Preliminary Placement Document
Subject to Completion and not for circulation
Private and confidential
Serial Number________

This Preliminary Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made through this Preliminary Placement Document to the public or any other categories of investors other than the Eligible QIBs. This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to buy securities in any jurisdiction where such offer or sale or subscription is not permitted. The information in this Preliminary Placement Document is not complete and may be changed.

SpiceJet

SPICEJET LIMITED

Our Company was initially incorporated as "Genius Leasing Finance and Investment Company Limited", under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the Registrar of Companies Delhi & Haryana at New Delhi ("**RoC**") on February 9, 1984. Subsequently, the name of our Company was changed to "*M.G. Express Limited*" and a fresh certificate of incorporation consequent on change of name was issued by the RoC on February 17, 1993. Later, the name of our Company was changed to "*Modiluft Limited*" and a fresh certificate of incorporation consequent on change of name was issued by the RoC on April 12, 1994. Further, the name of our Company was changed to "Royal Airways Limited" and a fresh certificate of incorporation consequent on change of name was issued by the RoC on January 9, 2002. Further, our Company's name was changed to its present name, "SpiceJet Limited" and a certificate of change of name under Companies Act, 1956 was issued by the RoC on April 29, 2005. For further details, please see "*General Information*" on page 300.

Corporate Identity Number: L51909DL1984PLC288239
Registered Office: Indira Gandhi International Airport Terminal 1D, New Delhi- 110037, India.
Corporate Office: 319, Udyog Vihar Phase-IV, Gurgaon -122016, Haryana, India
Telephone: +91 124 3913939; **Email**: investors@spicejet.com; **Website:** www.spicejet.com
Contact Person: Chandan Sand**,** Company Secretary and Compliance Officer

Issue of up to [●] equity shares of face value of ₹10 each of our Company (the "**Equity Shares**") at a price of ₹[●] per Equity Share, including a premium of ₹[●] per Equity Share (the "**Issue Price**"), aggregating to ₹[●] million (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 32.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT, 2013"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED.

The Equity Shares of our Company are listed on the BSE Limited (the "**BSE**" or the "**Stock Exchange**"). The closing price of the Equity Shares on the BSE as on September 13, 2024 was ₹ 71.66 per Equity Share. Our Company has received in-principle approval pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to this Issue, from BSE dated September 16, 2024. Our Company shall make applications to the Stock Exchange for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchange assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchange should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND OTHER RULES MADE THEREUNDER. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS. YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 45 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchange and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchange. Our Company shall also make the requisite filings with the RoC, within the stipulated period as required under the Companies Act, 2013 and PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchange or any other listing or regulatory authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" on page 245. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The information on the websites of our Company, Subsidiaries, or any other website directly or indirectly linked to the websites of our Company, Subsidiaries, or the website of the Book Running Lead Managers (as defined hereinafter) or their respective affiliates, do not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 261 and 268, respectively.

This Preliminary Placement Document is dated September 16, 2024.

BOOK RUNNING LEAD MANAGERS	
DAM CAPITAL	JM FINANCIAL
DAM CAPITAL ADVISORS LIMITED	**JM FINANCIAL LIMITED**

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company and its Subsidiaries and the Equity Shares which our Company considers material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, its Subsidiaries and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, its Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company, its Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company nor the Book Running Lead Managers *(as defined hereinafter)* have any obligation to update such information to a later date.

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein. DAM Capital Advisors Limited and JM Financial Limited (the "**Book Running Lead Managers**") have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Managers nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with the Issue or the distribution of this Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has neither relied on the Book Running Lead Managers nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling prospective Eligible QIBs to consider subscribing for the particular securities described herein. Distribution of this Preliminary Placement Document to any person other than the Eligible QIBs, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by, or on behalf of the Book Running Lead Managers. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI, the United States Securities and Exchange Commission ("**SEC**"), any other federal or state authorities in the United States or the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

Subscribers and purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgements and agreements set forth in "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 4, 261 and 268 respectively of this Preliminary Placement Document.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares in certain jurisdictions may be restricted by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company or the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction other than India where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any Issue materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction that would require registration of the Equity Shares in such country or jurisdiction. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under the sections titled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 261 and 268, respectively.

In making an investment decision, the prospective investors must rely on their own examination of our Company, its Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, legal, tax, accounting, investment and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each Bidder in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under Indian laws, including Chapter VI of the SEBI ICDR Regulations and Section 42 (read with Rule 14 of the PAS Rules) and other applicable provisions of the Companies Act, 2013, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents and disclosures included in the section titled "*Risk Factors*" on page 45.

Our Company and the Book Running Lead Managers are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations (as defined hereafter) and the QIBs shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations (as defined hereafter) and other applicable laws, rules, regulations, guidelines and circulars.

The information on our Company's website at www.spicejet.com, the websites of any of its Subsidiaries or any website directly or indirectly linked to our Company's website or the website of the Book Running Lead Managers, their respective associates or affiliates, does not constitute or form part of this Preliminary Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see the sections titled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 261 and 268, respectively.

Any information about our Company available on any website of the Stock Exchange, our Company or the Book Running Lead Managers, other than this Preliminary Placement Document, shall not constitute a part of this Preliminary Placement Document and no investment decision should be made on the basis of such information.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to contents set forth in "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 261 and 268, respectively and have represented, warranted and acknowledged to and agreed to our Company and the Book Running Lead Managers, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company which is not set forth in this Preliminary Placement Document;

2. You are a "Qualified Institutional Buyer" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013, to the extent applicable, and all other applicable laws; and (ii) comply with all requirements under applicable law, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue;

3. You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

4. If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Preliminary Placement Document, you have a valid and existing registration with SEBI under the applicable laws in India and can participate in the Issue only under Schedule II of FEMA Rules, or (ii) a multilateral or bilateral development financial institution. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI, RBI or any other regulatory authority, from buying, selling or dealing in securities including to the Equity Shares or otherwise accessing the capital markets. You confirm that you are not a FVCI;

5. You are eligible to invest in and hold the Equity Shares of our Company in accordance with the FDI Policy and FEMA Rules, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules. You confirm that neither is your investment as an entity from a country which shares a land border with India nor is the beneficial owner of your investment situated in or is a citizen of such country (in each which case, investment can only be through the Government approval route);

6. You will provide the information as required under the Companies Act, 2013 and the PAS Rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

7. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired, for a period of one year from the date of Allotment (hereinafter defined), except on the Stock Exchange. For further details, see the sections titled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 261 and 268, respectively;

8. You are aware that this Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors other than Eligible QIBs. You acknowledge that this Preliminary Placement Document has not been reviewed, verified or affirmed by SEBI, the RoC, the Stock Exchange or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document is filed and the Placement Document shall be filed with the Stock Exchange for record purposes only and be displayed on the websites of our Company and the Stock Exchange;

9. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorities, as may be required and complied with and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

10. Neither our Company, nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

11. All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. Neither our Company, nor the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

12. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Managers;

13. You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 261 and you have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out under the sections titled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 261 and 268, respectively and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

14. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Transfer Restrictions and Purchaser Representations*" on page 268 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Transfer Restrictions and Purchaser Representations*" on page 268;

15. You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including the section titled "*Risk Factors*" on page 45;

16. You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;

17. If you are outside the United States, you are purchasing the Equity Shares in an "offshore transaction" as defined in, and in compliance with Regulation S, and in compliance with, laws of all jurisdictions applicable to you;

18. You are not acquiring or subscribing for the Equity Shares as a result of any or "directed selling efforts" (as defined in Regulation S). You understand and agree that the Equity Shares are transferable only in

accordance with the restrictions described in "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 261 and 268, respectively;

19. In making your investment decision, you have (i) relied on your own examination of our Company and its Subsidiaries and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, its Subsidiaries and the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

20. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from sale of the Equity Shares). You waive, and agree not to assert any claim against, either of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

21. You are a sophisticated investor and have such knowledge and experience in financial business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any managed accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances or any accounts for which you are subscribing, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

22. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

23. You are not a 'promoter' of our Company (as defined under the SEBI ICDR Regulations or the Companies Act, 2013), and are not a person related to the Promoters (as defined hereinafter), either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoters or members of the Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

24. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

25. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the levels permissible as per any applicable law;

26. Your aggregate holding, together with other Eligible QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size (as defined hereinafter). For the purposes of this representation:

    (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

    (b) 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations.

27. You are aware that (i) applications for in-principle approval, in terms of Regulation 28 of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchange, were made and approval has been received from the Stock Exchange, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchange, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

28. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange;

29. You are aware that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

30. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

31. You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

32. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted 5% or more of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchange will make the same available on their website and you consent to such disclosures being made by our Company;

33. You are aware and understand that the Book Running Lead Managers have entered into a Placement Agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

34. The contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Managers nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf

of, the Book Running Lead Managers or our Company or any other person and neither the Book Running Lead Managers nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, and the Book Running Lead Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

35. Neither the Book Running Lead Managers nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

36. You acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

37. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, 2013;

38. Either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue ("**Company Presentations**"); or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Managers have advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

39. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and its respective affiliates and its respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

40. You acknowledge that our Company, the Book Running Lead Managers, their respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and such representations, warranties, acknowledgements and undertakings are irrevocable;

41. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

42. The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations; and

43. You have no right to withdraw your Application Form or revise your Bid downwards after the Issue Closing Date (as defined hereinafter).

