingly the Company is defending such matters. Basis the review of applications filed and the legal interpretation of the law supported by views of legal expert, the management is of the view that it is not possible to determine the effects of such applications as on date.

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 Rs. 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. During the quarter ended December 31, 2021, the Company concluded its settlement agreement with the aircraft manufacturer and 737 max aircraft lessors whereby the Company became entitled for certain cash and non-cash accommodations including waiver of past due lease rentals on these Boeing 737 Max aircraft, resulting in re-induction 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 had 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 quarter ended December 31, 2021 on completion of settlement and hence, the auditors have qualified their audit report for the year ended March 31,2022 to that extent. The auditors have also qualified their audit report for the year ended March 31, 2023 to the extent of comparative numbers for the year ended March 31, 2022.

50. Advance money received against securities proposed to be issued

The Company had, in earlier financial years, received amounts aggregating to Rs. 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 High Court of Delhi ("Court") between the Erstwhile Promoters, the present promoter and

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

the Company, the Company was required to secure an amount of Rs. 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 Rs. 2,500 million with the Registrar. The Company has complied with these requirements in September 2017.

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 Rs. 3,082.19 million to the counterparty, (b) explore the possibility of allotting non-convertible cumulative redeemable preference shares in respect of approximately Rs. 2,708.70 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be Rs. 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 Rs. 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 Rs. 290.00 million as counter-claim. Consequent to the Award, and without prejudice to the rights and remedies it may have in the matter, the Company accounted for Rs. 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 counter-claim receivable of Rs. 290.00 million, above. During the year ended March 31, 2019, the Court had ordered release of Rs. 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 Rs. 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 had challenged before the Court various aspects of the Award, including the above-mentioned interest obligations and rights ("Section 34 Petitions"). The Court vide its order dated September 2, 2020 in the said matter, directed the Company to deposit an amount of Rs. 2,429.37 million of interest component under the Award (including the amount of Rs. 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 ("Supreme Court") against the aforesaid Order and the Supreme Court pursuant to its order dated February 13, 2023 has modified the said order dated 2 September 2020 passed by the Court and directed to release the bank guarantee placed with the Court (aggregating to Rs. 2,707.81 million) to the counterparty towards quantum of principal sum due under the Award and pay an amount of Rs. 750.00 million to the counterparty within period of three months towards liability on account of interest pending disposal of Section 34 Petitions. The said amount of bank guarantee has been released to the counterparties during the year ended March 31, 2023 and accordingly entire principal of Rs. 5,790.9 million has been paid. However, the Company was unable to pay Rs. 750.00 million to the counterparty within the prescribed timeline and filed an application with Supreme Court for extension of time which was dismissed.

The Court vide its judgements dated July 31, 2023 has dismissed Section 34 Petitions filed by the Company, its present promoter and the counterparties. The Company is examining the judgment(s) and is in the process of taking appropriate remedial steps including preferring an appeal before the appellate jurisdiction. While the Company deposited the entire principal of Rs. 5,790.9 million as per the direction of the Court in September 2017 which has also been subsequently paid to the counterparty and there are adjustments to be made for the counter-claim of the Company. The Court vide its orders dated May 29, 2023, July 24, 2023 and August 09, 2023 inter-alia, has directed to deposit entire amount outstanding towards interest and file affidavit of assets as per the directions of the Court.

In view of the foregoing, 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 auditors have qualified their audit report for the year ended March 31, 2023 in this reference.

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 Company. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

51. The Company entered into a Business Transfer Agreement ("BTA") with its subsidiary namely SpiceXpress and Logistics Private Limited ("SXPL") on March 31, 2023 for transfer of its cargo business undertaking as a going concern, on slump sale basis, for a total consideration of Rs. 25,557.70 million. Accordingly, SXPL is now carrying cargo business effective April 1, 2023. As per terms of the BTA, the slump sale consideration is to be discharged by SXPL by issuance of securities in the combination of equity shares and compulsorily convertible debentures. Pending issuance of securities, the consideration

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

has been disclosed as other non-current receivables in the balance sheet. Considering this is business restructuring, the gain on slump sale is recognised in other equity in the financial statements.

Details related to transaction:	Amount (in INR million)
Consideration	**25,557.70**
Assets and liabilities transferred	
Assets	
Capital work in progress	131.29
Security desposits	2.43
Property, plant and equipment	77.03
Total assets (B)	**210.75**
Liabilities	
Provision for gratuity	9.89
Provision for leave encashment	4.66
Advances from customer	212.15
Total liabilities (C)	**226.70**
Capital reserve (D=A-B+C)	**25,573.65**

52. 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. 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 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, 2023

Particulars	Air Transport	Freighter and Logistics Services	Total Segments	Inter Segment	Total
	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)
External customers	82,728.50	6,244.52	88,973.02	(284.62)	88,688.40
Other income	9,909.10	-	9,909.10	-	9,909.10
Total revenue	**92,637.60**	**6,244.52**	**98,882.12**	**(284.62)**	**98,597.50**
Income /(expenses)					
Revenue from operations	82,728.50	6,244.52	88,973.02	(284.62)	88,688.40
Other income	9,909.10	-	9,909.10	-	9,909.10
Finance income	551.35	-	551.35	-	551.35
Operating expenses	(68,614.95)	(5,442.63)	(74,057.58)	-	(74,057.58)
Purchases of stock-in-trade	(957.84)	-	(957.84)		(957.84)
Changes in inventories of stock-in-trade	54.92	-	54.92		54.92
Employee benefits expense	(8,081.77)	(356.94)	(8,438.71)	-	(8,438.71)
Sales and marketing expenses	(2,278.11)	-	(2,278.11)	-	(2,278.11)
Other expenses	(6,625.42)	(121.23)	(6,746.65)	284.62	(6,462.03)
Foreign exchange loss/(gain), (net)	(6,789.50)	-	(6,789.50)	-	(6,789.50)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

Particulars	Air Transport	Freighter and Logistics Services	Total Segments	Inter Segment	Total
	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)
Depreciation and amortisation expense	(10,178.63)	(15.00)	(10,193.63)	-	(10,193.63)
Finance costs	(5,056.50)	-	(5,056.50)	-	(5,056.50)
Segment (loss)/profit before exceptional items	**(15,338.85)**	**308.72**	**(15,030.13)**	**-**	**(15,030.13)**
Exceptional items					
Segment (loss)/profit after exceptional items	**(15,338.85)**	**308.72**	**(15,030.13)**	**-**	**(15,030.13)**

Particulars	Air Transport	Freighter and Logistics Services	Adjustment on account of slump sale arrangement#	Total Segments	Inter Segment	Total
	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)
Total assets	**102,361.27**	**647.22**	**(210.75)**	**102,797.74**	**-**	**102,797.74**
Total liabilities	**133,944.04**	**1,396.48**	**(226.70)**	**135,113.81**	**-**	**135,113.81**

#During the year, the Company has transferred its cargo operations (freighter and logistics services and ancillary cargo operations arising from passenger aircraft operations) to its subsidiary. Refer note 51 for details.

Year ended March 31, 2022

Particulars	Air Transport	Freighter and Logistics Services	Total Segments	Inter Segment	Total
	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. 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	(601.25)	-	(601.25)	-	(601.25)
Changes in inventories of stock-in-trade	(7.68)	-	(7.68)	-	(7.68)
Employee benefits expense	(6,842.42)	(245.07)	(7,087.49)	-	(7,087.49)
Sales and marketing expenses	(1,146.64)	(73.85)	(1,220.49)	-	(1,220.49)
Other expenses	(5,093.29)	(470.92)	(5,564.21)	203.23	(5,360.98)
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)**

Particulars	Air Transport	Freighter and Logistics Services	Total Segments	Total
	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)
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, 2023

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

Other information:

Revenue from external customers

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	66,529.19	42,948.64
Outside India	22,159.21	22,624.63
Total revenue as per statement of profit or loss	**88,688.40**	**65,573.27**

The revenue information above is based on the locations of the customers.

Non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
India	49,441.05	62,819.99
Outside India	-	-
Total	**49,441.05**	**62,819.99**

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.

53. Income tax expense

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022 :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting loss before income tax	**(15,030.15)**	**(17,254.65)**
Loss before income tax multiplied by standard rate of corporate tax in India 25.168% (March 31, 2022: 25.168%)	(3,782.79)	(4,342.65)
Effects of:		
Set-off of brought forward losses and non-deductible expenses for tax purposes	3,782.79	4,342.65
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 Rs. 2,328.53 million as at March 31, 2023 (Rs. 2,456.11 million as at March 31, 2022).

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities	(2,328.53)	(2,456.11)
Deferred tax asset	2,328.53	2,456.11
Net deferred tax asset/ (liabilities)	**-**	**-**

Year ended March 31, 2023	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Closing balance
Property, plant and equipment	(2,456.11)	127.58	-	(2,328.53)
Brought forward losses	2,456.11	(127.58)	-	2,328.53
Total	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

Year ended March 31, 2022	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Closing balance
Property, plant and equipment	(2,643.57)	187.46	-	(2,456.11)
Brought forward losses	2,643.57	(187.46)	-	2,456.11
Total	-	-	-	-

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

Particulars	As at March 31, 2023	As at March 31, 2022
Unused tax losses*	23,304.72	19,886.84
Unabsorbed tax depreciation#	4,366.41	17,632.44
Net deferred tax asset/ (liabilities)	**27,671.13**	**37,519.28**

#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	7,332.52	9,022.45
4-8 years	15,972.20	10,864.39
Total	**23,304.72**	**19,886.84**

The brought forward losses and unabsorbed depreciation considered above are based in the tax records and returns of the Company filed upto Assessment Year 2022-23 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.

54. Related party transactions

Relationship	Name of the party
Individual exercising control	Mr. Ajay Singh
Relatives of party exercising control	Ms. Shiwani Singh
	Ms. Avanee Singh
Enterprises over which parties above have control/ joint 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 (from May 28, 2019)
	Mr. Ashish Kumar, Chief Financials Officer (from September 9, 2022)
	Mr. Sanjeev Taneja, Chief Financials 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, 2023

(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, 2023	Year ended March 31, 2022
SpiceJet Merchandise Private Limited		
Transactions during the year		
Loans given	48.50	86.50
Loans repaid	45.00	240.50
Purchase of goods	4.57	5.71
Reversal of impairment allowance	-	30.00
Interest income on loan given	-	18.26
Reversal of accrued income	51.05	-
Services rendered	9.68	26.48
Balances outstanding as at the year end		
Investment	0.10	0.10
Loans	106.78	103.28
Interest accrued (gross of tax deducted at source)	-	51.05
Trade payables	17.14	7.92
Trade receivables	-	27.70
Contract asset	15.09	5.41
SpiceJet Technic Private Limited		
Transactions during the year		
Loans repaid	15.00	60.00
Interest income on loan given	-	3.89
Reversal of accrued income	11.92	-
Aircraft maintenance services taken	1,073.59	951.37
Income from business support services	-	13.18
Services rendered	124.79	144.20
Balances outstanding as at the year end		
Investment	20.10	20.10
Loans	10.28	25.28
Interest accrued (gross of tax deducted at source)	-	11.92
Trade payables	489.27	77.20
Canvin Real Estate Private Limited		
Transactions during the year		
Interest income	-	30.44
Reversal of accrued income	60.87	-
Loans given	-	0.20
Balances outstanding as at the year end		
Investment	0.10	0.10
Interest accrued (gross of tax deducted at source)	-	60.87
Loans	238.90	238.90

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

Subsidiaries	Year ended March 31, 2023	Year ended March 31, 2022
SpiceJet Interactive Private Limited		
Balances outstanding as at the year end		
Investment	0.10	0.10
Interest accrued (gross of tax deducted at source)	0.02	-
Loans	0.20	-
Spice Club Private Limited		
Transactions during the year		
Loans given	0.20	-
Interest income on loan given	0.02	-
Balances outstanding as at the year end		
Investment	0.10	0.10
Interest accrued (gross of tax deducted at source)	0.02	-
Loans	0.20	-
Spice Shuttle Private Limited		
Transactions during the year		
Impairment allowance	38.88	-
Balances outstanding as at the year end		
Investment	0.10	0.10
Other receivables	-	38.88
SpiceXpress and Logistics Private Limited		
Transactions during the year		
Interest income	0.12	0.13
Slump sale transaction (refer note 51 for details)	25,557.70	-
Balances outstanding as at the year end		
Investment	0.10	0.10
Loan	1.00	1.00
Interest accrued (gross of tax deducted at source)	0.29	0.17
Other receivable (refer note 51 for details)	25,557.72	-
Spice Ground Handling Services Private Limited		
Transactions during the year		
Loans given	0.20	-
Interest income on loan given	0.02	-
Balances outstanding as at the year end		
Investment	0.10	0.10
Interest accrued (gross of tax deducted at source)	0.02	-
Loans	0.20	-
SpiceTech System Private Limited		
Transactions during the year		
Business support services expense	198.55	150.70
Support service income	0.89	1.59
Services rendered	8.21	7.17

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

Subsidiaries	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Balances outstanding as at the year end		
Investment	6.57	0.10
Trade payables	75.19	28.27
Advance to supplier	-	4.47
Contract assets	-	8.74
Affiliates		
Spice Healthcare Private Limited		
Transactions during the year		
Rendering of services	0.40	0.01
Support service taken	0.15	-
Balances outstanding as at the year end		
Trade receivables	1.05	0.23
Key management personnel		
Balances outstanding as at the year end	12.54	12.54
Employee advances#		

#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. For the year ended 31 March 2023, the Company has recorded impairment of INR 38.88 million aginst receivables and INR 60.74 million against loan to subsidiaries owed by related parties (March 31, 2022: 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

Short-term employee benefits#	126.58	103.05
Provident fund contribution	2.31	1.66
Total	**128.89**	**104.71**
Sitting fees		
Mr. Anurag Bhargava	0.30	0.40
Ms. Shiwani Singh	0.10	0.50
Mr. Ajay Chhotelal Aggarwal	0.30	0.40
Mr. Manoj Kumar	0.30	0.50
Total	**1.00**	**1.80**
Total compensation paid to key management personnel**	**129.89**	**106.51**

#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.