44. You represent that you are not an affiliate of our Company or the Lead Manager or a person acting on behalf of such affiliate.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 21 of the SEBI FPI Regulations and the SEBI circular dated November 5, 2019 on operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), FPIs, including the affiliates of the Book Running Lead Managers, who are registered as Category I FPIs may issue, subscribe to or otherwise and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations, i.e., as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPIs may receive compensation from the purchasers of such P-Notes. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only or to persons eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

For further details relating to investment limits of FPIs, please see the section titled "*Issue Procedure*" beginning on page 245. P-Notes may be issued only in favour of those entities which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Pursuant to its circular dated June 10, 2016, SEBI has introduced additional requirements applicable to P-Notes, including (i) KYC norms for issuers of P-Notes which require identification and verification of beneficial owners of entities subscribing to the P-Note holding more than a prescribed threshold; (ii) the requirement for issuers to file suspicious transaction reports with the Indian Financial Intelligence Unit; and (iii) the requirement for the issuer to report details of intermediate transfers in the monthly reports on P-Notes submitted to SEBI. An Eligible FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by appropriate foreign regulatory authorities.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis. SEBI has issued the FPI Operational Guidelines to facilitate implementation of the SEBI FPI Regulations. In terms of the FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA rules. These investment restrictions shall also apply to subscribers of P-Notes and offshore derivative instruments.

Affiliates of the Book Running Lead Managers which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by and are the sole obligations of third parties that are unrelated to our Company. Our Company, and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and does not constitute any obligations of or claims on the Book Running Lead Managers.

Bidders interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Bidders are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Please also see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 261 and 268, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of this Preliminary Placement Document has been submitted to the Stock Exchange. The Stock Exchange do not in any manner:

(a) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document; or

(b) warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchange; or

(c) take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company;

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchange. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchange whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/ acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER FINANCIAL INFORMATION

Certain conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "subscriber", "recipient", "investors", "prospective investors", "bidders" and "potential investor" are to the Eligible QIBs and references to the "Issuer", "SpiceJet", "the Company", "our Company" refers to SpiceJet Limited and references to "we", "us", or "our" are to our Company together with its Subsidiaries on a consolidated basis.

Currency and units of presentation

Unless otherwise specified or the context otherwise requires, all references in this Preliminary Placement Document to (i) the 'US' or 'U.S.' or the 'United States' or the 'U.S.A' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; (iii) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable; and (iv) 'Singapore' are to the Republic of Singapore

In this Preliminary Placement Document, references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India; references to 'USD', 'U.S. Dollars' and 'US$' are to the legal currency of the United States.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. In this Preliminary Placement Document, references to "lakh" represents "100,000", "million" represents "1,000,000", "crore" represents "10,000,000", and "billion" represents "1,000,000,000".

Page numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

Financial and other information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms "Fiscal", "Financial Year", "Fiscals" or "Fiscal Year", refer to the 12-month period ending March 31 of that particular year (as the case may be).

As required under the applicable regulations, and for the convenience of prospective investors, we have included in this Preliminary Placement Document, the following financial statements:

(a) the audited consolidated financial statements of our Company and its subsidiaries comprising of the consolidated balance sheet as at March 31, 2024, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2024 and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("**Fiscal 2024 Audited Consolidated Financial Statements**");

(b) the audited consolidated financial statements of our Company and its subsidiaries comprising of the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2023 and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("**Fiscal 2023 Audited Consolidated Financial Statements**");

(c) the audited consolidated financial statements of our Company and its subsidiaries comprising of the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2022 and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("**Fiscal 2022 Audited Consolidated Financial Statements**");

(Fiscal 2024 Audited Consolidated Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements are collectively referred to in this Preliminary Placement Document as the "**Audited Consolidated Financial Statements**"). The Audited Consolidated Financial Statements should be read along with the respective audit reports.

(d) unaudited consolidated financial results of our Company and its Subsidiaries, as at and for the three months period ended June 30, 2024 prepared in accordance with the principles laid down in Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act read with the relevant rules framed thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the SEBI Listing Regulations ("**June 2024 Unaudited Consolidated Financial Results**").

(e) unaudited consolidated financial results of our Company and its Subsidiaries, as at and for the three months period ended June 30, 2023 prepared in accordance with the principles laid down in Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act read with the relevant rules framed thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the SEBI Listing Regulations ("**June 2023 Unaudited Consolidated Financial Results"**). The June 2024 Unaudited Consolidated Financial Results and June 2023 Unaudited Consolidated Financial Results are collectively referred to in this Preliminary Placement Document as the "**Unaudited Consolidated Financial Results**".

The Unaudited Consolidated Financial Results have been incorporated in the Preliminary Placement Document. Unless stated otherwise and unless the context requires otherwise, all consolidated financial data in this Preliminary Placement Document is derived from the Audited Consolidated Financial Statements. Except as specifically indicated otherwise and unless the context requires otherwise, all the consolidated financial information for the three months period ended June 30, 2024 and the three months period ended June 30, 2023 included in this Preliminary Placement Document has been derived from the June 2024 Unaudited Consolidated Financial Results and June 2023 Unaudited Consolidated Financial Results. Further, the Unaudited Consolidated Financial Results are not necessarily indicative of results that may be expected for the full financial year or any future reporting period and are not comparable with the annual financials.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

Our Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results are prepared in million and have been presented in this Preliminary Placement Document in million and have been rounded off or expressed in two decimals. Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Non-GAAP financial measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as EBITDA and EBITDA Margin have been included in this Preliminary Placement Document. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

These non-GAAP financial measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities and are not required by or presented in accordance with Indian GAAP or Ind AS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Preliminary Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Information*" on page 299.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. The statistical information included in this Preliminary Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and government publications and websites more particularly described in the section titled "*Industry Overview*" on page 171.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "Indian Aviation Market Overview" dated September 13, 2024 ("**CAPA Report**"), which is a report commissioned and paid for by our Company and prepared by Centre for Asia Pacific Aviation India Private Limited, pursuant to an engagement letter dated July 20, 2024, in connection with the Issue.

The CAPA Report contains the following disclaimer:

"The information and analyses contained in this report have been prepared by Centre for Asia Pacific Aviation India (CAPA India). The contents of the document are confidential and intended for the sole use of the intended recipient/s, and use of any data, information or section of the document without the prior written consent of CAPA India is strictly prohibited.

While every effort has been made to ensure that the report adheres to the highest quality and accuracy standards, CAPA India assumes no responsibility for errors and omissions related to the data, calculations or analysis contained herein, and in no event will CAPA India, its associates, subsidiaries, directors or employees be liable for direct, special, incidental or consequential damages (including but not limited to damages for the loss of business profits, business interruption and loss of business information) arising directly or indirectly from the use of (or failure to use) this document.

This document contains forward-looking statements. Such statements may include the words 'may', 'will', 'plans', 'estimates', 'anticipates', 'believes', 'expects', 'intends' and similar expressions. These statements are made on the basis of existing information and simple assumptions. Such forward-looking statements are subject to numerous caveats, risks and uncertainties, which could cause actual outcomes to be materially different from those projected or assumed in the statements."

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investors should not place undue reliance on or base their investment decision on this information. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Book Running Lead Managers can assure Bidders as to their accuracy.

The extent to which the market and industry data, used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "*Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by CAPA Advisory exclusively commissioned and paid for by us for such purpose.*" on page 76.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "expected to", "intend", "is/are likely", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "will continue", "will pursue", "will achieve" "would", "will likely result", or any other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, among other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. The forward-looking statements also include statements as to our Company's planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts.

These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

1. *Owing to our financial stress, we have been in alleged default under several of our aircraft lease agreements leading to grounding of substantial part of our aircraft fleet. Such alleged defaults have also led to our aircraft lessors and other vendors to initiate legal or enforcement proceedings against us including proceedings under the Insolvency and Bankruptcy Code, 2016, enforce bank guarantees, appropriate security deposits or repossess our aircraft, which has and may in the future adversely affect our business, financial condition and results of operations.*
2. *Several of our aircraft have been grounded owing primarily to alleged default in payment of dues to the aircraft lessors and lack of maintenance. In absence of all our aircrafts, our operations are adversely impacted.*
3. *Our Company has incurred losses in last three Fiscals and our net worth is negative. We cannot assure you that such losses will not be incurred in the future.*
4. *Our financing documents require us to obtain consents from our lenders for, among other things, issuing further share capital, dilution of Promoter shareholding and undertaking the Issue, two of which have not been obtained.*
5. *There have been delays and deferrals in depositing/ payment of the statutory dues by our Company. Any delay/default in deposit of such statutory dues may lead to penalties and /or interest for delayed period and other adverse action by the concerned authorities.*
6. *Names of Ajay Singh, Chairperson and Managing Director and Shiwani Singh, Non-Executive non-Independent Director, appeared in the list of defaulters (₹ 1.00 crore and above).*
7. *Our Promoter, Chairperson and Managing Director- Ajay Singh had pledged certain equity shares in the favour of Indian Bank (erstwhile Allahabad Bank) as an additional security under various financing documents entered into by the Company, which have already been invoked by Indian Bank. There is no assurance that similar invocations would not occur in the future resulting in dilution of the Promoters' shareholding.*
8. *Our statutory auditors have issued qualified opinion in respect of our audited financials. Any adverse remarks in respect of our financials may impact our business.*
9. *Our Company could not comply with certain requirements in respect of Companies Act, 2013, compliances related to corporate governance requirements and certain other regulatory requirements. If such non-compliances continue in future, we may be exposed to penalties and regulatory actions by regulatory authorities including prosecution.*

10. *Our business, results of operations and financial condition could be affected by adverse results of legal proceedings.*

Our Company could not comply with certain requirements in respect of Companies Act, 2013, compliances related to corporate governance requirements and certain other regulatory requirements. If such non-compliances continue in future, we may be exposed to penalties and regulatory actions by regulatory authorities including prosecution.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 45, 171, 215 and 110 respectively.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as on the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we, nor the Book Running Lead Managers or any of their respective affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. All our Directors, Key Managerial Personnel and Senior Management named in this Preliminary Placement Document are residents of India and a significant portion of the assets of our Company and such persons are located in India. As a result, it may be difficult or may not be possible for prospective investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India predicated upon civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, United Arab Emirates and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India or would contravene or violate the Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchange. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for or as of the end of the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$) for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on the websites of RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

US$

Particulars	Period End(1)	Average(2)	High(3)	Low(4)
Financial Year ended:				
March 2024	83.37	82.79	83.40	81.65
March 2023	82.22	80.39	83.20	75.39
March 2022	75.81	74.51	76.92	72.48
Months ended:				
August 2024	83.87	83.90	83.97	83.73
July 2024	83.74	83.59	83.74	83.40
June 2024	83.45	83.47	83.59	83.07
May 2024	83.30	83.39	83.52	83.23
April 2024	83.52	83.41	83.52	83.23
March 2024	83.37	83.00	83.37	82.68

(Source: www.rbi.org.in and www.fbil.org.in, as applicable)

(1) *The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.*

(2) *Average of the official rate for each Working Day of the relevant period.*

(3) *Maximum of the official rate for each Working Day of the relevant period.*

(4) *Minimum of the official rate for each Working Day of the relevant period.*

Notes:

If the exchange rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. The exchange rates are rounded off to two decimal places.

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations framed thereunder. Notwithstanding the foregoing, terms used in the sections titled "Taxation", "Industry Overview", "Capital Structure", "Financial Information" and "Legal Proceedings" on pages 279, 171, 99, 299 and 284, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
"Our Company", "the Company", "the Issuer", "SpiceJet"	SpiceJet Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Indira Gandhi International Airport Terminal 1D, New Delhi- 110037, India
"We", "Our", or "Us"	Unless the context otherwise indicates or implies, refers to our Company along with its Subsidiaries, on a consolidated basis

Company Related Terms

Term	Description
Articles or Articles of Association	The Articles of Association of our Company, as amended from time to time
Audit Committee	The Audit Committee of our Board, as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 234
Audited Consolidated Financial Statements	Collectively, the Fiscal 2024 Audited Consolidated Financial Statements, the Fiscal 2023 Audited Consolidated Financial Statements and the Fiscal 2022 Audited Consolidated Financial Statements which have been prepared in accordance with the Ind AS, as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013 to the extent applicable, each comprising of the consolidated balance sheet, consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated cash flow statement for the years then ended, and notes to the respective consolidated financial statements
Auditors or Statutory Auditors	The current statutory auditors of our Company namely, Walker Chandiok & Co LLP, Chartered Accountants
Board of Directors or Board	The board of directors of our Company, including any duly constituted committee thereof, as disclosed in "*Board of Directors and Senior Management*" on page 229
Chairperson and Managing Director	The chairman and managing director of our Company being Ajay Singh
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company being Chandan Sand
Corporate Office	The corporate office of our Company, situated at 319, Udyog Vihar Phase-IV, Gurgaon -122016, Haryana, India
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee of our Board, as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 234
Director(s)	The directors on the Board of our Company, as may be appointed from time to time
Equity Shares	The equity shares of face value of ₹10 each of our Company
Fiscal 2022 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company and its subsidiaries comprising of the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year

Term	Description
	ended March 31, 2022 and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information
Fiscal 2023 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company and its subsidiaries comprising of the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2023 and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information
Fiscal 2024 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company and its subsidiaries comprising of the consolidated balance sheet as at March 31, 2024, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2024 and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information along with the report dated July 15, 2024 issued thereon by Walker Chandiok & Co LLP, Chartered Accountants
Independent Director(s)	Independent directors of our Company, unless otherwise specified
Key Managerial Personnel/ KMP	The key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in "*Board of Directors and Senior Management – Key Managerial Personnel*" on page 235
Material Subsidiary	SpiceXpress and Logistics Private Limited
Memorandum or Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of the Board of our Company as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 234
Non-Executive Director(s)	Non-executive directors of our Company, unless otherwise specified
Promoter Group	The individuals and entities forming part of the promoter group of our Company in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoters	Promoters of our Company as per the definition provided in Regulation 2(1)(oo) of the SEBI ICDR Regulations and as reported to the Stock Exchange being Ajay Singh, Kalpana Singh and Ajay Singh HUF
Registered Office	The registered office of our Company, situated at Indira Gandhi International Airport Terminal 1D, New Delhi- 110037, India
Registrar of Companies / RoC	Registrar of Companies, Delhi and Haryana at New Delhi
Risk Management Committee	The risk management committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 234
Senior Management	The members of the senior management of our Company in accordance with Regulation 2 (1) (bbbb) of the SEBI ICDR Regulations as disclosed in the section titled "*Board of Directors and Senior Management – Members of Senior Management*" on page 235
SpiceJet ESOS - 2007	SpiceJet Employee Stock Option Scheme - 2007
SpiceJet ESOS - 2017	SpiceJet Employee Stock Option Scheme - 2017
SpiceJet ESOS	Together with SpiceJet ESOS – 2007 and SpiceJet ESOS - 2017
Shareholders	Shareholders' of our Company from time to time
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board as disclosed in the section titled "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 234
Subsidiaries	The subsidiaries of our Company in accordance with the Companies Act, 2013 as on the date of this Preliminary Placement Document, as described in the section titled "*Organisational structure of our Company*" on page 238. The term "Subsidiary/Subsidiaries" shall be construed accordingly
Unaudited Consolidated Financial Results	Unaudited consolidated financial results of our Company, and its Subsidiaries for the three months period ended June 30, 2024 and for the three months period ended June 30, 2023 prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act read with the relevant rules framed thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the SEBI Listing Regulations.
June 2024 Unaudited Consolidated Financial Results	Unaudited consolidated financial results of our Company and its Subsidiaries, as at and for the three months period ended June 30, 2024 prepared in accordance with the principles laid down in Indian Accounting Standards 34 'Interim Financial Reporting'

Term	Description
	prescribed under Section 133 of the Companies Act read with the relevant rules framed thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the SEBI Listing Regulations.
June 2023 Unaudited Consolidated Financial Results	Unaudited consolidated financial results of our Company and its Subsidiaries, as at and for the three months period ended June 30, 2023 prepared in accordance with the principles laid down in Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act read with the relevant rules framed thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the SEBI Listing Regulations.

Issue related terms

Term	Description
Allocated or Allocation	The allocation of Equity Shares, by our Company in consultation with the Book Running Lead Managers, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Form submitted by them and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Amount	The aggregate amount paid by a Bidder at the time of submitting a Bid in the Issue
Application Form	Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue at the time of submission of the Application Form
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder(s)	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Book Running Lead Managers	DAM Capital Advisors Limited and JM Financial Limited
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●]
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchange pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchange or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the applicable laws. Further, FVCIs are not permitted to participate in the Issue and accordingly, are not Eligible QIBs. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 245, 261 and 268, respectively.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "*SpiceJet Limited – QIP Escrow Account*" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited by the Bidders
Escrow Agreement	Agreement dated September 16, 2024, entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	YES Bank Limited
Floor Price	Floor price of ₹ 64.79 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount on the Floor Price in accordance with the approval of our Board dated July 23. 2024 and the Shareholders

Term	Description
	by way of special resolution pursuant to postal ballot dated September 13, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company
Issue	The issue and Allotment of [•] Equity Shares each at a price of ₹ [•] per Equity Share, including a premium of ₹ [•] per Equity Share, aggregating up to ₹ [•] million to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], the date after which our Company (or Book Running Lead Managers on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Issue Opening Date	September 16, 2024, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ 10 including a premium of ₹ [●] per Equity Share. Issue Price being at a discount of [●] % on the Floor Price.
Issue Size	Aggregate size of the Issue, ₹ [●]
Monitoring Agency	CARE Ratings Limited, being a credit rating agency registered with SEBI, appointed by our Company in accordance with the provisions of the SEBI ICDR Regulations
Monitoring Agency Agreement	Monitoring agency agreement dated September 16, 2024, entered into between our Company and the Monitoring Agency
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	The agreement dated September 16, 2024, between our Company and the Book Running Lead Managers
Placement Document	The placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
Preliminary Placement Document	This Preliminary Placement Document along with the Application Form dated September 16, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part, of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The intimation from our Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Regulation S	Regulation S under the U.S. Securities Act
Relevant Date	September 16, 2024, which is the date of the meeting in which our Fund Raising Committee decided to open the Issue
Stock Exchange	BSE Limited
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount with the Application Form and who are Allocated Equity Shares pursuant to the Issue
U.S. Securities Act	United States Securities Act of 1933, as amended
U.S. / U.S.A/ United States	United States of America, its territories and possessions, any State of the United States and the District of Columbia
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorized or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compound annual growth rate
Calendar Year	Year ending on December 31
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 2013 and applicable provisions of the Companies Act, 1956
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
Control	As defined under Regulation 2(i)I of the Takeover Regulations
CrPC	The Code of Criminal Procedure, 1973
Depositories	CDSL and NSDL
Depositories Act	The Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DP ID Number	Depository participant identification number
DPIIT	Department for Promotion of Industry and Internal Trade
EBIT	Net profit for the year/ period plus provision for tax plus finance costs plus , where applicable, exceptional items
EBITDA	Profit for the year/ period plus total tax expense plus depreciation and amortisation expense plus finance costs less finance income
EGM	Extraordinary general meeting
FBIL	Financial Benchmarks India Limited
FCTR	Foreign Currency Translation Reserve
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year or Fiscal	The period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor, as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, registered with SEBI
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
General Meeting	AGM or EGM
GoI or Government	Government of India
GST	Goods and Services Tax
HNI	High net-worth individual
HUF	Hindu Undivided Family
I.T. Act	The Income-tax Act, 1961
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards

Term	Description
Ind AS	Indian accounting standards, as per the roadmap issued by the Ministry of Corporate Affairs, Government of India, notified by the MCA under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Indian Generally Accepted Accounting Principles (GAAP) as notified under Section 133 of the Companies Act read with Companies (Accounts) Rules, 2014
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, GoI
MoF	Ministry of Finance, GoI
MoU	Memorandum of Understanding
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NEFT	National Electronic Fund Transfer
Non-Resident Indian or NRI	An individual resident outside India who is citizen of India
Non-Resident or NR	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
P.A. or p.a.	Per annum
PAN	Permanent Account Number allotted under the I.T. Act
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
RBI	Reserve Bank of India
RoC or Registrar	Registrar of Companies, Delhi and Haryana, at New Delhi
SCR (SECC) Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2018
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India established under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Mutual Fund Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB Regulations	The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCF	Venture capital fund as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be.
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

Business, technical and industry related terms

Term	Description
AAI	Airports Authority of India
ASM	Additional Surveillance Measure
BCAS	Bureau of Civil Aviation Security
Boeing 737	B 737
CAGR	Compounded Annual Growth Rate
CAPA	Center for Asia Pacific Aviation India Private Limited
CASK	Cost per available seat kilometers
DGCA	Directorate General of Civil Aviation
ECB	External Commercial Borrowing
EDC	Export Development Canada
ECLGS	Emergency Credit Line Guarantee Scheme
FSC	Full-Service Carriers

Term	Description
GSM	Graded Surveillance Measure
GOI	Government of India
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
LCC	Low-Cost Carrier
MRO	Maintenance, Repair and Overhauls
Ministry of Civil Aviation	MOCA
RASK	Revenue per available seat kilometers
RPK	Revenue passenger kilometer
RCS	Regional Connectivity Scheme
SLB	Sale-and-Leaseback
STPL	Spicejet Technic Private Limited
SSPL	SpiceTech System Private Limited
Slot Efficiency	Market share divided by slot share
ULCC	Ultra Low-Cost Carrier

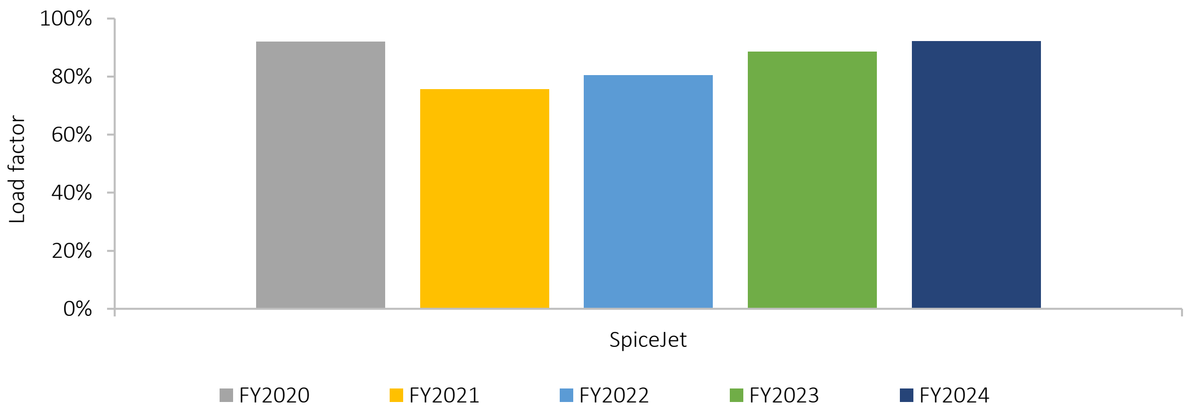
SUMMARY OF BUSINESS

We are a scheduled commercial airline engaged in providing domestic and international airline services. We are a low cost carrier (**LCC**) with a focus on maintaining low unit costs and delivering value to our customers. Our differentiated offerings comprising of SpiceMax, a premium service equivalent to premium economy; SpiceCafe, our inflight catering offering hot meals; SpiceScreen, mobile based in-flight entertainment; SpiceClub, being one of the first LCC in India to launch a loyalty programme and co-branded credit card; and SpiceXpress our dedicated cargo and logistics arm. Our ancillary products and services has enabled us in achieving the highest ancillary revenue as a share of operational revenue at 7.80 % in Fiscal 2020 in the Indian aviation market *(Source: CAPA Report)*. Our target customers are the growing middle-class passengers, and we believe our product and service offerings are attractive to these large and growing segments of the travellers in India.

In Fiscal 2024, we had 8 fortress airports, being the second largest among scheduled mainline operators in India. Fortress airports are airports where an airline has a domestic seat capacity share of more than 50% *(Source: CAPA Report)*. We also had the second-largest number of fortress routes among scheduled mainline operators in India in Fiscal 2024. Among our 49 fortress routes, we had a monopoly in 40 of such routes *(Source: CAPA Report).* Fortress routes are the routes where an airline has a domestic seat capacity share of more than 50%.

As of Fiscal 2024, we operated a fleet of 55 aircraft including from the B737 family and the Q400 series, capturing a 5.1% share of the domestic market. *(Source: CAPA Report)*. Presently, of our total fleet size of 58 aircraft, 36 aircraft are grounded, owing primarily to dues to the aircraft lessors and lack of maintenance due to financial constraints. We have an aircraft order book of 147 Boeing 737 MAX aircraft, in addition to our order book, we also intend to unground 28 aircraft, which can become operational post their ungrounding, to support our future growth initiatives *(Source: CAPA Report).* Due to the smaller size of our fleet after the pandemic, our traffic and market share has declined. Most of our aircraft employ high-density seating with a single cabin configuration. The suspension of 737 MAX deliveries for 2.5 years forced us to rely on older equipment to sustain our operations. Our 737 MAX aircraft are ~20% more fuel-efficient than the other 737 aircraft. Our ex-fuel cost per available seat kilometers (**CASK**) has remained below Rs. 2.50 over the last three Fiscals and our revenue per available seat kilometers (**RASK**) witnessed a substantial increase to Rs. 4.85 in Fiscal 2023 owing to a rebound in passenger traffic post the COVID 19 pandemic and is the highest among other LCCs in India (*Source: CAPA Report*).

We have a focus on operational efficiency and reliability to deliver a superior customer experience relative to other Ultra low-cost carriers ("**ULCCs**") and Low-cost carriers ("**LCCs**"). Among the major Indian carriers, we had the highest passenger load factor between FY2018 and FY2024. This was partly due to the capacity constraints that the airline faced because of the grounding of the 737 MAX equipment, as well as revenue management practices designed to maximise the number of seats sold *(Source: CAPA Report)*. Our passenger load factors in the immediately preceding 5 Fiscals is depicted in the graph below:

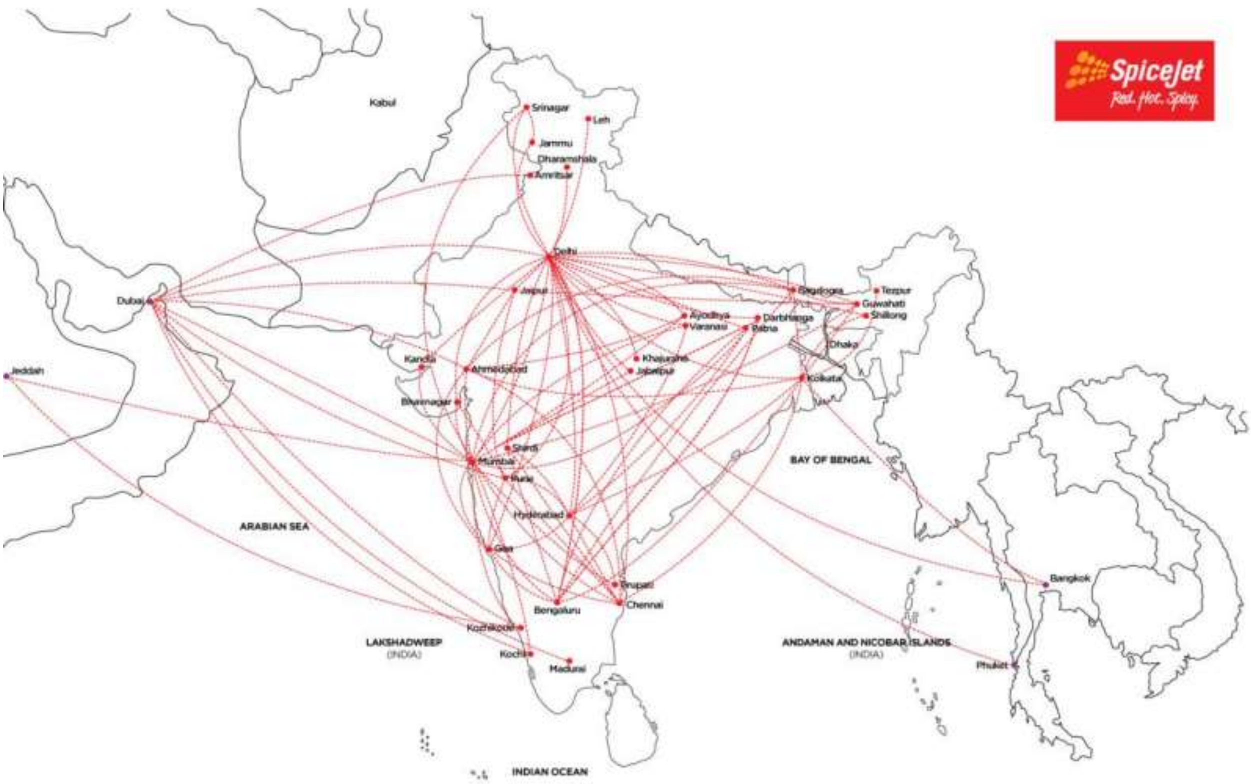


(Source: CAPA Report)