**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, 2023

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

55. 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
Investments - Non-current	27.62	21.07	27.62	21.07
Investments - Current	4.56	4.33	4.56	4.33
Loans	296.82	368.46	296.82	368.46
Other financial assets - Non-current	4,979.63	9,907.08	4,979.63	9,907.08
Other financial assets - Current	3,598.89	2,661.22	3,598.89	2,661.22
Trade receivables	1,538.78	2,501.94	1,538.78	2,501.94
Other receivables - Current	9,454.82	9,853.85	9,454.82	9,853.85
Other receivables - Non-current	25,557.70	-	25,557.70	-
Cash and cash equivalents	336.13	602.99	336.13	602.99
Total	**45,794.95**	**25,920.94**	**45,794.95**	**25,920.94**
Financial liabilities				
Borrowings - Non-current	4,655.89	3,128.81	4,655.89	3,128.81
Borrowings - Current	7,196.77	7,664.95	7,196.77	7,664.95
Trade payables - Non-current	3,417.41	3,473.29	3,417.41	3,473.29
Trade payables - Current	28,747.15	25,533.80	28,747.15	25,533.80
Other current financial liabilities	1,728.18	899.52	1,728.18	899.52
Total	**45,745.40**	**40,700.37**	**45,745.40**	**40,700.37**

The Management considers that the carrying amounts of financial assets and financial liabilities (except lease liabilities) recognised in the financial statements approximate their fair values. 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. The following methods were used to estimate the fair values:-

- Cash and cash equivalents, trade receivables, trade payables, and other current and non-current financial liabilities and other current and non-current 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.

56. 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

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 investment in equity shares of Aeronautical Radio of Thailand Limited is not significant. Hence, the Company has considered carrying value as fair value.

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, 2023		
	Level 1	Level 2	Level 3
Investments in mutual funds	4.56	-	-
Equity Investments*	-	-	0.25

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

There have been no transfers between level 1 and level 2 during the year.

* The difference between current and last year represents liquadation during the year.

57. 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, 2023 and March 31, 2022.

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 500 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2023 would decrease/increase by Rs. 0.23 million (March 31, 2022: decrease/increase by Rs. 0.22 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. As at March 31, 2023 approximately 88.58% of the Company's borrowings are at a variable rate of interest (March 31, 2022 - 78.96%)

Interest rate sensitivity

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, 2023 would increase by Rs. 20.23 million and decrease by Rs. 47.82 million respectively (March 31, 2022: increase by Rs. 30.33 and decrease by Rs. 36.73 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.

Foreign currency risk

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

Foreign currency sensitivity

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

If the foreign currency rates had been 5% higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2023 would increase/decrease by Rs. 4,611.32 million (March 31, 2022: increase/decrease by Rs. 5,542.14 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, 2023, the Company had 45 customers (March 31, 2022: 42 customers) that owed the Company more than Rs. 10 million each and accounted for approximately 77% (March 31, 2022: 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.

The Company uses a simplified approach (lifetime expected credit loss model) for the purpose of computation of expected credit loss for trade receivables. The Company is recognising expected credit losses on outstanding trade receivables at in the range of 2-6% below 360 days and in the range of 8-100% for more than 360 days.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

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

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Trade receivables	Loans	Trade receivables	Loans
Balance at the beginning of the year	**130.49**	**-**	**106.91**	**30.00**
Add: Impairment loss recognised	38.67	60.74	36.55	-
Less: Bad debts written off/reversed	-	-	12.97	-
Less: Impairment loss on loan reversed	-	-	-	30.00
Balance at the end of the year	**169.16**	**60.74**	**130.49**	**-**

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 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, 2023	Upto 1 year	1 to 5 years	> 5 years	Total
Financial liabilities (Non-current and current)				
Borrowings	7,196.77	4,491.88	164.01	11,852.66
Trade payables	28,747.15	3,417.41	-	32,164.56
Lease liabilities	31,676.18	28,261.83	11,994.97	71,932.98
Other current financial liabilities	1,728.18	-	-	1,728.18
Total	**69,348.28**	**36,171.12**	**12,158.98**	**117,678.38**

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**

58. 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

The Company's policy is to keep the net debt to total equity ratio above (1.00).

Particulars	As at March 31, 2023	As At March 31, 2022
Long term borrowings	4,655.89	3,128.81
Short term borrowings	7,196.77	7,664.95
Cash and cash equivalents	(323.36)	(95.79)
Bank balances other than above	(12.77)	(507.20)
Net debt	11,516.53	10,190.77
Total equity	(32,316.07)	(42,884.32)
Net debt to total equity ratio	**(0.36)**	**(0.24)**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

59. 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 section 135 of the Act.

60. 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	Gross opening balance as on April 1, 2022	Loan given	Loan repaid	Gross outstanding balance	March 31, 2023	March 31, 2022	Purpose
1	SpiceJet Merchandise Private Limited	103.28	48.50	(45.00)	106.78	110.78	257.28	General business purpose
2	SpiceJet Technic Private Limited	25.28	-	(15.00)	10.28	25.28	85.28	
3	Canvin Real Estate Private Limited	238.90	-	-	238.90	238.90	238.90	
4	SpiceXpress and Logistics Private Limited	1.00	-	-	1.00	1.00	1.00	
5	SpiceJet Interactive Private Limited	-	0.20	-	0.20	0.20	-	
6	Spice Club Private Limited	-	0.20	-	0.20	0.20	-	
7	Spice Ground Handling Services Private Limited	-	0.20	-	0.20	0.20	-	

61. As at March 31, 2023 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

62. Ratio analysis and its elements

Ratio	Measurement unit	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Change	Reason for variance
Current ratio	Times	Current assets	Current liabilities	0.22	0.25	-12%	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	(2.27)	(1.94)	17%	Change in ratio is less than 25% as compared to previous year and hence, no explanation required.
Debt service coverage ratio	Times	Earnings before interest, tax, depreciation and amortisation	Interest expense (including capitalised) + Principal repayment (including prepayments)	(0.02)	0.03	-153%	Change in ratio is mainly on account of 155% decrease in earnings before interest and taxes.
Return on equity ratio	Percentage	Profit after tax	Average of total equity	NA	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	15.62	17.80	-12%	Change in ratio is less than 25% as compared to previous year and hence, no explanation required.
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables	43.90	21.96	100%	Change in ratio is on account of 26% increase in revenue from operations and 32% decrease in average trade receivables balance in current year as compared to previous year.
Trade payables turnover ratio	Times	Total expense other than aviation turbine fuel and foreign exchange loss	Average trade payables	1.45	1.67	-13%	Change in ratio is less than 25% as compared to previous year and hence, no explanation required.
Net capital turnover ratio	Times	Revenue from operations	Working capital [Current assets - Current liabilities]	(1.27)	-1.13	12%	Change in ratio is less than 25% as compared to previous year and hence, no explanation required.
Net profit ratio	Percentage	Profit after tax	Revenue from operations	-16.95%	-26.31%	-36%	Change in ratio is on account of 26% increase in revenue from operations and 13% decrease in loss after tax in current year as compared to previous year.
Return on capital employed	Percentage	Earnings before interest and taxes	Capital employed [Total assets - Current liabilities + Current borrowings]	-0.72%	1.29%	-156%	Change in ratio is mainly on account of 155% decrease in earnings before interest and taxes.
Return on investment	Percentage	Profit after tax	Investments: Bank deposits + Mutual funds + loan to subsidiaries	16%	5%	199%	Change in ratio is on account of maturity of bank deposits and repayment of loan by subsidiaries.

63. Other statutory information

A. The Company has not advanced or loaned or invested funds to any person or any entity, including foreign entities (Intermediaries) with the understanding that the 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

(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 have transactions and outstanding balances during the current year with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Name of struck off company	Nature of transactions with struck off company	Balance outstanding	Relationship with the struck off company, if any
Greenfield Airways Private Limited	Receivables	0.98	Not Applicable
Knorr - Bremse Systems For Commercial Vehicles India Private Limited	Receivables	0.02	Not Applicable
WSRM Hospitality Private Limited	Payables	0.00	Not Applicable
Pan Cyber Infotech Private Limited	Payables	(0.98)	Not Applicable
Vir Cargo Express Private Limited	Payables	(0.02)	Not Applicable
Aaditya India Finance Services Private Limited	Receivables	0.56	Not Applicable

D. The Company does not have any Benami Property, where any proceeding has been initiated or pending against the Company.

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

F. The Company has not traded or invested in crypto currency or virtual currency during the current year.

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

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

I. The Company has complied with numbers of layers prescribed under Rule (87) of section 2 of the Act read with Companies (Restrcition on number of layers) Rules, 2017.

J. In respect of the Company's term and other loans, the Company is not required to submit stock statement.

64. The Company witnessed a ransomware attack on Information Technology (IT) system(s) on May 25, 2022. 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.

65. Previous year figures have been regrouped/reclassified to conform to the current year's classification. The impact of such reclassification/regrouping is not material to the financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

66. Adoption of accounts

The standalone financial statements were approved for issue by the board of directors on August 14, 2023.

The accompanying notes to the standalone financial statements including summary of significant accounting policies and other explanatory information are an integral part of these standalone financial statements.

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

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 14, 2023

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 14, 2023

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 14, 2023

Ashish Kumar
Chief Financial Officer
Place: Gurugram
Date: August 14, 2023

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 I, which comprise the Consolidated Balance Sheet as at March 31, 2023, 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 notes to the consolidated financial statements, including 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, 2023, 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 48 to the accompanying consolidated financial statement, the management of the Holding Company had recognized recoverable of Rs. 15,549.03 million over the periods up to September 30, 2021 for recovery of rent, maintenance and other expenses incurred on Boeing 737 Max aircrafts, which were grounded since March 2019. As further explained in the said note, the Holding Company had settled the aforesaid claims with Boeing and 737 Max aircraft lessors during the year ended March 31, 2022. 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 in the quarter ended December 31, 2021, the Holding Company should have restated the opening reserves to reverse the recoverable along with consequent reversal of 'Other income' and related 'Foreign exchange loss (net)' impact recorded in earlier years, 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 years, the reported loss for the year ended March 31, 2022 would have been lower by Rs. 12,418.96 million. Our opinion for the year ended March 31, 2022 was also qualified in respect of this matter.

4. As stated in Note 49 to the accompanying consolidated financial statement which describes the details related to an ongoing litigation in reference to which the Hon'ble High Court of Delhi has given its judgements and orders to pay interest on advances received from Mr. Kalanithi Maran and M/s KAL Airways Private Limited ('the Erstwhile Promoters'). Due to reasons explained in the aforesaid note, the management is of the view that the impact of the aforementioned judgement on the accompanying consolidated financial statement is presently unascertainable. In absence of such computation, we are unable to comment on the adjustments, if any, that may be required to the accompanying consolidated financial statements on account of aforesaid matter.

5. 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

6. We draw attention to Note 2A(a)(iii) to the accompanying consolidated financial statement which describes that the Group has incurred net loss (after other comprehensive income) of Rs. 15,129.95 million during year ended March 31, 2023, and as of that date, the Group's accumulated losses amounts to Rs. 74,721.07 million which have resulted in complete erosion of its net worth and the current liabilities have exceeded its current assets by Rs. 76,676.95 million as at March 31, 2023. These conditions and other matters set forth in the aforesaid note, indicates the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Based on management's assessment of future business projections and other mitigating factors as described in the said note, which, inter alia, is dependent on successful renegotiation of payment terms to various parties and raising of additional funds, the management is of the view that the going concern basis of accounting is appropriate for preparation of accompanying consolidated financial statement. Our opinion above is not modified in respect of this matter.

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.

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 section 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 2A(g) 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 contract liabilities (i.e., deferred revenue) 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 business process for each stream of revenue; • Understood the passenger 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 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.
Provision for maintenance in relation to aircrafts We refer to notes 2A(m)(ii), 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.	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;

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
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, 2023, the Holding Company has recognised provisions for aircraft maintenance amounting to Rs. 2,796.26 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>

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 Holding Company's past experience;
Tested the arithmetical accuracy of the calculation for provision balance outstanding as at March 31, 2023; 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>
Impairment of non-financial assets
We refer to notes 2A(f), 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 carried forward impact of Covid-19 pandemic and other business reasons, 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 of passenger aircrafts in accordance with the accounting principles and determined the value-in-use of its cash generating units (CGUs) and compared with the carrying value.
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 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, 2023.
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
</td><td>
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.

</td></tr>
</table>

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 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 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 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 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, 2023 and covered under the Act, refer Annexure II for details of qualifications or adverse remarks given by the respective auditors in the Order reports of such companies.

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 possible effects of the matters described in paragraph 3 and 4 of the Basis for Qualified Opinion section with respect to the 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 possible effects of the matters 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 read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) The matters described in paragraph 3 and 4 of the Basis for Qualified Opinion section, in our opinion, may have an adverse effect on the functioning of the Holding Company. Further, the matters described in paragraph 6 under Material Uncertainty Related to Going Concern, 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 2023 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 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 III' 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 47 and 49 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, 2023;

   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 during the year ended March 31, 2023;

   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 person or entity, 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 person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary 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, 2023; and

   vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Neeraj Goel
Partner
Membership Number: 099514
UDIN: 23099514BGSCPI2389
Place: Gurugram
Date: August 14, 2023

ANNEXURE I 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, 2023:

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 II 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, 2023:

Referred to in paragraph 19 of the auditor's report:

S No	Name	CIN	Holding company/ subsidiary company	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)

ANNEXURE III

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, 2023, 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 consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the 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 consolidated 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 consolidated 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, 2023:

   The Holding Company's internal financial controls over determination of interest on advances received consequent to the Order dated July 31, 2023 issued by Hon'ble High Court of Delhi as more fully explained in Note 49 to the consolidated financial statements, were not operating effectively, which could potentially lead to material misstatement in respect to finance cost, loss before tax and other financial liabilities and related disclosures in the consolidated financial statements as at and for the year ended March 31, 2023.

   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 consolidated 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, 2023, 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 issued by the ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Group's internal financial controls with reference to financial statements were operating effectively as at March 31, 2023.

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 consolidated financial statements of the Group as at and for the year ended March 31, 2023, and the material weakness has affected our opinion on 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: 23099514BGSCPI2389
Place: Gurugram
Date: August 14, 2023

Consolidated Balance Sheet

as at March 31, 2023

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

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	12,379.46	13,424.61
Capital work-in-progress	5A	204.07	63.42
Right of use assets	4	27,674.80	42,227.83
Intangible assets	5	10.26	39.82
Financial assets			
(i) Investments	6	0.25	0.17
(ii) Other financial assets	7	4,977.06	9,783.10
Income-tax assets	8	1,399.27	952.24
Other non-current assets	9	9,649.78	7,393.09
Total non-current assets		**56,294.95**	**73,884.28**
Current assets			
Inventories	10	1,628.30	1,508.72
Financial assets			
(i) Investments	11	4.56	4.33
(ii) Trade receivables	12	1,597.78	2,532.79
(iii) Other receivables	13	9,454.82	9,888.85
(iv) Cash and cash equivalents	14	337.01	112.95
(v) Bank balances other than (iv) above	15	18.17	513.86
(vi) Other financial assets	16	3,467.82	2,705.41
Other current assets	17	4,902.32	4,394.37
Total current assets		**21,410.78**	**21,661.28**
Total assets		**77,705.73**	**95,545.56**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	6,018.46	6,017.97
Other equity	19	(64,521.56)	(49,418.65)
Equity attributable to owners of the Holding Company		**(58,503.10)**	**(43,400.68)**
Non-controlling interests		(3.33)	(1.90)
Total equity		**(58,506.43)**	**(43,402.58)**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	4,659.89	3,128.81
(ii) Lease liabilities	21	28,440.69	43,325.65
(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		3,417.41	3,473.29
Provisions	23	1,504.91	2,775.55
Other non-current liabilities	24	101.53	118.58
Total non-current liabilities		**38,124.43**	**52,821.88**
Current liabilities			
Financial liabilities			
(i) Borrowings	25	7,197.77	7,664.95
(ii) Lease liabilities	26	33,191.95	29,202.83
(iii) Trade payables	27		
Total outstanding dues of micro enterprises and small enterprises		491.09	542.60
Total outstanding dues of creditors other than micro enterprises and small enterprises		28,776.25	25,586.82
(iv) Other financial liabilities	28	1,773.24	943.47
Other current liabilities	29	22,449.94	18,222.87
Provisions	30	4,207.49	3,962.72
Total current liabilities		**98,087.73**	**86,126.26**
Total liabilities		**136,212.16**	**138,948.14**
Total equity and liabilities		**77,705.73**	**95,545.56**

Summary of significant accounting policies 2

The accompanying notes including summary of significant accounting policies and other explanatory information are an integral part of these consolidated financial statements.

This is the consolidated balance sheet referred to in 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 14, 2023

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 14, 2023

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 14, 2023

Ashish Kumar
Chief Financial Officer
Place: Gurugram
Date: August 14, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

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

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	31	88,735.93	66,035.94
Other income	32	9,682.96	9,681.21
Total income		**98,418.89**	**75,717.15**
Expenses			
Operating expenses	34A	73,537.91	57,671.36
Purchases of stock-in-trade	34B	997.28	943.97
Changes in inventories of stock-in-trade	34C	(72.73)	64.33
Employee benefits expense	35	8,800.07	7,349.93
Sales and marketing expenses	36	2,279.84	1,219.46
Other expenses	37	6,429.17	5,339.68
Net foreign exchange loss (net)	39	6,823.62	2,621.83
Total expense		**98,795.16**	**75,210.56**
Earnings before interest, tax, depreciation and amortisation (EBITDA)			
Depreciation and amortisation expense	40	(10,227.41)	(12,933.36)
Finance income	33	551.81	588.27
Finance costs	38	(5,077.60)	(4,829.61)
Loss before exceptional items		**(15,129.47)**	**(16,668.11)**
Exceptional items		-	(774.58)
Loss before tax		**(15,129.47)**	**(17,442.69)**
Tax expense		-	-
Loss for the year		**(15,129.47)**	**(17,442.69)**
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss:			
Remeasurement (loss)/gain on defined benefit obligations		(0.48)	32.56
Income tax impact		-	-
Other comprehensive income for the year		**(0.48)**	**32.56**
Total comprehensive income for the year		**(15,129.95)**	**(17,410.13)**
Net loss for the year attributable to:			
Owners of the Holding Company		(15,127.65)	(17,440.79)
Non-controlling interests		(1.82)	(1.90)
		(15,129.47)	**(17,442.69)**
Other comprehensive income for the year attributable to:			
Owners of the Holding Company		(0.48)	32.56
Non-controlling interests		-	-
		(0.48)	**32.56**
Total comprehensive income for the year attributable to:			
Owners of the Holding Company		(15,128.13)	(17,408.23)
Non-controlling interests		(1.82)	(1.90)
		(15,129.95)	**(17,410.13)**
Earnings per equity share	42		
Basic		(25.14)	(29.01)
Diluted		(25.14)	(29.01)

Summary of significant accounting policies 2

The accompanying notes including summary of significant accounting policies and other explanatory information are an integral part of these consolidated financial statements.

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

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 14, 2023

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 14, 2023

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 14, 2023

Ashish Kumar
Chief Financial Officer
Place: Gurugram
Date: August 14, 2023

Consolidated Cash Flow Statement

for the year ended March 31, 2023

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

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities			
Loss before tax and exceptional items		**(15,129.47)**	**(17,442.69)**
Adjustments for:			
Depreciation and amortisation expense		10,227.41	12,933.36
Impairment of trade receivables and other advances		111.25	58.27
Property, plant and equipment written off		-	53.70
(Profit)/loss on sale of property, plant and equipment (net)		(7.62)	6.13
Advances/other balances written off		794.67	128.52
Share based payment expense		25.34	41.40
Liabilities/provision no longer required written back		(7,140.55)	(1,538.64)
Gain on de-recognition of lease liabilities and right of use assets		(2,423.31)	-
Interest on lease liabilities		3,129.94	2,905.07
Finance cost - others		1,947.65	1,924.54
Interest income from financial assets measured at amortised cost		(228.59)	(253.37)
Net gain on financial assets measured at fair value through profit or loss		(0.23)	(0.17)
Interest income		(323.22)	(334.90)
Unrealised foreign exchange loss (net)		5,822.36	2,918.14
Operating (loss)/profit before working capital changes		**(3,194.37)**	**1,399.36**
Movements in working capital:			
Trade and other receivables		(746.02)	(829.82)
Inventories		(119.58)	164.20
Other financial assets		(81.07)	416.40
Other assets		(3,662.11)	(581.97)
Trade payables		6,238.00	6,453.34
Other financial liabilities		439.16	409.78
Other liabilities		3,599.67	1,940.51
Provisions		(1,204.37)	1,313.02
Cash flows from operations		**1,269.31**	**10,684.82**
Income taxes paid (net of refunds)		(447.03)	(647.78)
Net cash flows from operating activities	**A**	**822.28**	**10,037.04**
Cash flow from investing activities			
Purchase of property, plant and equipment and capital work-in-progress (including capital advances)		157.06	(371.80)
Proceeds from sale of property, plant and equipment		56.74	51.79

Consolidated Cash Flow Statement

for the year ended March 31, 2023

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

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
(Purchase)/sale of investments (net)		(0.08)	0.44
Movement in fixed deposits (net)		495.69	(489.53)
Movement in margin money (net)		4,484.59	(1,011.56)
Finance income received		302.68	330.62
Net cash flows from/(used in) investing activities	**B**	**5,496.68**	**(1,490.04)**
Cash flow from financing activities			
Proceeds from issue of equity shares on exercise of stock options		0.49	8.60
Proceeds from long-term borrowings		2,629.92	1,475.18
Repayment of long-term borrowings		624.37	-
Movement in short-term borrowings (net)		(2,582.10)	(1,708.23)
Repayment of lease liabilities (including interest of Rs. 3,129.94 million (March 31, 2022: Rs. 2,905.07 million)		(6,277.06)	(8,011.35)
Finance costs paid		(497.01)	(542.16)
Net cash used in financing activities	**C**	**(6,101.39)**	**(8,777.96)**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**217.57**	**(230.96)**
Effects of exchange difference on cash and cash equivalents held in foreign currency		6.49	13.00
Cash and cash equivalents at the beginning of the year		112.95	330.91
Cash and cash equivalents at the end of the year		**337.01**	**112.95**
Notes :			
Components of cash and cash equivalents (refer note 14)			
Balance with banks:			
In current accounts		231.85	110.10
In fixed deposits		0.33	0.43
Cash on hand		104.83	2.42
		337.01	**112.95**

The accompanying notes to the consolidated financial statements including summary of significant accounting policies and other explanatory information are an integral part of these consolidated financial statements.

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

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 14, 2023

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 14, 2023

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 14, 2023

Ashish Kumar
Chief Financial Officer
Place: Gurugram
Date: August 14, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

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

a. Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid	Number	Amount
As at April 01, 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**
Issued during the year pursuant to exercise of employee stock options	49,050	0.49
At March 31, 2023	**601,845,665**	**6,018.46**

b. Other equity

For the year ended March 31, 2023

Particulars	Reserves and surplus			Total other equity
	Securities premium	Share options outstanding account	Retained earnings	
As at April 01, 2022	**10,134.09**	**40.20**	**(59,592.94)**	**(49,418.65)**
Loss for the year	-	-	(15,127.65)	(15,127.65)
Other comprehensive income for the year	-	-	(0.48)	(0.48)
Total comprehensive income for the year	**10,134.09**	**40.20**	**(74,721.07)**	**(64,546.78)**
Transactions with owners in their capacity as owners:				
Share based payment expense	-	25.22	-	25.22
Transfer to securities premium on exercise of stock options	6.45	(6.45)	-	-
As at March 31, 2023	**10,140.54**	**58.97**	**(74,721.07)**	**(64,521.56)**

For the year ended March 31, 2022

Particulars	Reserves and surplus			Total other equity
	Securities premium	Share options outstanding account	Retained earnings	
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 for the year	-	-	32.56	32.56
Total comprehensive income for the year	**10,054.58**	**78.31**	**(59,592.94)**	**(49,460.05)**
Transactions with owners in their capacity as owners:				
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**	**(59,592.94)**	**(49,418.65)**

The accompanying notes including summary of significant accounting policies and other explanatory information are an integral part of these consolidated financial statements.

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

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: August 14, 2023

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 14, 2023

Chandan Sand
Company Secretary
Place: Gurugram
Date: August 14, 2023

Ashish Kumar
Chief Financial Officer
Place: Gurugram
Date: August 14, 2023

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

1. Corporate information

The consolidated financial statements comprise of financial statements of SpiceJet Limited ('SpiceJet' or 'the Company' or 'the Holding Company') and its subsidiaries (collectively, 'the Group') for the year ended March 31, 2023. 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 14, 2023.