Our route network is designed to support operational efficiency and includes capacity in slot-constrained markets in India. As of June 30, 2024, we covered a network of 34 domestic and 4 international destinations. We also have rights under regional connectivity scheme to 29 domestic and 2 international destinations. We have established substantial positions in slot-constrained airports such as New Delhi, Mumbai, Kolkata, Ahmedabad and Pune *(Source: CAPA Report)*. Our slot efficiency generally, and particularly at airports that have constraints on slot expansion, gives us a significant competitive advantage. We command a significant share in the key international destinations from India, holding significant allocations of weekly seat entitlements, including around 14,297 for Dubai comprising of 22% of the weekly available seats, 5,481 for Jeddah comprising of 11% of the weekly available seats and 7,926 for Bangkok comprising of 17% of the weekly available seats. In addition, we have entered into code sharing / interline arrangement with the leading airline from Dubai, United Arab Emirates and have additional traffic rights for 17 international destinations comprising of:

S.NO.	REGION
1.	Heathrow (London)
2.	Hong Kong
3.	Abu Dhabi
4.	Sharjah
5.	Italy
6.	China
7.	Sri Lanks, Colombo
8.	Nepal, Kathmandu
9.	Russia, Moscow/ St. Petersburg
10.	Bahrain
11.	Bangladesh
12.	Kazakhistan
13.	Uzbekistan
14.	Oman
15.	Myanmar (Mandalay/ Yangoon)
16.	Afghanistan
17.	Iraq

The map below depicts our extensive network:



We have a dynamic and flexible network, which allows us to alter routes and increase or decrease the number of flights between locations based on demand in these markets. We leverage our dynamic network to cater to the routes which have high demand potential. Also, considering the changing demand in the domestic market, we have catered to customer demand for routes between Tier 2 and Tier 1 cities, as well as increased demand for travel to various leisure and pilgrimage destinations within India.

We launched a dedicated freighter service provider, SpiceXpress, which has a strong position in the Indian cargo space. Launched in September 2018, SpiceXpress has an integrated network that encompasses air cargo, ground transport and warehousing. This service aims to ensures safe, on-time and efficient cargo delivery across Indian and international routes *(Source: CAPA Report)*. With effect from April 1, 2023, we carved out our cargo business undertaking into our subsidiary, SpiceXpress and Logistics Private Limited ("**SpiceXpress**") on a slump sale basis. Accordingly, SpiceXpress is now undertaking the cargo business effective April 1, 2023. The transfer of cargo business undertaking to SpiceXpress provides us with 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 our Company and its stakeholders.

In 2022, the International Civil Aviation Organization (**ICAO**) conducted a comprehensive audit of India's aviation regulator, the Directorate General of Civil Aviation (**DGCA**). As part of this, our airline was selected as a sample auditee under the Universal Safety Oversight Audit Programme of ICAO and the audit was completed successfully. In October 2023, we were among the six global airlines to successfully complete the International Air Transport Association's (IATA) risk-based approach audit. This achievement underscores our commitment to operational safety and the proactive adoption of IATA's advanced audit standards.

We have benefited and expect to continue to benefit from the highly attractive industry dynamics that characterize the Indian aviation market. India is the third-largest domestic market in the world based on seat capacity, behind the US and China. Among the 10 largest domestic markets at present, India was the fastest-growing before COVID-19 until FY2020, witnessing a 12% CAGR during Fiscal 2010–Fiscal 2020. In Fiscal 2024, India's traffic had fully recovered and was in fact higher than in Fiscal 2020 (*Source: CAPA Report*). Despite rapid growth since Fiscal 2004, the Indian aviation market remains significantly under-penetrated. Among the world's 20 largest domestic aviation markets, India has the lowest domestic air travel penetration even when compared to other emerging markets. For instance, in Fiscal 2020, India had 0.13 domestic seats per capita, compared to 0.52 in China, 0.48 in Indonesia and Vietnam, 0.52 in Mexico, 0.57 in Brazil and 1.18 in Malaysia (*Source: CAPA Report*).

Despite the challenges faced by the airline industry generally and our Company, in particular, owing to grounding of 737 MAX aircraft globally, COVID-19 pandemic, rising fuel prices (in 2022, brent crude oil price surged to around USD120 per barrel), the Company continues to explore 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 our Company establish consistent profitable operations and cash flows in the future.

We have been bestowed with several awards and recognition in the past, including being awarded the:

(i) Best Domestic Airline Award at the Wings India Awards for Excellence in the Aviation sector organized by Ministry of Civil Aviation, Government of India;
(ii) FICCI Best Domestic Airline Awards 2018, at the 11th ASSOCHAM International Conference cum Awards on the Civil Aviation & Cargo
(iii) Best Airline 2018 Operating Under the Government's Regional Connectivity Scheme(UDAN) by APAI Airline Strategy Award 2018 for Global 'Low-Cost' Leadership and Development
(iv) Time Travel Award 2018 Editor's Choice Award for the Best Domestic Low-Cost Airline
(v) BML Munjal Award 2018 for Business Excellence Through Learning and Development
(vi) Best Cargo Carrier Award at the ASSOCHAM 14th International Civil Aviation Conference & Awards on 18th Jan 2023
(vii) Wings India Aviation Innovation Award 2022 APEX Newcomer of the Year Award 2022 in the Field of Innovation in Aviation Technology

Our Key Financial and Operational Performance Indicators

Set forth are the key financial and operational performance indicators for the period/ years indicated:

(₹ in millions, except as otherwise stated)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Available seat kilometres* (million)	13623.00	18,251.00	13,040
Passengers Carried (million)	9.78	12.74	9.18
Load Factors (%)**	90	87	79
Aircraft at end (Nos.)***	65	60	90
Total income (INR million)#	85,240.00	98,971.00	76,305.00
EBITDAR (INR million) ##	14,067.00	3,379.00	6,499.00
Net earnings (INR million) ###	-4237.15	-15129.47	-17,443
Total expenses (INR million)$	89,477.00	1,14,100.00	93,748.00

** ASK is calculated as the sum of products obtained by multiplying the total number of seats that are available in each flight stage by the corresponding stage distance.*
*** Load Factor is a measure of capacity utilisation of airlines, which is calculated by dividing RPK by ASK.*
****Total number of aircraft*
#Includes finance income
##EBITDAR and lease charges-aircraft, engines and auxiliary power units
###After tax, if any
$Includes other items

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections titled "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 45, 90, 258, 245 and 274, respectively.

Issuer	SpiceJet Limited
Face Value	₹10 per Equity Share
Issue Size	Issue of up to [●] Equity Shares at a premium of ₹[●] per Equity Share, aggregating up to ₹[●] million. A minimum of 10% of the Issue Size i.e. at least [●] Equity Shares, shall be made available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be made available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution	July 23, 2024
Date of Shareholders' Resolution	September 13, 2024
Floor Price	₹ 64.79 per Equity Share, calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders by way of special resolution pursuant to postal ballot dated on September 13, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Price	₹[●] per Equity Share of our Company (including a premium of ₹[●] per Equity Share)
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, see the sections titled "*Issue Procedure – Eligible Qualified Institutional Buyers*" and "*Transfer Restrictions and Purchaser Representations*" on pages 250 and 268, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and the Application Form is delivered shall be determined by the Book Running Lead Managers in consultation with our Company, at their sole discretion.
Issued Equity Share capital immediately prior to the Issue (excluding outstanding warrants)	794,678,717 Equity Shares of face value of ₹ 10 each aggregating to ₹ 7,946,787,170
Equity Shares paid -up and outstanding immediately prior to the Issue (excluding outstanding warrants)	794,672,717 Equity Shares of face value of ₹10 each, being fully paid-up
Subscribed and paid-up Equity Share capital immediately prior to the Issue (excluding outstanding warrants)	₹ 7,946,727,170
Outstanding Warrants as on the date of this Preliminary Placement Document	233,226,848 share warrants convertible into 233,226,848 Equity Shares
Equity Shares paid-up and outstanding immediately after the Issue (excluding outstanding warrants)	[●] Equity Shares of face value of ₹10 each, being fully paid-up
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, read with Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 245
Listing and Trading	Our Company has received in-principle approval, dated September 16, 2024 from BSE in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make application to the Stock Exchange to obtain final listing and trading approval for the Equity Shares after the Allotment and after the credit of the Equity Shares to the beneficiary account of the Depository Participant.

	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of the Stock Exchange.
Lock-up	See "*Placement – Lock-up*" on page 258 for a description of restrictions on our Company, Promoters, Promoter Group and Directors in relation to Equity Shares.
Transferability Restrictions	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchange. For further details, see "*Transfer Restrictions and Purchaser Representations*" on page 268
Use of Proceeds	The Gross Proceeds from the Issue aggregate to ₹ [●] million For additional information on the use of the Net Proceeds from the Issue, see *"Use of Proceeds"* on page 93. The Net Proceeds from the Issue, after deducting Issue related fees, commission and expenses aggregate to ₹ [●] million
Risk Factors	See "*Risk Factors*" on page 45 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 274 and 109, respectively
Taxation	See "*Taxation*" on page 279
Closing Date	The Allotment is expected to be made on or about [●]
Status, Ranking and dividends	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividends. Our Shareholders' (as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, the SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held. For further details, see "*Description of the Equity Shares*" and "*Dividends*" on pages 274 and 109
Voting Rights	See "*Description of the Equity Shares – Voting Rights*" on page 274
Security Codes for the Equity Shares	ISIN: INE285B01017 BSE code: 500285 BSE symbol: SPICEJET

SUMMARY OF FINANCIAL INFORMATION

The following tables set out selected financial information as extracted from our Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results presented in "Financial Information" on page 299. The selected financial information presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information", on pages 110 and 299 respectively, for further details.

Summary of consolidated statement of profit and loss for the three months period ended June 30, 2024 and Fiscals 2024, 2023 and 2022

Summary of unaudited consolidated profit and loss for the three months period ended June 30, 2024 and June 30, 2023:

(₹ in million)

Particulars	For the three months period ended	
	June 30, 2024	June 30, 2023
Income		
a) Revenue from Operations	16,462.12	19,174.32
b) Other Operating Expenses	620.27	861.61
Total Revenue from Operations	17,082.39	20,035.93
Other Income	3,695.33	2,632.76
Total Income	**20,777.72**	**22,668.69**
Expenses		
a) Operating Expenses		
(a) Aviation Turbine Fuel	6,539.91	7,078.93
(b) Aircraft Lease Rentals	2,484.87	1,203.88
(c) Airport Charges	1,522.15	1,582.64
(d) Aircraft Maintenance Costs	1,766.87	2,265.20
(e) Other Operating Costs	626.41	665.43
b) Purchases of stock-in-trade	151.63	227.87
c) Change in Inventories of Stock-in-Trade	8.08	(33.41)
d) Employee Benefits Expense	1,826.60	2,135.09
e) Finance costs	879.10	1,228.05
f) Depreciation and Amortisation Expense	1,723.08	2,083.07
g) Other Expenses	1,724.05	2,220.09
h) Foreign Exchange Gain/Loss (Net)	(56.88)	35.60
Total Expenses	**19,195.87**	**20,692.44**
Profit/(Loss) before exceptional items and taxes	**1,581.85**	**1,976.25**
Exceptional Items	**-**	**-**
Profit/(Loss) before tax	**1,581.85**	**1,976.25**
Tax Expense	-	-
Profit/(Loss) for the Quarter	**1,581.85**	**1,976.25**
Other Comprehensive Income		
Items that will not be reclassified to statement of Profit and Loss		
Remeasurement Gain/(Loss) on defined benefit obligations	4.41	(0.88)
Income Tax Impact	-	-

Particulars	For the three months period ended	
	June 30, 2024	June 30, 2023
Total Comprehensive Income for the year	1,586.26	1,975.37
Net Profit for the year attributable to:		
Owners of the Holding Company	1,583.12	1,976.46
Non-controlling Interests	(1.27)	(0.20)
Other Comprehensive Income for year attributable to:		
Owners of the Holding Company	4.41	(0.68)
Non-controlling Interests	-	(0.20)
Total Comprehensive Income for year attributable to:		
Owners of the Holding Company	1,587.53	1,975.78
Non-controlling Interests	(1.27)	(0.40)
Paid-up equity share capital **(Face Value of Rs. 10 per Equity Share)**	**(7,934.05)**	**(6,018.46)**
Other Equity		
Earnings per equity share (Rs.)		
Basic	2.01	3.28
Diluted	1.82	3.28

Summary of audited consolidated balance sheet for the Fiscals 2024, 2023 and 2022:

(₹ in million)

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	11,610.66	12,379.46	13,424.61
Capital Work-in-Progress	72.40	204.07	63.42
Right-of-Use Assets	13,951.33	27,674.80	42,227.83
Intangible assets	144.70	10.26	39.82
Financial Assets			
(i) Investments	0.25	0.25	0.17
(ii) Loans	6.46	-	-
(iii) Other Financial Assets	3,043.78	4,977.06	9,783.10
Income Tax Assets (net)	1,646.73	1,399.27	952.24
Other Non-Current Assets	9,145.23	9,649.78	7,393.09
Total non-current assets	**39,621.54**	**56,294.95**	**73,884.28**
Current Assets			
Inventories	1,720.02	1,628.30	1,508.72
Financial Assets			
(i) Investments	4.92	4.56	4.33
(ii) Trade Receivables	1,581.89	1597.78	2352.79
(iii) Other Receivables	8,512.56	9,454.82	9,888.85
(iv) Cash and Cash Equivalents	2,031.08	337.01	112.95
(v) Bank Balances Other than (iv) Above	114.68	18.17	513.86
(vi) Loans	2.50	-	-
(vii) Other Financial Assets	4,209.94	3,467.82	2,705.41
Other Current Assets	6,922.58	4,902.32	4,394.37
Total Current Assets	**25,100.17**	**21,410.78**	**21,661.28**
Total Assets	**64,721.71**	**77,705.73**	**95,545.56**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	7,834.05	6,018.46	6,017.97
Other Equity	(60,007.42)	(64,521.56)	(49,418.65)
Equity attributable to owners of the Holding Company	**(52,173.37)**	**(58,503.10)**	**(43,400.68)**
Non Controlling Interest	(12.38)	(3.33)	(1.90)
Total Equity	**(52,185.75)**	**(58,506.43)**	**(43,402.58)**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			

(₹ in million)

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
(i) Borrowings	8,923.49	4,659.89	3,128.81
(ii) Lease Liability	15,000.68	28,440.69	43,325.65
(iii) Trade Payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	408.08	3,417.41	3,473.29
Provisions	1,498.20	1,504.91	2,775.55
Other Non-Current Liabilities	84.44	101.53	118.58
Total Non-Current Liabilities	**25,914.89**	**38,124.43**	**52,821.88**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	2,597.61	7,197.77	7,664.95
(ii) Lease Liability	27,266.05	33,191.95	29,202.83
(iii) Trade Payables			
Total Outstanding dues of Micro enterprises and Small Enterprises	674.78	491.09	542.60
Total outstanding dues of creditors other than micro enterprises and small enterprise	33,149.74	28,776.25	25,586.82
(iv) Other Financial Liabilities	1,446.24	1,773.24	943.47
Other Current Liabilities	21,722.50	22,449.94	18,222.87
Provisions	4,135.65	4,207.49	3,962.72
Total Current Liabilities	**90,992.57**	**98,087.73**	**86,126.26**
Total Liabilities	**116,907.46**	**136,212.16**	**138,948.14**
Total Equity and Liabilities	**64,721.71**	**77,705.73**	**95,545.56**

Summary of audited consolidated statement of profit and loss for the Fiscals 2024, 2023 and 2022

(₹ in million)

Particulars	For the Fiscals		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Income			
Revenue from Operations	70,853.06	88,735.93	66,035.94
Other Income	14,102.15	9,682.96	9,681.21
Total Income	**84,955.21**	**98,418.89**	**75,717.15**
Expenses			
Operating Expenses	54,249.06	73,537.91	57,671.36
Purchases of stock-in-trade	731.05	997.28	943.97
Change in Inventories of Stock-in-Trade	(24.86)	(72.73)	64.33
Employee Benefits Expense	8,208.56	8,800.07	7,536.42
Sales and Marketing Expenses	3,553.96	2,279.84	1,219.46
Other Expenses	9,553.58	6,429.17	5,153.19
Foreign Exchange Loss (Net)	1,020.12	6,823.62	2,621.83
Total Expenses	**77,291.47**	**98,795.16**	**75,210.56**
Earning before interest, tax, depreciation and amortisation (EBITDA)	**7,663.74**	**(376.27)**	**506.59**
Depreciation and Amortisation Expense	(7,531.17)	(10,227.41)	(12,933.36)
Finance Income	285.13	551.81	588.27
Finance Cost	(4,654.85)	(5,077.60)	(4,829.61)
Exceptional Item	-	-	(774.58)
Loss before Tax	**(4,237.15)**	**(15,129.47)**	**(17,442.69)**
Tax Expense	-	-	-
Loss for the Year	**(4,237.15)**	**(15,129.47)**	**(17,442.69)**
Other Comprehensive Income			
Items that will not be reclassified to statement of Profit and Loss			
Remeasurement Gain/(Loss) on defined benefit obligations	53.36	(0.48)	32.56
Income Tax Impact	-	-	-
Other Comprehensive Income for the year	**53.36**	**(0.48)**	**32.56**
Total Comprehensive Income for the year	(4,183.79)	(15,129.95)	(17,410.13)
Net Profit for the year attributable to:			
Owners of the Holding Company	(4,228.30)	(15,127.65)	(17,440.79)
Non-controlling Interests	(8.85)	(1.82)	(1.90)
	(4,237.15)	**(15,129.47)**	**(17,442.69)**
Other Comprehensive Income for year attributable to:			
Owners of the Holding Company	53.56	(0.48)	32.56
Non-controlling Interests	(0.20)	-	-

(₹ in million)

Particulars	For the Fiscals		
	March 31, 2024	March 31, 2023	March 31, 2022
	53.36	**(0.48)**	32.56
Total Comprehensive Income for year attributable to:			
Owners of the Holding Company	(4,174.74)	(15,128.13)	(17,408.23)
Non-controlling Interests	(9.05)	(1.82)	(1.90)
	(4,183.79)	**(15,129.95)**	**(17,410.13)**
Earnings per equity share (Rs.)			
Basic	(6.39)	(25.14)	(29.01)
Diluted	(6.39)	(25.14)	(29.01)

Summary of audited cash flow statement for the Fiscals 2024, 2023 and 2022:

Particulars	For the Fiscals		
	March 31, 2024	March 31, 2023	March 31, 2022
Cash Flow from Operating Activities			
Loss before Tax and exceptional items	**(4,237.15)**	**(15,129.47)**	**(17,442.69)**
Adjustments For:			
Depreciation and Amortisation Expense	7,531.17	10,227.41	12,933.36
Impairment of Trade Receivables	273.93	111.25	58.27
Property, plant and equipment written off	-	-	53.70
Loss/(Profit) on sale of property, plant and equipment (net)	34.36	(7.62)	6.13
Impairment of advances and other advances/amounts written off	2,559.46	794.67	-
Impairment of capital advances	1,247.00	Nil	-
Amount Written Off			128.52
Share based payment expense	23.83	25.34	41.40
Liabilities/provision no longer required written back	(8,166.77)	(7,140.45)	(1,538.64)
Gain on de-recognition of lease liabilities and right of use assets	(5,784.30)	(2,423.31)	-
Interest on lease liabilities	2,179.68	3,129.94	2,905.07
Finance Cost - Others	2,475.17	1,947.65	1,924.54
Interest Income from financial assets measured at amortised cost	(152.37)	(228.59)	(253.37)
Net Gain on financial assets measured at fair value through profit or loss	(0.36)	(0.23)	(0.17)
Interest Income	(132.76)	(323.22)	(334.90)
Unrealised foreign exchange loss	890.11	5,822.36	2,918.14
Operating Loss before Working Capital Changes	**(1,259.00)**	**(3,194.37)**	**1,399.36**
Movements in working capital:			
Tade and other receivables	(1,482.81)	(746.02)	(829.82)
Inventories	(91.72)	(119.58)	164.20
Other Financial Assets	(946.08)	(81.07)	416.40
Other Assets	(3,871.21)	(3,662.11)	(581.97)
Trade Payables	3,280.49	6,238.00	6,453.35
Other Financial Liabilities	191.04	439.16	409.78
Other Liabilities	(1,750.53)	3,599.67	1,940.51
Provisions	176.82	(1,204.37)	1,313.02

Particulars	For the Fiscals		
	March 31, 2024	March 31, 2023	March 31, 2022
Net cash (used in)/flows from operations	**(5,753.00)**	**(1,269.31)**	**10,684.83**
Income taxes paid (net of refunds)	(205.69)	(447.03)	(647.78)
Net cash (used in)/flows from operating activities (A)	**(5,958.69)**	**822.28**	**10,037.05**
Cash flow from Investing Activities			
Purchase of property, plant and equipment and capital work-in-progress (net of capital advances)	(579.69)	(157.06)	(371.80)
Proceeds from sale of property, plant and equipment	237.81	56.74	51.79
Loans to director	(6.46)	-	-
Purchase/Sale of investments (net)	0.01	(0.08)	0.44
Movement in fixed deposits (net)	(96.51)	495.69	(489.53)
Movement in margin money (net)	679.42	4,484.59	(1,011.56)
Finance income received	123.72	302.68	330.62
Net cash flows from investing activities (B)	**358.30**	**5,496.68**	**(1,490.04)**
Cash flow from financing activities			
Proceeds from issue of equity shares (including securities premium and net of transaction costs)	5,778.74	0.49	-
Proceeds from equity shares on exercise of stock options	-	-	8.60
Proceeds from issue of share warrants	2,391.97	-	-
Proceeds from long-term borrowings	5,411.82	2,629.92	1,475.18
Repayment of long-term borrowings	(477.00)	624.37	-
Movement in short-term borrowings (net)	(590.00)	(2,582.10)	(1,708.23)
Repayment of lease liabilities (including interest of Rs. 2,179.68 million (March 31, 2023: Rs. 3,129.94 million)	(4,253.19)	(6,277.06)	(8,011.36)
Finance costs paid	(959.92)	(497.01)	(542.16)
Net cash flows from/(used in) financing activities (C)	**7,302.42**	**(6,101.39)**	**(8,777.97)**
Net increase in cash and cash equivalents (A+B+C)	**1,702.03**	**217.57**	**(230.96)**
Effects of exchange difference on cash and cash equivalents held in foreign currency	(7.96)	6.49	13.00

Particulars	For the Fiscals		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Cash and cash equivalents at the beginning of the year	337.01	112.95	330.91
Cash and cash equivalents at the end of the year	**2,031.08**	**337.01**	**112.95**
Components of Cash and Cash Equivalents			
Balance with banks in current accounts	2,029.36	231.85	110.10
Fixed Deposits	0.02	0.33	0.43
Cash on Hand	1.70	104.83	2.42
	2,031.08	**337.01**	**112.95**

RELATED PARTY TRANSACTIONS

For details of the related party transactions in the Fiscals 2024, 2023 and 2022 as per the requirements under Indian Accounting Standard (*"**Ind AS 24**"*) notified under the Ind AS Rules read with Section 133 of the Companies Act, 2013, see "*Financial Information*", beginning on page 299.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, or the industry and segments in which we operate or India. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, financial condition, results of operations, cash flows or prospects. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry Overview" and "Summary Financial Information" on pages 215, 110, 171 and 34, respectively, contained in this Preliminary Placement Document. If anyone or combination of the risks described below or other risks that are currently not known or are currently deemed immaterial actually occur, any of our business, financial condition, results of operations, cash flows or prospects could be adversely affected, the trading price of our Equity Shares could decline, and prospective investors may lose all or part of their investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Preliminary Placement Document also contains forward-looking statements that involve risks assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. For details, see "Forward-Looking Statements" on page 17.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless otherwise stated, the financial information of our Company and our Subsidiaries, collectively the "Group", used in this section has been derived from Unaudited Consolidated Financial Statements for Period ended June 30, 2024 and our Consolidated Audited Financial Statements for Fiscals 2024, 2023 and 2022, prepared in accordance with Indian Accounting Standards.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Indian Aviation Market Overview" dated September 13, 2024" ("**CAPA Report**") prepared and issued by Centre for Asia Pacific Aviation India Private Limited , appointed by us, and exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry, exclusively in connection with the Issue. The data included herein includes excerpts from the CAPA Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CAPA Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For details on disclaimer, see, "Industry and Market Data" on page 16. CAPA is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management, our Promoters or the BRLMs.*

Our financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year.

1. Owing to our financial stress, we have been in alleged default under several of our aircraft lease agreements leading to grounding of substantial part of our aircraft fleet. Such alleged defaults have also led to our aircraft lessors and other vendors to initiate legal or enforcement proceedings against us including proceedings under the Insolvency and Bankruptcy Code, 2016, enforce bank guarantees, appropriate security deposits or repossess our aircraft, which has and may in the future adversely affect our business, financial condition and results of operations.

Over the last five Fiscals, due to various extraneous circumstances our operations and financial performance have been materially and adversely impacted. Due to such extraneous circumstances, we have allegedly defaulted on payments of lease rentals to certain of our aircraft and engine lessors in respect of certain aircraft and engine leases. Since the events of defaults have been alleged to have occurred and are continuing, aircraft and engine lessors have initiated legal proceedings against us. The defaults in aircraft and engine leases also provides right to lessors to terminate the lease agreements, recovering damages through court or enforcement proceedings, taking possession of, selling or re-leasing the aircraft to which the lease agreement relates and requiring us to take the aircraft out of service or to ground the aircraft In certain instances, we also received termination notices, grounding notices and notices of appropriation of security deposits.

Our aircraft lessors being categorized as operational creditors under the Insolvency and Bankruptcy Code, 2016 (as amended) ("**IBC**"), have filed application(s) under Section 9 of the IBC due to the alleged non-payments ("**IBC Proceedings**"). Our Company has been defending all such IBC Proceedings filed and none of the matters have been admitted by the courts adjudicating such matters. For more details on the IBC proceedings, please refer to section titled "*Legal Proceedings*" on page 284 of this Preliminary Placement Document. While we believe that we find ourselves in such circumstances due to reasons outside our control, and our lessors, vendors, the courts and authorities are cognizant of the same, however, there is no assurance that we will be successful in defending the IBC Proceedings in our favour or more such proceedings will not be initiated by our other lessors or vendors. Any such IBC Proceedings being admitted or being decided against us, will have a material adverse impact on our existence as a going concern.

Notwithstanding the aforesaid IBC Proceedings, we have been able to negotiate settlement arrangements with a few of our aircraft and engine lessors in respect of certain leases, prompting them to withdraw the IBC Proceedings filed by them. On account of our operational and financial position, we have also deferred certain payments to various parties, including lessors and other vendors. Our endeavour is to reach settlements with all our lessors and vendors, however, there is no assurance that we will be able to enter into settlement with all such lessors and vendors or pay such overdue amounts by the stipulated deadlines. We cannot assure you that such settlement for alleged defaults will not occur in future leading to a further reduction in our fleet size and a consequent strain on our operations and financial position.

Certain of our aircraft and engine lessors have also re-possessed the aircrafts and engines leased by them to us. There is no assurance that our lessors will not pursue all remedies provided under the lease agreements upon the occurrence of an alleged event of default. These remedies include taking possession of, selling or releasing the aircraft to which the lease agreement relates, which will reduce our total assets and adversely impact our operations and our financial condition. Any such actions could have a material adverse effect on our business, financial condition and results of operations.

2. ***Several of our aircraft have been grounded owing primarily to alleged default in payment of dues to the aircraft lessors and lack of maintenance. In absence of all our aircrafts, our operations are adversely impacted.***

As on the date of this Preliminary Placement Document, our total fleet size of 58 aircraft, 36 aircraft (constituting to 62.06% of total fleet size) are grounded. The table shows the list of grounded aircraft and the reason for such grounding as on the date of this Preliminary Placement Document:

S. No.	Aircraft Type / Model	No. of Grounded Aircraft	Reasons for Grounding
1.	Boeing 737-8	6	Engines and components
2.	Boeing 737-700F	3	Engines and components
3.	Boeing 737-800	5	Engines and components
4.	Boeing 737-900ER	2	Engines and components
5.	Boeing 737-700	3	Engines and components
6.	Q 400	17	Engines and components
Total		**36**	

Further, as of June 30, 2024, of our total fleet size of 64 aircraft, 36 aircraft (constituting to 56.25% of total fleet size) are grounded, owing primarily to alleged default in payment of dues to the aircraft lessors and lack of maintenance on such aircraft due to financial constraints and/or non-availability of components and spare parts. Due to the smaller size of our fleet after the pandemic, our traffic and market share have both declined.