2. A. Summary of significant accounting policies

a) Basis of preparation of consolidated financial statements

i. Statement of compliance

The consolidated financial statements ('financial statements') of the Group for the year ended March 31, 2023 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 consolidated financial statements are presented in Indian Rupees (Rs.) (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 consolidated 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 Rs. 15,129.95 million for year ended March 31, 2023, and as of that date, the Group has negative retained earnings of Rs. 74,721.07 million and negative net worth (excluding non-controlling interests) of Rs. 58,503.10 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 in last few years, whose effects have continued to have an impact on the consolidated financial statements for the year ended March 31, 2023.

On account of its operational and financial position, and the impact of the Covid-19 pandemic in earlier periods, 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. 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. Further, the Group continues to defend itself in certain litigations at various Appellate/ Judicial levels including matters summarised in Note 47 and 49.

The Group continues to implement various measures such as return to service of its grounded fleet, 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 passenger operation and yields, the Group has earned revenue from passenger business of Rs. 77,859.31 million for the year ended March 31, 2023 as compared to Rs. 43,050.54 million for the year ended March 31, 2022. Till December 31, 2022, the Holding Company had received funds aggregating to Rs. 2,109.80 million under Emergency Credit Line Guarantee Scheme ('ECLGS') scheme. The Holding Company has further received Rs. 913.20 million under ECLGS scheme during

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

the quarter ended March 31, 2023. Subsequent to year-end, the Holding Company received disbursement of additional funds aggregating to Rs. 5,412.96 million as eligible under ECLGS scheme and the Holding Company has also initiated the process for issue of fresh equity shares/equity warrants to the promoter group for value aggregating to Rs. 5,000 million and is further considering raising of fresh capital through issue of eligible securities to qualified institutional buyer, in accordance with applicable law. The part of above proceeds will be used in maintenance of its grounded fleet for getting these aircrafts return to service which will lead to additional revenue. Additionally, the Holding Company is in process of seeking shareholder approval to issue equity shares to one of the large lessor against some of its outstanding dues. Based on the foregoing and its 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. Accordingly, these consolidated financial statements have been prepared on the basis that the Group will continue as a going concern for the foreseeable future. The auditors have included 'Material Uncertainty Related to Going Concern' paragraph in their audit report in this regard.

iv. Critical accounting estimates and judgements

In preparing these consolidated financial statements, the 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 consolidated financial statements are as follows:

Note 2(A) (i)(iii)(a) and 44 – employee benefits.

Note 2(A) (l)(ii) – estimates/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) – estimates/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.

Note 2(A) (v) – judgement required to determine grant date fair value of employees stock options.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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 than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that 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 Holding Company's 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 Holding Company's investment in each subsidiary and the Holding Company'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.

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 identified operating cycle is twelve months.

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 replacement if the recognition criteria are satisfied and the same is depreciated based on their specific

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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 consolidated 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 Q400 aircrafts are capitalized and depreciated over the remaining useful life of the asset.

Depreciation

The Group, based on technical assessment 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 2-6 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 risks

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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 (point in time recognition) 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 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. No significant element of financing is deemed present as the sales are either made with a nil credit term or with a credit period of 0-90 days.

Rendering of services

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

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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.

Tours and packages

Income and related expense from sale of tours and packages are recognised upon services being rendered and where applicable, are stated net of discounts and applicable taxes. The income and expense are stated on gross basis. The sale of tours and packages not yet serviced is credited to unearned revenue, i.e., 'Contract liabilities' disclosed under other current liabilities.

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 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.

Sale of goods

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, allowances and discounts.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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.

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 consolidated 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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.

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.

Aircraft maintenance covered by third party maintenance agreements, wherein the cost is charged to the consolidated statement of profit and loss at a contractual rate per hour in accordance with the terms of the agreements. The Group recognises aircraft repair and maintenance cost (other than major inspection costs) in the consolidated statement of profit and loss on incurred basis.

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

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(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 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 consolidated 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 consolidated 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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 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, the Group determines that whether

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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 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 and engines 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 Group also receives non-refundable milestone incentives from the engine manufacturer on achievement of certain milestones relating to acquisition and delivery of aircraft. These milestone incentives are recorded as reduction to the carrying value of aircraft and engines in case of owned aircraft and engines. In case of aircraft and engines 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 and engine.

Where the aircraft is held under finance lease as per erstwhile Ind AS, the milestone incentives are

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

deferred and recognised under the head 'Other operating revenue' in the statement of profit and loss, on a straight line basis over the remaining initial lease period of the respective aircraft for which the aircraft is expected to be used. In case of prepayment of finance lease obligations for aircraft taken on finance lease and consequently taking the ownership of the aircraft, before the expiry of the lease term, the unamortised balance of such deferred incentive is recorded as a reduction to the carrying value of the 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.

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, of 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 consolidated 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. In its measurement, the Group does not include depreciation and amortization, finance income, finance costs and tax expense.

B. Recent accounting pronouncement

Amendment to Ind AS 1, Presentation of Financial Statements

The Ministry of Corporate Affairs ("MCA") vide notification dated March 31, 2023, has issued an amendment to Ind AS 1 which requires entities

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

to disclose material accounting policies instead of significant accounting policies. Accounting policy information considered together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The amendment also clarifies that immaterial accounting policy information does not need to disclose. If it is disclosed, it should not obscure material accounting information. The Group is evaluating the requirement of the said amendment and its impact on these consolidated financial statements.

Amendment to Ind AS 8, Accounting Policies, Change in Accounting Estimates and Errors

The Ministry of Corporate Affairs ("MCA") vide notification dated March 31, 2023, has issued an amendment to Ind AS 8 which specifies an updated definition of an 'accounting estimate'. As per the amendment, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty and measurement techniques and inputs are used to develop an accounting estimate. Measurement techniques include estimation techniques and valuation techniques. The Group is evaluating the requirement of the said amendment and its impact on these consolidated financial statements.

Amendment to Ind AS 12, Income Taxes

The Ministry of Corporate Affairs ("MCA") vide notification dated March 31, 2023, has issued an amendment to Ind AS 12, which requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases of lessees and decommissioning obligations and will require recognition of additional deferred tax assets and liabilities. The Group is evaluating the requirement of the said amendment and its impact on these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(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	Freehold land	Total
Gross block										
As at April 01, 2021	**1,409.26**	**3,753.59**	**255.03**	**450.87**	**42.18**	**861.00**	**107.81**	**17,511.99**	**391.37**	**24,783.10**
Additions#	0.86	132.59	23.61	20.46	4.28	0.01	13.04	170.06	-	364.91
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**
Additions#	0.82	179.66	7.77	9.08	3.01	0.47	4.86	-	-	205.69
Disposals	81.15	0.46	5.72	0.83	3.23	92.93	1.25	-	-	185.57
Exchange differences*	-	-	-	-	-	-	-	539.43	-	539.43
As at March 31, 2023	**1,292.48**	**3,996.24**	**279.84**	**476.77**	**44.22**	**681.62**	**124.46**	**18,376.62**	**391.37**	**25,663.64**
Accumulated depreciation										
At April 1, 2021	**362.24**	**969.16**	**136.47**	**310.76**	**31.68**	**434.25**	**71.46**	**7,674.94**	**-**	**9,990.96**
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**	**177.37**	**387.12**	**33.57**	**475.63**	**91.00**	**8,869.03**	**-**	**11,679.48**
Depreciation charge for the year	95.11	256.55	40.47	53.18	2.95	67.77	19.28	1,056.65	-	1,591.96
Disposals	39.07	0.38	2.47	0.65	0.56	92.93	0.41	-	-	136.47
Exchange differences*	-	-	-	-	-	-	-	149.21	-	149.21
As at March 31, 2023	**501.00**	**1,456.97**	**215.37**	**439.65**	**35.96**	**450.47**	**109.87**	**10,074.89**	**-**	**13,284.18**
Net Block										
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**
As at March 31, 2023	**791.48**	**2,539.27**	**64.47**	**37.12**	**8.26**	**231.15**	**14.59**	**8,301.73**	**391.37**	**12,379.46**

* Represents foreign exchange loss capitalised during the year and depreciation thereon. Refer note 2A(o) for details.

#Additions to aircraft comprise of capitalisation of overhaul cost of Rs. Nil for the year ended March 31, 2023 and Rs. 170.06 million for the year ended March 31, 2022.

**Rotables and tools, ground support equipment and motor vehicles are subject to a first charge to secure the facilities provided by Indian Bank.

^Refer note 20 for details of mortgage related to property, plant and equipment on various borrowings and 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, 2023

(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, 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**
Additions	2,169.34	-	-	2,169.34
Deletions/modifications	13,677.49	-	6.26	13,683.75
Balance as at March 31, 2023	**59,633.59**	**4,462.19**	**688.07**	**64,783.85**
Accumulated depreciation				
As at April 1, 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**
Depreciation charge for the year	7,797.69	557.53	93.76	8,448.98
Deletions	5,410.36	-	-	5,410.36
Balance as at March 31, 2023	**33,947.87**	**2,808.43**	**352.75**	**37,109.05**
Net block				
As at March 31, 2022	**39,581.20**	**2,211.29**	**435.34**	**42,227.83**
As at March 31, 2023	**25,685.72**	**1,653.76**	**335.32**	**27,674.80**

5. Intangible Assets

Particulars	Software	Total
Gross block		
As at April 01, 2021	418.41	418.41
Additions	-	-
Disposals	-	-
As at March 31, 2022	**418.41**	**418.41**
Additions	7.70	7.70
Disposals	-	-
As at March 31, 2023	**426.11**	**426.11**
Accumulated amortisation		
As at April 01, 2021	295.25	295.25
Amortisation charge for the year	83.34	83.34
Disposals	-	-
As at March 31, 2022	**378.59**	**378.59**
Amortisation charge for the year	37.26	37.26
Disposals	-	-
As at March 31, 2023	**415.85**	**415.85**
Net block		
As at March 31, 2022	**39.82**	**39.82**
As at March 31, 2023	**10.26**	**10.26**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

5. A Capital work-in-progress

Particulars	As at March 31, 2023	As at March 31, 2022
Capital work-in-progress ('CWIP')	204.07	63.42
	204.07	**63.42**

The following table represent ageing of capital work-in-progress as at March 31, 2023:

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	143.80	-	-	-	143.80
Projects temporarily suspended	-	1.92	3.47	54.88	60.27
Total	**143.80**	**1.92**	**3.47**	**54.88**	**204.07**

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**

* Project temporarily suspended pertains to construction of premises which has been put on hold due to stay order from government.

6. Non-current investments (fully paid-up)

Particulars	As at March 31, 2023	As at March 31, 2022
Unquoted equity investments measured at fair value through profit or loss ('FVTPL')		
1,076 (March 31, 2022: 750) equity shares of Aeronautical Radio of Thailand Limited	0.25	0.17
	0.25	**0.17**
Aggregate amount of unquoted investments	0.25	0.17

7. Other non-current financial assets

(Unsecured, considered good)

Deposits with original maturity of more than 12 months (also refer note 15)	1,497.53	5,982.12
Security deposits	3,479.53	3,800.98
	4,977.06	**9,783.10**

8. Income tax assets

Advance income-tax	1,399.27	952.24
	1,399.27	**952.24**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

9. Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Deposit with Delhi High Court (also refer note 48)	5,955.99	3,187.02
Goods and services tax paid under protest (refer note 47 b(ii)	582.44	580.70
Capital advances		
Unsecured, considered good	3,111.35	3,625.37
Unsecured, considered doubtful	109.32	109.32
	9,759.10	**7,502.41**
Impairment allowance		
Unsecured, considered doubtful	(109.32)	(109.32)
	(109.32)	**(109.32)**
	9,649.78	**7,393.09**

10. Inventories

(valued at lower of cost or net realisable value)

Engineering stores and spares	1,409.53	1,391.91
Stock held in trade - in flight inventory	85.27	30.36
Other stores and spares	68.40	28.46
	1,628.30	**1,508.72**

11. Investments at fair value through profit or loss ('FVTPL')

Quoted investment in mutual funds		
7,122 (March 31, 2022: 7,122) units of ICICI Prudential Saving Funds - Direct Plan- Growth [NAV Rs. 462.59 (March 31, 2022: Rs. 437.71)]	3.29	3.12
52,700.92 (March 31, 2022: 52,700.92) units of L&T Low Duration Fund-Direct Plan-Growth [NAV Rs. 24.05 (March 31, 2022: Rs. 22.97)]	1.27	1.21
	4.56	**4.33**

12. Trade receivables

(Unsecured, considered good unless stated otherwise)

Trade receivables		
Unsecured, considered good	1,673.54	2,605.17
Unsecured, credit impaired	78.64	54.97
	1,752.18	**2,660.14**
Impairment allowance		
Unsecured, considered good	(75.76)	(72.38)
Unsecured, credit impaired	(78.64)	(54.97)
	(154.40)	**(127.35)**
	1,597.78	**2,532.79**

For information related to trade receivables from related parties, refer note 53.

For details of contract balances refer to note 29.

The carrying amount of trade receivables approximates their fair value, as included in note 54. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 55.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

As at March 31, 2023	Outstanding from the due date of invoice					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	835.48	242.20	164.57	128.68	302.61	1,673.54
Undisputed trade receivables – credit impaired	-	-	24.58	13.39	40.67	78.64
Total	**835.48**	**242.20**	**189.14**	**142.07**	**343.28**	**1,752.18**

As at March 31, 2022	Outstanding from the due date of invoice					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	1,055.60	746.34	471.26	106.22	225.75	2,605.17
Undisputed trade receivables – credit impaired	-	23.58	-	5.54	25.85	54.97
Total	**1,055.60**	**769.92**	**471.26**	**111.76**	**251.60**	**2,660.14**

13. Other receivables

(Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Maintenance receivables	4,638.31	2,312.36
Insurance claim receivables	-	100.48
Other receivables (refer note 49)	4,816.51	7,476.01
	9,454.82	**9,888.85**

14. Cash and cash equivalents

Balances with banks:		
– In current accounts	231.85	110.10
– In deposit accounts (with original maturity upto 3 months)	0.33	0.43
Cash on hand	104.83	2.42
	337.01	**112.95**

15. Bank balances other than cash and cash equivalents

Deposits with original maturity for more than 3 months but less than 12 months	9.19	11.39
Deposits with remaining maturity of less than 12 months	8.98	2.47
Margin money/security against non-fund based facilities*	1,497.53	6,482.12
	1,515.70	**6,495.98**
Less: Amount disclosed under other non-current asset (refer note 7)	(1,497.53)	(5,982.12)
	18.17	**513.86**

*Margin money deposit have been placed with banks for non-fund based facilities sanctioned to the Company.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

16. Other current financial assets

(Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee advances (refer note 53)	292.71	127.21
Interest accrued on bank deposits	79.34	182.65
Security deposits	2,642.35	1,804.53
Contract asset	453.42	591.02
	3,467.82	**2,705.41**

17. Other Current Assets

Prepaid expenses	655.22	454.99
Balance with government authorities	3,341.72	3,237.14
Advances to suppliers		
Unsecured, considered good	905.38	702.24
Unsecured, credit impaired	243.46	159.26
	5,145.78	**4,553.63**
Impairment allowance		
Unsecured, considered good	(243.46)	(159.26)
	(243.46)	**(159.26)**
	4,902.32	**4,394.37**

18. Equity Share Capital

Authorised	
(1,500,000,000 equity shares of Rs. 10 each)	
As at April 01, 2021	15,000.00
Increase during the year	-
As at March 31, 2022	15,000.00
Increase during the year	-
As at March 31, 2023	**15,000.00**
Issued, subscribed and paid-up capital	
Equity shares of Rs. 10 each issued, subscribed and fully paid	
As at April 01, 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
Issued during the year pursuant to exercise of employee stock options	0.49
As at March 31, 2023	**6,018.46**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(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, 2023		As at March 31, 2022	
	Number	Value (Rs.)	Number	Value (Rs.)
Shares outstanding at the beginning of the year	601,796,615	6,017.97	600,936,903	6,009.37
Issued during the year pursuant to exercise of employee stock options	49,050	0.49	859,712	8.60
Shares outstanding at the end of the year	**601,845,665**	**6,018.46**	**601,796,615**	**6,017.97**

B. Term/rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, 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 shareholders	As at March 31, 2023		As at March 31, 2022	
	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	50.57%
Mr. Ajay Singh (HUF)	52,846,838	8.78%	52,846,838	8.78%
Total	**357,180,288**	**59.35%**	**357,180,288**	**59.35%**

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 2,395,482 shares (March 31, 2022 - 2,346,432) 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. The Company did not issue any bonus share and has not bought back any share in preceding five years.

E. Details of promoter shareholding

Particulars	As at March 31, 2023		
	Number of shares	% of total shares	% change during the year
Mr. Ajay Singh	304,333,450	50.57%	0.00%
Mr. Ajay Singh (HUF)	50,336,838	8.36%	-0.42%
Mrs. Kalpana Singh	279,505	0.05%	0.00%

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%

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, 2023

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

19. Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Reserves and surplus		
Securities premium	10,140.54	10,134.09
Share options outstanding account	58.97	40.20
Retained earnings	(74,721.07)	(59,592.94)
	(64,521.56)	**(49,418.65)**

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	**10,134.09**	**10,054.58**
Additions during the year	6.45	79.51
Balance at the end of the year	**10,140.54**	**10,134.09**

b. 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	**40.20**	**78.31**
Share based payment expense	25.22	41.40
Transfer to securities premium on exercise of stock options	(6.45)	(79.51)
Balance at the end of the year	**58.97**	**40.20**

c. Retained earnings

Balance at the beginning of the year	**(59,592.94)**	**(42,184.71)**
Loss for the year	(15,127.65)	(17,440.79)
Other comprehensive income	(0.48)	32.56
Balance at the end of the year	**(74,721.07)**	**(59,592.94)**

20. Long term borrowings (secured)

Term loans		
Rupee loan from bank	4,498.17	1,975.17
Less: Current maturities of long-term borrowings (refer note 25)	(272.43)	(500.00)
	4,225.74	**1,475.17**
Other loans		
Term loan from Directors*	5.00	-
External commercial borrowing	6,764.50	6,350.72
Less: Current maturities of long-term borrowings (refer note 25)	(6,335.35)	(4,697.08)
	434.15	**1,653.64**
	4,659.89	**3,128.81**

*The one of the subsidiaries of the Group has entered into an agreement with the director on December 1, 2022 to obtain loan for Rs. 5 million, repayable after 6 months from date of disbursment.

Repayment terms (including current maturities) and security details (Holding Company):

a The Holding Company had taken a term loan of Rs. 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 Holding Company and one of the subsidiary and pledge on equity shares of the promoter of the Holding Company for 1.0x of total facility. The loan

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

agreement requires the Holding Company to maintain debt service coverage ratio of 1.25. The Holding Company has not complied with this financial covenant and accordingly, the borrowing has been reclassified to current maturities of long term borrowings. The loan has been fully repaid during the current year.

b The Holding Company has availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from Yes Bank Limited amounting to Rs. 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 term loan is secured as follows:

- Second charge on movable fixed assets of the Holding Company, both present and future;
- 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 The Holding Company had availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from IDFC Bank Limited ('IDFC Bank') amounting to Rs. 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;
- 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)

d During the year, the Holding Company has availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from Yes Bank Limited amounting to Rs. 1,509.80 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)

e During the year, the Holding Company has availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from Indian Bank Limited amounting to Rs. 600.00 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% spread over MCLR rate of the bank revised every year capped at 9.25%). The loan is secured as follows:

- Exclusive charge on fixed deposits of the Holding Company with the bank;
- Second charge on movable fixed assets;
- Second pari-passu charge on current assets of the Holding Company;
- Second charge on pledge of 23.5 million shares of the Holding Company held by the Promoter; and
- 100% credit guarantee by National Credit Guarantee Trust Company Limited (NCGTC)

f During the year, the Holding Company has availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from Indian Bank Limited amounting to INR 913.20 million (sanctioned amount: Rs. 1,286.40 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% spread over MCLR rate of the bank revised every year capped at 9.25%). The loan is secured as follows:

- Exclusive charge on fixed deposits of the Holding Company with the bank;
- Second charge on movable fixed assets;
- Second pari-passu charge on current assets of the Holding Company;

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

- Second charge on pledge of 23.5 million shares of the Holding Company held by the Promoter; and
- 100% credit guarantee by National Credit Guarantee Trust Company Limited (NCGTC)

Repayment terms (including current maturities) and securities details for external commercial borrowing (Holding Company):

g 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 5.31%. During the previous year, the Holding Company had negotiated revised payment schedule and the repayment was to be commenced w.e.f April 1, 2022. Further, the Holding Company has negotiated revised schedule during the current year and thereafter subsequent to year end. The repayment will now commence w.e.f. July 2023.

Repayment terms (including current maturities) for term loan from directors (subsidiary company)

h During the year, SpiceJet Merchandise Private Limited (the "borrower") has availed term loan from Ajay Singh ("Managing Director", the "Lender") for Rs. 5 million for the purpose of promoting and furthering its business activities and for general corporate purposes of the borrower. The loan is repayable on the expiry of 6 months from the date of reimbursement of loan alongwith outstanding amount of interest and carries an interest rate of 8% . The borrower may repay the loan amount or part thereof before the expiry of one year of disbursement without any pre-payment charges.

21. Non current lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liability	28,440.69	43,325.65
	28,440.69	**43,325.65**

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	3,417.41	3,473.29
	3,417.41	**3,473.29**

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)	559.73	609.54
Provision for aircraft redelivery	943.85	768.25
Provision for aircraft maintenance	1.33	1,397.76
	1,504.91	**2,775.55**

24. Other non-current liabilities

Deferred incentive	118.77	135.82
Less: Current portion	(17.24)	(17.24)
	101.53	**118.58**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

25. Current borrowings (secured)

Particulars	As at March 31, 2023	As at March 31, 2022
Working capital demand loan from bank [refer note (a) and (b) below]	590.00	1,000.00
Pre-shipment credit foreign currency loan [refer note (c) below]	-	1,467.87
Current maturities of long-term borrowings (also refer note 20)	6,607.77	5,197.08
	7,197.77	**7,664.95**

At March 31, 2023, the Company had available Rs. 2,064.00 million (March 31, 2022: Rs. 5,104.00 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 previous year, working capital demand loan of Holding Company has been recalled by the City Union Bank Limited ('the Bank') and then, the Bank had 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 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., Rs. 1,000 million) in multiple tranches i.e., Rs. 410 million in financial year 2022-23 and balance on April 4, 2023 and 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 Nil (March 31, 2022: Rs. 375 million) and was repayable within 6 months from each drawdown. The loan carried an interest rate benchmarked to the LIBOR rate at each drawdown. The interest rate on these borrowings ranged between 3.15% to 4.05% per annum. The loan has been repaid by the Holding Company during the current financial year.

Changes in liabilities arising from financing activities

Particulars	April 1, 2022	Cash flows	Foreign exchange impact	Others*	March 31, 2023
Non-current borrowings (including current maturities)	8,325.89	1,772.98	539.43	-	10,638.30
Current borrowings	2,467.87	(1,957.73)	79.86	-	590.00
Finance costs	188.33	(496.58)	-	887.50	579.25
Lease liabilities	72,508.23	(6,259.96)	6,370.50	(10,951.91)	61,666.86
Total liabilities from financing activities	**83,490.32**	**(6,941.29)**	**6,989.79**	**(10,064.41)**	**73,474.41**

Changes in liabilities arising from financing activities

Particulars	April 1, 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**

*This includes lease termination and modifications, rent concessions and other adjustments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

26. Current lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities	33,191.95	29,202.83
	33,191.95	**29,202.83**

27. Current trade payables

Trade payables		
Total outstanding dues of micro enterprises and small enterprises	491.09	542.60
Total outstanding dues of creditors other than micro enterprises and small enterprises	28,776.25	25,586.82
	29,267.34	**26,129.42**
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	452.52	518.49
- Interest due on above	38.57	24.12
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	38.57	24.12
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, 2023

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*	38.57	399.75	20.05	12.15	20.57	491.09
(ii) Others	16,422.66	2,226.44	6,095.30	4,983.86	2,465.40	32,193.66

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

*MSME stands for micro enterprises and small enterprises.

#Unbilled pertains to provision for expenses.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

28. Other current financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Employee related payable	1,132.16	543.16
Capital creditors^	12.02	12.52
Book overdraft	5.75	109.21
Security deposits received	43.96	89.84
Interest accrued on borrowings	579.35	188.74
	1,773.24	**943.47**

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

29. Other current liabilities (unsecured)

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	4,957.24	4,214.25
Advance received from agents	3,965.29	3,542.67
Statutory dues (including interest thereon)	6,098.23	3,156.14
Airport taxes payable	973.87	855.21
Other liabilities	12.52	11.81
	22,449.94	**18,222.87**

30. Short-term provisions

Provision for employee benefits		
Provision for gratuity (also refer note 44)	142.56	93.58
Provision for compensated absences	237.16	290.30
Provision for aircraft redelivery	925.64	1,053.40
Provision for aircraft maintenance	2,794.93	2,418.24
Provision for contingencies (also refer note 47b)	107.20	107.20
	4,207.49	**3,962.72**
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 (current and non-current)		
At the beginning of the year	3,816.00	2,462.82
Additions during the year	873.45	1,353.18
Utilisation/reversal during the year	(1,893.19)	-
At the end of the year	**2,796.26**	**3,816.00**
Provision for aircraft redelivery (current and non-current)		
At the beginning of the year	1,821.64	1,789.07
Additions during the year	227.03	140.10
Utilisation/reversal during the year	(179.19)	(107.53)
At the end of the year	**1,869.48**	**1,821.64**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

31. Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services		
Passenger revenue	77,673.56	42,918.74
Cargo revenue	7,860.67	20,564.14
Sale of goods		
Sale of food and beverages	185.75	131.80
Sale of products	47.52	483.59
Other operating revenues		
Incentives received	82.47	26.93
Income from training services	217.94	184.59
Subsidies received under various schemes	1,285.15	1,088.50
Ground handling services	1,299.31	589.59
Others**	83.56	48.06
	88,735.93	**66,035.94**
India	66,576.72	43,411.31
Outside India	22,159.21	22,624.63
	88,735.93	**66,035.94**

** 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, 2023	As at March 31, 2022
Trade receivables	1,597.78	2,532.79
Contract assets	3,467.82	2,705.41
Contract liabilities*	4,957.24	4,214.25

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 Rs. 4,204.53 million (March 31, 2022: Rs. 2,604.32 million) (excludes amount collected on behalf of third parties and amount refunded due to cancellations).

32. Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net gain on financial assets measured at fair value through profit or loss	0.23	0.17
Gain on derecognition of lease liabilities and right of use assets*	2,423.31	-
Liabilities/provision no longer required written back	7,140.45	1,538.64
Warranty claims from aircraft manufacturer/insurance claims	14.20	7,550.24
Miscellaneous income	104.77	592.16
	9,682.96	**9,681.21**

*on account of early termination of lease

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

33. Finance income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on financial assets	228.59	253.37
Interest income on:		
Bank deposits	289.57	313.93
Others	33.65	20.97
	551.81	**588.27**

34. A Operating expenses

Aviation turbine fuel	47,716.55	29,457.78
Lease charges - aircraft, engines and auxiliary power units (also refer note 45)	3,755.72	5,992.26
Aircraft repairs and maintenance	5,273.72	4,657.93
Supplemental lease charges - aircraft, engines and auxiliary power units	5,450.65	5,616.86
Consumption of stores and spares	625.47	505.87
Aviation insurance	1,003.88	1,091.43
Landing, navigation and other airport charges	7,955.18	7,590.66
Aircraft navigation software expenses	545.18	351.63
Aircraft redelivery costs	105.27	44.17
Cargo handling costs	798.11	1,903.47
Other miscellaneous operating expenses	308.18	459.30
	73,537.91	**57,671.36**

34. B Purchases of stock-in-trade

Inflight food and beverages held as stock-in-trade	957.83	342.73
Merchandise and others	39.45	601.24
	997.28	**943.97**

34. C Changes in inventories of stock-in-trade

Inflight food and beverages		
Inventory at the beginning of the year	30.36	38.04
Less : Inventory at the end of the year	(85.28)	(30.36)
Changes in inventories of stock-in-trade	**(54.92)**	**7.68**
Merchandise and others		
Inventory at the beginning of the year	47.28	114.64
Less : Inventory at the end of the year	65.09	57.99
Changes in inventories of stock-in-trade	**(17.81)**	**56.65**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

35. Employee benefits expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	8,029.30	6,540.40
Contribution to provident and other funds	443.95	357.68
Share based payment expense (also refer note 43)	25.34	41.40
Gratuity expense (also refer note 44)	145.90	156.59
Staff welfare	155.58	253.86
	8,800.07	**7,349.93**

36. Sales and marketing expenses

Commission to agents	1,833.77	817.49
Business promotion and advertisement	446.07	401.97
	2,279.84	**1,219.46**

37. Other expenses

Rent	826.23	719.72
Rates and taxes	356.11	206.33
Repairs and maintenance		
Buildings	101.90	96.39
Plant and machinery	21.78	17.52
Others	472.50	534.15
Crew accommodation cost	392.20	286.02
Recruitment and training cost	387.44	395.58
Communication	125.45	130.14
Printing and stationery	93.51	84.79
Travelling and conveyance	1,356.85	1,238.10
Legal, and professional fees*	506.20	542.92
Power and fuel	112.17	105.17
Advances/other balances written off	794.67	128.52
Impairment of trade receivables and other advances	111.25	58.27
Insurance	163.17	141.05
Credit card charges	207.99	152.48
Bank charges	10.27	37.68
Loss on sale of property, plant and equipment (net)	-	6.13
Property, plant and equiptment written off	-	53.70
Miscellaneous expenses	389.48	405.02
	6,429.17	**5,339.68**

***Payment to auditor**		
As auditor		
Audit fees	10.10	9.74
Tax audit fees	0.95	0.81
Limited review	2.85	3.00
In other capacity		
Other services (certification fees)	-	0.08
Reimbursement of expenses	0.40	0.06

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

38. Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on		
Term loan from banks	432.06	376.17
Loan from others	418.95	174.11
Interest on lease liabilities and redelivery provisions	3,129.94	2,905.07
Other borrowing costs	1,096.65	1,374.26
	5,077.60	**4,829.61**

39. Foreign exchange loss/(gain), (net)

Foreign exchange loss (net)*	6,823.62	2,621.83
	6,823.62	**2,621.83**

*Foreign exchange loss for the year ended March 31, 2023 includes Rs. 3,962.71 million (March 31, 2022 : loss of Rs. 1,749.26 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)	1,741.17	1,837.28
Depreciation on right of use assets (refer note 4)	8,448.98	11,012.74
Amortisation on intangible assets (refer note 5)	37.26	83.34
	10,227.41	**12,933.36**

41. Exceptional items

Settlement with aircraft manufacturer (refer note 47 (b) (xi))	-	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:

Number of equity shares outstanding at the beginning of the year	601,796,615	600,936,903
Number of equity shares issued	49,050	859,712
Number of equity shares outstanding at the end of the year	601,845,665	601,796,615
Weighted average number of equity shares		
a. Basic	**601,863,331**	**601,349,055**
Effect of dilution: stocks options^	-	574,552

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
b.	**Diluted#**	**601,863,331**	**601,923,607**
	Loss for the year	**(15,129.47)**	**(17,442.69)**
	Earnings per share :		
	— Basic earnings per share (Rs.)	(25.14)	(29.01)
	— Diluted earnings per share (Rs.)	(25.14)	(29.01)
	Face value per share (Rs.)	10.00	10.00

Considering loss, diluted earnings per share is same as basic earnings per share

^ Share options (unvested) are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

c. Having regard to the status of the matters relating to the allotment and conversion of share warrants, as stated in note 49, 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 49.

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 Rs. 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 option pricing 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%
August 31, 2022	565,000	3 years	46.42	39.39	10.00	50.35% to 48.12%	3.50 to 5.50	Nil	7.04% to 7.22%
November 14, 2022	450,000	3 years	39.08	32.76	10.00	48.14% to 49.89%	3.50 to 7.50	Nil	7.27% to 7.41%

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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.

Effect of employee stock option scheme on the statement of profit and loss:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Share based payment expense	25.34	41.40

Reconciliation of outstanding share options:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of options	Weighted average exercise price (Rs.)	No. of options	Weighted average exercise price (Rs.)
Options outstanding as at the beginning of the year	**702,800**	**10.00**	**1,562,512**	**10.00**
Add: Options granted during the year*	1,015,000	10.00	-	10.00
Less: Options exercised during the year	49,050	10.00	859,712	10.00
Options outstanding as at the year end	**1,668,750**	**10.00**	**702,800**	**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, 2023 is 6 years (March 31, 2022: 6 years).

The weighted average share price at the date of exercise of stock options during the year was Rs. 46.42 (March 31, 2022: Rs. 72.38).

Option excersiable as at March 31, 2023 is 156,250 (March 31, 2022: 20,300)

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 Rs. 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, 2023	As at March 31, 2022
(i) Amounts recognized in balance sheet		
Defined benefit obligation ('DBO')	702.29	703.12
Defined benefit obligation ('DBO')	**702.29**	**703.12**
Bifurcation of DBO at the end of the year - current and non-current		
Current liability	142.56	93.58
Non-current liability	559.73	609.54

(ii) Amount recognized in other comprehensive income	Year ended March 31, 2023	Year ended March 31, 2022
Actuarial loss/(gain)	0.48	(32.56)
Actuarial loss/(gain) recognized in other comprehensive income	**0.48**	**(32.56)**
(iii) Expenses recognized in Statement of profit and loss		
Current service cost	106.05	114.17
Interest cost on DBO	50.89	42.42
Expense recognized during the year	**156.94**	**156.59**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

		As at March 31, 2023	As at March 31, 2022
(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	**703.12**	624.30
	Current service cost	106.05	114.17
	Interest cost	50.89	42.42
	Benefits paid	(156.05)	(45.21)
	Actuarial gain		
	a. Effect of changes in financial assumption	(0.29)	(33.88)
	b. Effect of experience adjustments	(1.74)	(41.22)
	c. Effect of changes in demographic assumptions	0.31	42.54
	Present value of defined benefit obligation at the end of the year	**702.29**	**703.12**
(v)	**For determining the DBO liability the following actuarial assumptions were used:**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
	Discount rate	7.17%-7.41%	4.87%-7.26%
	Salary escalation rate	4.5%-7.00%	4.5%-7.00%
	Pre-retirement mortality	IALM(2012-14)	IALM(2012-14)
	Attrition rate	25% (Upto 30 years) 14.30% (Age 31-44) 2.4% (above age 44)	21.50% (Upto 30 years) 11.20% (Age 31-44) 1.5% (above age 44)
	Number of employees	10,549	12,345
	Retirement age (years)	60.00	58.00
	Average age (years)	35.70	32.23
	Average past service (years)	4.64	4.29
	Average remaining working life (years)	24.30	25.77
	Average monthly basic salary	251.50	301.58
	Weighted average remaining duration of DBO (years)	6.79	7.73
(vi)	**Maturity profile of defined benefit obligation:**	**As at March 31, 2023**	**As at March 31, 2022**
	Within the next 12 months (next annual reporting period)	107.65	93.58
	Between 2 and 5 years	273.78	209.41
	Beyond 5 years	698.46	400.13
(vii)	**Sensitivity analysis for gratuity:**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
	Impact of the change in discount rate on present value of DBO as at the end of the year		
	Discount rate + 50 Basis points	(22.95)	(24.36)
	Discount rate - 50 Basis points	24.68	26.21
	Impact of the change in salary increases on present value of DBO as at the end of the year		
	Salary rate + 50 basis points	22.75	25.30
	Salary rate - 50 basis points	(22.00)	(24.19)

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 Consolidated Financial Statements

for the year ended March 31, 2023

(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, 2023	As at March 31, 2022
Discount rate	7.36%	7.26%
Future salary increase	4.50%	4.50%

c. Defined contribution plan:

During the year, the Group recognized Rs. 415.29 million (March 31, 2022 - Rs. 319.94 million) as provident fund expense under defined contribution plan and Rs. 28.66 million (March 31, 2022 - Rs. 37.30 million) for contributions to employee state insurance scheme in the Statement of profit and loss.

45. Leases

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, 2023, the Group has recognized an expense of Rs. 4,581.96 million (March 31, 2022 Rs. 6,711.98 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 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, 2023.

For maturity profile of lease payment obligation, refer note 55.

A. Amount recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on right of use assets	8,448.98	11,012.74
Interest on lease liabilities (net off rent waiver)	2,290.78	2,789.91
Rent expenses related to short term leases	4,763.35	6,711.98

Refer note 4 for additions to Right-of-use assets and the carrying amount of right of use assets as at March 31, 2023. Further, refer note 54 for maturity analysis of lease liabilities.

B. Total cash outflow of leases

Total cash outflow of leases	6,241.36	7,992.19

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

46 Capital and other commitments

a. As at March 31, 2023, the Group has commitments of Rs. 597,094.13 million (March 31, 2022 - Rs. 550,358.71 million) relating to the acquisition of aircraft.

b. As at March 31, 2023, the Group has commitments of Rs. 3,279.00 million (March 31, 2022 - Rs. 7,872.00 million) relating to the bank guarantees.

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, 2023	As at March 31, 2022
Demand arising out of legal cases filed against the Group in various consumer courts and forums (refer note (i) below)	339.38	210.11
Demand arising out of other legal cases filed against the Group (refer note (ii) below)	126.46	124.75
Demand arising out of goods and services tax (refer note (iii) below)	112.10	112.10
Demand in respect of provident fund dues for international workers as explained in note (iv) below	142.37	142.37
Demand in respect of service tax (including interest and penalty) as explained in note (v) below	170.70	170.70
Show cause notice received in respect of service tax as explained in note (vi) below	4,287.42	3,458.92
Demand arising out of Integrated Goods and Services Tax ('IGST'), on overseas repairs and replacement of various aircraft equipment as explained in note (vii) below	582.44	580.70
Demand in respect of inter-corporate deposit received from Mallanpur Steels Limited (refer note (viii) below)	35.00	35.00
Demand in respect of order from the Competition Commission of India as explained in note (ix) below	51.00	51.00
Demand on account of tax deducted at source related claims (refer note x below)	718.34	718.34
The Group has various demands arising from Income-Tax assessments pertaining to Assessment year 2006-07 to 2021-22 The litigations are currently pending at various forums and such sum contested after adjusting the brought forward losses and depreciation was computed to be Rs. 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 is contesting various consumer related legal cases in various forums. Based on the legal view from an external consultant and internal analysis, contingent liabilities have been created for these cases, except where the livelihood of any outflow of resources is remote.

ii. The Holding Company is contesting various vendor/employee related legal cases in various forums. Based on the legal view from an external consultant and internal analysis, contingent liabilities have been created for these cases, except where the livelihood of any outflow of resources is remote.

iii. The service tax and goods and services tax related demand isrelated to differential amount of IGST on account of incorrect classification of customs chapter tariff head in bills of entry in relation to imports of various goods.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

iv. The Holding Company has received a demand notice from the Regional Provident Fund Commissioner, Gurgaon for Rs. 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 Rs. 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 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 Rs. 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 Rs. 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.

v. The Holding Company has received a demand order for a sum of Rs. 77.28 million, and applicable interest, as well as penalty of Rs. 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 Rs. 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 Rs. 170.70 million, has not been accrued pending final outcome of this matter and has been disclosed as a contingent liability.

vi. 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, the 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 consolidated financial statements.

vii. The Holding Company has received certain orders from customs authorities levying IGST and basic customs duty, on re-import of various aircraft equipment repaired outside India, which in the opinion of the management and based on expert advice obtained, is not subject to such levy. 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 CESTAT, New Delhi.

viii. In another case, M/s Hindustan Development Corporation Limited ("HDCL") (now renamed as Mallanpur Steels Limited) who had lent Rs. 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 Group's liability was fixed at Rs. 35 million. The Holding Company had made a deposit of Rs. 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 standalone financial statements.

ix. 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 on technical grounds and has referred the matter back to the CCI for fresh adjudication. Subsequent thereto, the matter

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

was reconsidered by CCI and a revised order dated March 7, 2018 imposing fine of Rs. 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 consolidated financial statements.

x. The Group has received certain show cause notices from the income tax authorities citing various defaults, including non-deduction of tax deducted at source on certain payments. Based on their assessment of the contentions of the income tax authorities, the 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 Group is low, and accordingly has made no adjustments to the consolidated financial statements.

xi. The aircraft manufacturer of Q400 aircraft initiated a claim against the Holding Company in the foreign court amounting to approximately Rs. 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 Indian court of law for execution of the said summary judgement. During the previous year, the Holding Company has entered into a settlement agreement with the aircraft manufacturer which has resulted in a one-time expense of Rs. 774.58 million on account of this settlement. which has been disclosed as exceptional item.

xii. 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 consolidated financial statements.

c) Certain aircraft/engine lessors have filed application(s) under Section 9 of the Insolvency and Bankruptcy Code, 2016 due to alleged non-payment. The Company has certain disputes in the matter and the amounts claimed are disputed debts and accordingly the Company is defending such matters. Basis the review of applications filed and the legal interpretation of the law supported by views of legal expert, the management is of the view that it is not possible to determine the effects of such applications as on date.

48. 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 Rs. 15,549.03 million till September 31, 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. During the quarter ended December 31, 2021, the Holding Company concluded its settlement agreement with the aircraft manufacturer and 737 max aircraft lessors whereby the Holding Company became entitled for certain cash and non-cash accommodations including waiver of past due lease rentals on these Boeing 737 Max aircraft, resulting in re-induction 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 had 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 quarter ended December 31, 2021 on completion of settlement and hence, the auditors have qualified their audit report for the year ended March 31, 2022 to that extent. The auditors have also qualified their audit report for the year ended March 31, 2023 to the extent of comparative numbers for the year ended March 31, 2022

49. Advance money received against securities proposed to be issued

The Holding Company had, in earlier financial years, received amounts aggregating to Rs. 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 High Court of Delhi ("Court") between the Erstwhile Promoters, the present promoter and the Holding Company, the Holding Company was required to secure an

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

amount of Rs. 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 Rs. 2,500 million with the Registrar. The Holding Company has complied with these requirements in September 2017.

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 Rs. 3,082.19 million to the counterparty, (b) explore the possibility of allotting non-convertible cumulative redeemable preference shares in respect of approximately Rs. 2,708.70 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be Rs. 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 Rs. 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 Rs. 290.00 million as counter-claim. Consequent to the Award, and without prejudice to the rights and remedies it may have in the matter, the Holding Company accounted for Rs. 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 counter-claim receivable of Rs. 290.00 million, above. During the year ended March 31, 2019, the Court had ordered release of Rs. 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 Rs. 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 had challenged before the Court various aspects of the Award, including the above-mentioned interest obligations and rights ("Section 34 Petitions"). The Court vide its order dated September 2, 2020 in the said matter, directed the Holding Company to deposit an amount of Rs. 2,429.37 million of interest component under the Award (including the amount of Rs. 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 ("Supreme Court") against the aforesaid Order and the Supreme Court pursuant to its order dated February 13, 2023 has modified the said order dated September 2, 2020 passed by the Court and directed to release the bank guarantee placed with the Court (aggregating to Rs. 2,707.81 million) to the counterparty towards quantum of principal sum due under the Award and pay an amount of Rs. 750.00 million to the counterparty within period of three months towards liability on account of interest pending disposal of Section 34 Petitions. The said amount of bank guarantee has been released to the counterparties during the year ended 31 March 2023 and accordingly entire principal of Rs. 5,790.9 million has been paid. However, the Holding Company was unable to pay Rs. 750.00 million to the counterparty within the prescribed timeline and filed an application with Supreme Court for extension of time which was dismissed.

The Court vide its judgements dated July 31, 2023 has dismissed Section 34 Petitions filed by the Group, its present promoter and the counterparties. The Holding Company is examining the judgment(s) and is in the process of taking appropriate remedial steps including preferring an appeal before the appellate jurisdiction. While the Holding Company deposited the entire principal of Rs. 5,790.9 million as per the direction of the Court in September 2017 which has also been subsequently paid to the counterparty and there are adjustments to be made for the counter-claim of the Holding Company. The Court vide its orders dated May 29, 2023, July 24, 2023 and August 9, 2023, inter-alia, has directed to deposit entire amount outstanding towards interest and file affidavit of assets as per the directions of the Court.

In view of the foregoing, 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 auditors have qualified their audit report for the year ended March 31, 2023 in this reference.

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 Company. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

50. The Holding Company entered into a Business Transfer Agreement ("BTA") with its subsidiary namely SpiceXpress and Logistics Private Limited ("SXPL") on March 31, 2023 for transfer of its cargo business undertaking as a going concern, on slump sale basis, for a total consideration of Rs. 25,557.70 million. Accordingly, SXPL is now carrying cargo business effective April 1, 2023. As per terms of the BTA, the slump sale consideration is being discharged by SXPL by issuance of securities in the combination of equity shares and compulsorily convertible debentures. This transaction does not have any impact on carrying value of assets and liabilities in consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

51. Segment reporting

Operating segments of the Group 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. 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, 2023

Particulars	Air Transport	Freighter and Logistics Services	Other services	Total Segments	Inter Segment	Total
	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)
External customers	82,728.50	6,244.51	47.53	89,020.54	(284.61)	88,735.93
Other income	9,909.10	-	304.01	10,213.11	(530.15)	9,682.96
Total revenue	**92,637.60**	**6,244.51**	**351.54**	**99,233.65**	**(814.76)**	**98,418.89**
Income /(expenses)						
Revenue from operations	82,728.50	6,244.51	47.53	89,020.54	(284.61)	88,735.93
Other income	9,909.10	-	304.01	10,213.11	(530.15)	9,682.96
Finance income	551.36	-	0.45	551.81	-	551.81
Operating expenses	(68,614.96)	(5,442.62)	(752.47)	(74,810.05)	1,272.14	(73,537.91)
Purchases of stock-in-trade	-	-	(997.28)	(997.28)	-	(997.28)
Changes in inventories of stock-in-trade	-	-	72.73	72.73	-	72.73
Employee benefits expense	(8,081.77)	(356.94)	(365.93)	(8,804.64)	4.57	(8,800.07)
Sales and marketing expenses	(2,278.10)	-	(1.74)	(2,279.84)	-	(2,279.84)
Other expenses	(6,625.41)	(121.23)	(333.89)	(7,080.53)	651.36	(6,429.17)
Foreign exchange (loss)/gain, (net)	(6,789.51)	-	(34.11)	(6,823.62)	-	(6,823.62)
Depreciation and amortisation expense	(10,178.64)	(15.00)	(33.77)	(10,227.41)	-	(10,227.41)
Finance costs	(5,056.51)	-	(21.27)	(5,077.78)	0.18	(5,077.60)
Segment (loss)/profit before exceptional items	**(14,435.94)**	**308.72**	**(2,115.74)**	**(16,242.96)**	**1,113.49**	**(15,129.47)**
Exceptional items						
Segment (loss)/profit after exceptional items	**(14,435.94)**	**308.72**	**(2,115.74)**	**(16,242.96)**	**1,113.49**	**(15,129.47)**
Total assets	**76,677.20**	**647.22**	**381.31**	**77,705.73**	**-**	**77,705.73**
Total liabilities	**133,032.82**	**1,396.48**	**1,782.86**	**136,212.16**	**-**	**136,212.16**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

Year ended March 31, 2022

Particulars	Air Transport	Freighter and Logistics Services	Other services	Total Segments	Inter Segment	Total
	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)
External customers	46,340.40	19,436.10	1,671.76	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**	**1,682.17**	**77,331.00**	**(1,613.85)**	**75,717.15**
Income /(expenses)						
Revenue from operations	46,340.40	19,436.10	1,671.76	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)
Purchases 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)	(89.91)	(7,363.90)	13.97	(7,349.93)
Sales and marketing expenses	(1,146.64)	(73.85)	(3.33)	(1,223.82)	4.36	(1,219.46)
Other expenses	(4,906.79)	(470.92)	(345.28)	(5,722.99)	383.31	(5,339.68)
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)	-	(56.51)	(4,882.31)	52.70	(4,829.61)
Segment (loss)/profit before exceptional items	**(16,331.26)**	**460.98**	**(767.82)**	**(16,638.10)**	**(30.00)**	**(16,668.11)**
Exceptional items	(774.58)					(774.58)
Segment (loss)/profit after exceptional items	**(17,105.84)**	**460.98**	**(767.82)**	**(16,638.10)**	**(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**

Other information:

Revenue from external customers

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	66,111.30	43,411.31
Outside India	22,624.63	22,624.63
Total revenue as per statement of profit or loss	**88,735.93**	**66,035.94**

The revenue information above is based on the locations of the customers.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

Non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
India	49,918.37	63,148.77
Outside India	-	-
Total	**49,918.37**	**63,148.77**

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, 2023 and March 31, 2022:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting loss before income tax	**(15,129.47)**	**(17,442.69)**
Loss before income tax multiplied by standard rate of corporate tax in India 25.168% (March 31, 2022: 25.168%)	(3,807.79)	(4,389.98)
Effects of:		
Set-off of brought forward losses and non-deductible expenses for tax purposes	3,574.54	3,523.98
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 Rs. 2,324.71.49 million as at March 31, 2023 (Rs. 2,454.73 million as at March 31, 2022).

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities	(2,324.71)	(2,454.73)
Deferred tax asset	2,324.71	2,454.73
Net deferred tax asset/ (liabilities)	**-**	**-**

Year ended March 31, 2023	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Closing balance
Property, plant and equipment	(2,454.73)	130.02	-	(2,324.71)
Brought forward losses	2,454.73	(130.02)	-	2,324.71
Total	-	-	-	-

Year ended March 31, 2022	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	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	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(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, 2023	As at March 31, 2022
Unused tax losses*	23,531.95	20,060.48
Unabsorbed tax depreciation#	4,815.05	17,642.66
Net deferred tax asset/ (liabilities)	**28,347.00**	**37,703.14**

#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	7,474.45	9,143.82
4-8 years	16,057.49	10,916.66
Total	**23,531.95**	**20,060.48**

The brought forward losses and unabsorbed depreciation considered above are based in the tax records and returns filed upto Assessment Year 2022-23 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 47.

54. 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
Entities where key managerial personnel are common*	Spice Healthcare Private Limited
	I2N Technologies 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 (from May 28, 2019)
	Mr. Ashish Kumar, Chief Financials Officer (from September 9, 2022)
	Mr. Sanjeev Taneja, Chief Financials Officer (from November 11, 2020, upto August 31, 2022)
	Mr. Chandan Sand, Company Secretary

* With whom there are transactions during the year

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(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:

Affiliates	Year ended March 31, 2023	Year ended March 31, 2022
Spice Healthcare Private Limited		
Transactions during the year		
Rendering of services	13.70	25.43
Sale of products	-	258.57
Support service taken	0.15	-
I2N Technologies Private Limited		
Transactions during the year		
Legal and professional fees	1.72	-
Balances outstanding as at the year end		
Trade receivables	27.67	8.45
Contract liability	67.83	69.69
Key management personnel		
Transactions during the year		
Advance given/(received) (net)	-	-
Balances outstanding as at the year end		
Employee advances#	12.54	12.54

#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. For the year ended March 31, 2023, the Group has not recorded impairment of loans and receivables relating to amounts owed by related parties (March 31, 2022: 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 Group

Short-term employee benefits#	126.58	103.05
Provident fund contribution	2.31	1.66
Total	**128.89**	**104.71**
Sitting fees		
Mr. Anurag Bhargava	0.30	0.40
Ms. Shiwani Singh	0.10	0.50
Mr. Ajay Chhotelal Aggarwal	0.30	0.40
Mr. Manoj Kumar	0.30	0.50
Total	**1.00**	**1.80**
Total compensation paid to key management personnel**	**129.89**	**106.51**

#As the liabilities for gratuity and compensated absences are provided on actuarial basis for the Group as a whole, the amounts pertaining to the key management personnel are not included above.

**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, 2023

(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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
Investments - non-current	0.25	0.17	0.25	0.17
Investments - current	4.56	4.33	4.56	4.33
Other financial assets - non-current	4,977.06	9,783.10	4,977.06	9,783.10
Other financial assets - current	3,467.82	2,705.41	3,467.82	2,705.41
Trade receivables	1,597.78	2,532.79	1,597.78	2,532.79
Other receivables	9,454.82	9,888.85	9,454.82	9,888.85
Cash and cash equivalents	355.18	626.81	355.18	626.81
Total	**19,857.47**	**25,541.46**	**19,857.47**	**25,541.46**
Financial liabilities				
Borrowings - non-current	4,659.89	3,128.81	4,659.89	3,128.81
Borrowings - current	7,197.77	7,664.95	7,197.77	7,664.95
Trade payables - non-current	3,417.41	3,473.29	3,417.41	3,473.29
Trade payables - current	29,267.34	26,129.42	29,267.34	26,129.42
Lease liabilities - non-current	28,440.69	43,325.65	28,440.69	43,325.65
Lease liabilities - current	33,191.95	29,202.83	33,191.95	29,202.83
Other current financial liabilities	1,773.24	943.47	1,773.24	943.47
Total	**107,948.29**	**113,868.42**	**107,948.29**	**113,868.42**

The Management considers that the carrying amounts of financial assets and financial liabilities (except lease liabilities) recognised in the financial statements approximate their fair values. 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. The following methods were used to estimate the fair values:-

- Cash and cash equivalents, trade receivables, trade payables, and other current and non-current financial liabilities and other current and non-current 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.

54. 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 investment in equity shares of Aeronautical Radio of Thailand Limited is not significant. Hence, the Holding Company has considered carrying value as fair value.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(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, 2023		
	Level 1	Level 2	Level 3
Investments in mutual funds	4.56	-	-
Equity Investments*	-	-	0.25

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

There have been no transfers between level 1 and level 2 during the year.

* The difference between current and last year represents liquadation during the year.

55. 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, 2023 and March 31, 2022.

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 500 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended March 31, 2023 would decrease/increase by Rs. 0.23 million (March 31, 2022: decrease/increase by Rs. 0.22 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, 2023 approximately 88.58% of the Group's borrowings are at a variable rate of interest (March 31, 2022 - 78.96.%)

Interest rate sensitivity

If interest rates had been 500 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended March 31, 2023 would increase by Rs. 20.23 million and decrease by Rs. 47.82 million respectively (March 31, 2022: increase by Rs. 30.33 and decrease by Rs. 36.73 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, 2023

(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, 2023 would increase/decrease by Rs. 4,611.32 million (March 31, 2022: increase/decrease by Rs. 5,542.14 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, 2023, the Group had 42 customers (March 31, 2022: 38 customers) that owed the Group more than Rs. 10 million each and accounted for approximately 77% (March 31, 2022: 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 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.

The Company uses a simplified approach (lifetime expected credit loss model) for the purpose of computation of expected credit loss for trade receivables. The Company is recognising expected credit losses on outstanding trade receivables at in the range of 2-6% below 360 days and in the range of 8-100% for more than 360 days.

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 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 and loans are as follows:

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	**127.35**	**125.23**
Add: Impairment loss recognised	27.05	58.27
Less: Bad debts written off/reversed		56.15
Balance at the end of the year	**154.40**	**127.35**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments

Year ended March 31, 2023	Upto 1 year	1 to 5 years	> 5 years	Total
Financial liabilities (Non-current and current)				
Borrowings	7,197.77	4,659.89	-	11,857.66
Trade payables	29,267.34	3,417.41	-	32,684.75
Lease liabilities	31,679.35	28,261.83	11,994.97	71,936.15
Other current financial liabilities	1,773.24	-	-	1,773.24
Total	**69,917.70**	**36,339.13**	**11,994.97**	**118,251.80**

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	26,129.42	3,473.29	-	29,602.71
Lease liabilities	35,392.08	49,366.76	27,574.87	112,333.71
Other current financial liabilities	943.47	-	-	943.47
Total	**70,129.92**	**55,968.86**	**27,574.87**	**153,673.65**

56. 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, 2023	As At March 31, 2022
Long term borrowings	4,659.89	3,128.81
Short term borrowings	7,197.77	7,664.95
Cash and cash equivalents	(337.01)	(112.95)
Bank balances other than above	(18.17)	(513.86)
Net debt	11,502.48	10,166.95
Total equity	(58,506.43)	(43,402.58)
Net debt to total equity ratio	**(0.20)**	**(0.23)**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

57. The Holding Company witnessed a ransomware attack on Information Technology (IT) system(s) on May 25, 2022. 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 Holding Company was able to retrieve the IT system(s) after the said ransomware attack. The Holding Company has also revalidated the books of accounts in order to detect any possible error as a result of said ransomware attack.

58. Additional information required by Schedule III of the Companies Act, 2013

As at March 31, 2023	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	
Holding Company								
SpiceJet Limited	100%	(58,078.88)	94%	(14,020.64)	109%	(1.10)	93%	(14,021.74)
Subsidiaries								
SpiceJet Merchandise Private Limited	0%	9.76	0%	22.29	0%	0.01	0%	22.30
SpiceJet Technic Private Limited	0%	(715.65)	5%	(1,041.44)	-4%	0.35	7%	(1,041.09)
Canvin Real Estate Private Limited	-1%	283.73	0%	121.66	0%	-	-1%	121.66
SpiceJet Interactive Private Limited	0%	(0.03)	0%	(0.10)	0%	-	0%	(0.10)
Spice Club Private Limited	0%	(0.02)	0%	(0.10)	0%	-	0%	(0.10)
Spice Shuttle Private Limited	0%	27.31	0%	(1.71)	0%	-	0%	(1.71)
SpiceXpress and Logistics Private Limited	0%	(52.84)	0%	(2.18)	0%	-	0%	(2.18)
SpiceTech System Private Limited	0%	20.14	1%	(207.15)	-6%	0.26	1%	(206.89)
Spice Ground Handling Services Private Limited	0%	0.05	0%	(0.10)	0%	-	0%	(0.10)
Total	**100%**	**(58,506.43)**	**100%**	**(15,129.47)**	**100%**	**(0.48)**	**100%**	**(15,129.95)**

As at March 31, 2022	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	
Holding Company								
SpiceJet Limited	100%	(43,568.51)	94%	(16,420.24)	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%**	**(17,442.69)**	**100%**	**32.56**	**100%**	**(17,410.13)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

59. Group information

Information about subsidiaries

The financial 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, 2023	March 31, 2022
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 development	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	98.00
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, 2023 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 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 has complied with numbers of layers prescribed under Rule (87) of section 2 of the Act read with Companies (Restrcition on number of layers) Rules, 2017.

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

F. The Group has transactions and outstanding balances during the current year with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Name of struck off company	Nature of transactions with struck off company	Balance outstanding	Relationship with the struck off company, if any
Greenfield Airways Private Limited	Receivables	0.98	Not applicable
Knorr - Bremse Systems For Commercial Vehicles India Private Limited	Receivables	0.02	Not applicable
WSRM Hospitality Private Limited	Payables	0.00	Not applicable
Pan Cyber Infotech Private Limited	Payables	(0.98)	Not applicable
Vir Cargo Express Private Limited	Payables	(0.02)	Not applicable
Aaditya India Finance Services Private Limited	Receivables	0.56	Not applicable

G. The Group does not have any Benami Property, where any proceeding has been initiated or pending against the Group.

H. The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

I. The Group has not traded or invested in crypto currency or virtual currency during the current year.

J. In respect of the Company's term and other loans, the Company is not required to submit stock statement.

62. During the year, cetain subsidiaries Goods and Services Tax ('GST') registration has been cancelled /suspended. Such subsidiary companies are in process to get the registration reinstated with the Department by paying off the outstanding dues (inclusive of interest and fees for delay) and regularising the filling of return. Further, the Group has also obtained legal advice, basis which, the registration will be reinstated once the outstanding dues are paid and pending returns are filed.

63. Previous year figures have been regrouped/reclassified to conform to the current year's classification. The impact of such reclassification/regrouping is not material to the financial statements.

64. Adoption of accounts

The consolidated financial statements were approved for issue by the board of directors on August 14, 2023.

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 14, 2023

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: August 14, 2023

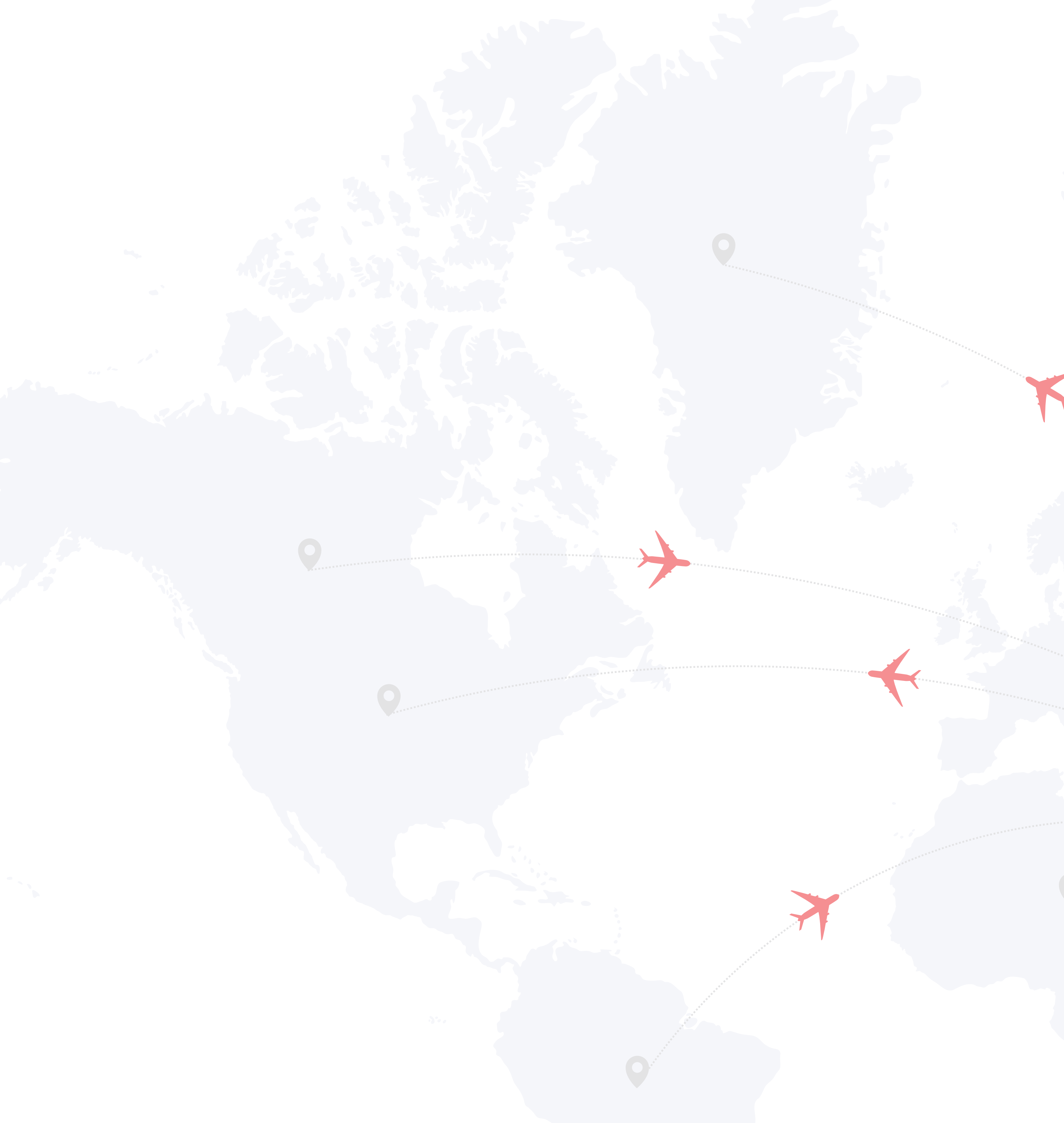
Chandan Sand
Company Secretary
Place: Gurugram
Date: August 14, 2023

Ashish Kumar
Chief Financial Officer
Place: Gurugram
Date: August 14, 2023

NOTE

NOTE

NOTE



SPICEJET LIMITED

319, Udyog Vihar, Phase IV Gurgaon - 122 016, Haryana