We propose to utilize a substantial portion of the proposed capital raise through this Preliminary Placement Document for un-grounding of our fleet in addition to our ongoing efforts to un-ground our aircraft. For further details, please refer to the section titled "*Use of Proceeds*" on page 93. We believe that our prospects for servicing our existing debt and achieving future profitability depend in large part on our ability to attain critical mass in terms of fleet size, projected passenger volumes and projected yield levels. While we are taking steps to get our grounded aircraft operational and add additional aircraft through various leasing arrangements**,** we cannot assure you that by when all such aircraft will be operational. In absence of our entire fleet, our operations would continue to be restricted. We cannot assure you that in future our aircraft will not be grounded, either for regulatory, technical or contractual reasons. In case, our aircraft continue to remain grounded or gets grounded in future, it will have an adverse impact on our operations, cashflows and financial position.

3. ***Our Company has incurred losses in last three Fiscals and our net worth is negative. We cannot assure you that such losses will not be incurred in the future.***

We have incurred losses in the past three Fiscals of 2024, 2023 and 2022, and we may continue to incur losses in the future. For details, see "*Financial Information*" on page 299. While we earned a net profit (after comprehensive income) of ₹ 1,586.26 million for the quarter ended June 30, 2024, and as of that date, we had negative retained earnings of ₹ 77,283.86 million and negative net worth of ₹ 50,221.07 million.

(₹ in million)

	Fiscal 2024	Fiscal 2023	Fiscal 2022
Loss for the Year	(4,237.15)	(15,129.47)	(17,442.69)

Our net losses for the Fiscal 2024, 2023 and 2022 have primarily been driven by liquidity constraints faced by us, adverse foreign exchange rates, operational disruption during Covid 19 pandemic followed by sub-optimal operations and adjustments on account of implementation of Ind AS 116.

Our Audited Consolidated Financial Statements for Fiscals 2022, 2023, 2024 and the Unaudited Consolidated Financial Results for June 30, 2024, our statutory auditor has indicated the existence of material uncertainty that may cast significant doubt about our Company's ability to continue as a going concern. Our ability to operate profitably depends upon a number of factors, some of which are beyond our direct control. These factors include, but are not limited to, high fixed costs linked to our airline leases and manpower and significant costs from rising insurance premiums and fuel costs. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 110. If we continue to incur losses, our business and the value of the Equity Shares could be adversely affected.

4. ***Our financing documents require us to obtain consents from our lenders for, among other things, issuing further share capital, dilution of Promoter shareholding and undertaking the Issue, two of which have not been obtained.***

Under some of our financing documents, we require consents from the relevant lenders for carrying out certain activities in relation to the Issue including issuing Equity Shares, effecting changes in the shareholding pattern of our Company and diluting the shareholding of the Promoters in our Company. For Fiscal 2024, we had total outstanding borrowings (consisting of current borrowings and non-current borrowings) of ₹11,521.10 million. We have made applications to three lenders from whom we require approvals for any further issuance of Equity Shares or any other activities in furtherance of the Issue. As on the date of this Preliminary Placement Document, we have obtained consent from one lender out of the three from whom consents were required. We have not yet received consent from IDFC First Bank Limited and Indian Bank, and are currently awaiting, consent from them (such two lenders consent that we are currently awaiting, the "Pending Lender Consents", and the financing documents relating to such Pending Lender Consents, the "Pending Lender Consents Financing Documents" (each a "**Pending Lender Consents Financing Document**")). With respect to an earlier loan availed by our Company from ICICI Bank, which was satisfied, however, we were not able to satisfy the charge on the RoC portal, neither could we obtain the no dues certificate from them. Undertaking the Issue without receiving the Pending Lender Consents may constitute a default by us under the Pending Lender Consents Financing Documents and may entitle the relevant lender to declare a default against us and enforce remedies under the terms of the relevant Pending Lender Consents Financing Document, which could entail among others cancellation of our facilities, appointment of receiver or agent to enforce any or all security created in respect of the Pending Lender Consents Financing Documents, or restriction on payment of dividend.

A default by us and/or acceleration of repayment under the terms of any of the Pending Lender Consents Financing Documents would also trigger a default and/or acceleration of outstanding amounts under our other financing documents, including the indenture and other financing agreements and instruments containing such provisions. Further, even if not all of our lenders make repayment demands as described above, loans for which repayment demands are made, may, individually or in aggregate, have an adverse effect on our financial condition, credit rating, prospects, business, results of operations and reputation, including our ability to raise further debt financing on terms acceptable to us or at all. The aforementioned defaults may also result in a decline in the trading price of the Equity Shares and you may lose all or part of your investment. We cannot assure you that we will be able to obtain Pending Lender Consents for undertaking the Issue, and we also cannot assure you that, failing which, such lenders (and those whose loans have been cross-defaulted and/or cross-accelerated) will not resort to the actions described herein. Further, consent obtained from the lenders, if any, may subject us to conditions which can limit our ability to use the proceeds in a manner anticipated by us.

5. ***There have been delays and deferrals in depositing/ payment of the statutory dues by our Company. Any delay/default in deposit of such statutory dues may lead to penalties and /or interest for delayed period and other adverse action by the concerned authorities.***

Owing to our constrained financial position, we have delayed in depositing/ payment of the statutory dues such as (i) Tax Deducted at Source (**TDS**) and filing of TDS returns on time as per Income-tax Act, 1961; (ii) gratuity dues to employees as per the Payment of Gratuity Act, 1972; (iii) provident fund as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952; and (iv) goods and services tax and filing of returns as applicable under the Goods and Services Tax Act, 2017 (**GST Act**) by our Company and our two subsidiaries. Further, our Company's registration under the GST Act for the State of Haryana is suspended and the GST registration for Spicejet Technic Private Limited ("**STPL**") and SpiceTech System Private Limited ("**SSPL**") is cancelled for the State of Haryana and suspended for Delhi on account of delays in payments related to goods and services tax and non-filing of returns. To the extent ascertained, we have made accrual for interest on delays in payment of above-mentioned statutory dues. Additionally, there have been delays in the payment of annual custodian fees and other corporate action fees due to the depositories, due to which the depository services were temporarily suspended. Subsequently, these dues to the depositories have been paid and the services were resumed, . There are foreign currency trade receivables and trade and other payables that are overdue beyond the timelines, however, we are yet to seek extension for the same from the AD Bank or the Reserve Bank of India ('RBI'), as the case may be, for settlement of such balances under foreign exchange management guidelines.

We have delayed in payment of various statutory dues as follows:

(₹ in million)

Sr. No.	Nature of Default	Amount involved	Duration of Default	Current Status
1	Tax deducted at source	112.59	April 2020 to March 2021	Not paid
2	Tax deducted at source	278.06	April 2021 to March 2022	Not paid
3	Tax deducted at source	959.58	April 2022 to March 2023	Not paid
4	Tax deducted at source	848.05	April 2023 to August 2023	Not paid
5	Goods and services tax	519.32	February 2020 to March 2021	Not paid
6	Goods and services tax	73.08	April 2021 to March 2022	Not paid
7	Goods and services tax	71.82	April 2022 to March 2023	Not paid
8	Goods and services tax	50.56	April 2023 to August 2023	Not paid
9	Provident fund	0.20	April 2020 to March 2021	Not paid
10	Provident fund	193.33	April 2021 to March 2022	Not paid
11	Provident fund	878.54	April 2022 to March 2023	Not paid
12	Provident fund	282.72	April 2023 to August 2023	Not paid
13	Service tax (including interest)	170.70	April 2006 to March 2012	Disputed
14	Service tax (including interest)	255.60	2009-10 to 2011-12	Disputed
15	Service tax (including interest)	484.19	F Y 2014-15	Disputed
16	Service tax (including interest)	285.36	F Y 2015-16	Disputed
17	Customs (including penalty for delay)	1.20	October 2010 to March 2015	Disputed
18	Customs (including penalty for delay)	26.88	December 2012 to September 2016	Disputed
19	Customs (including penalty for delay)	6.78	October 2016 to March 2017	Disputed
20	Customs	40.41	April 2017 to March 2018	Disputed
21	Customs	72.50	April 2018 to March 2019	Disputed
22	Customs	46.80	April 2019 to March 2020	Disputed
23	Customs	50.80	September 2020 to Dec 2021	Disputed
24	Customs	23.19	July 2017 to December 2020	Disputed
25	Customs	19.60	November 2018 to December 2021	Disputed
26	Customs	1.80	August 2014 to December 2014	Disputed

Sr. No.	Nature of Default	Amount involved	Duration of Default	Current Status
27	Integrated goods and services tax	619.62	August 2017 to March 2021	Disputed
28	Good and services tax	40.45	July 2017 to March 2019	Disputed
29	Good and services tax	112.14	July 2017 to March 2019	Disputed
30	Good and services tax	3.10	April 2017 to March 2018	Disputed
31	Good and services tax	4.77	April 2018 to March 2019	Disputed
32	Good and services tax	0.34	April 2019 to March 2020	Disputed
33	Good and services tax	2.26	April 2022 to July 2022	Disputed
34	Good and services tax	6.51	April 2017 to March 2018	Disputed
35	Good and services tax	239.11	April 2017 to March 2018	Disputed
36	Good and services tax	17.45	April 2018 to March 2019	Disputed
37	Good and services tax	134.26	April 2017 to March 2018	Disputed
38	Good and services tax	203.41	April 2018 to March 2019	Disputed
39	Good and services tax	65.87	April 2018 to March 2019	Disputed
40	Good and services tax	15.65	April 2018 to March 2019	Disputed
41	Tax deducted at source	222.54	AY 2009-10	Disputed
42	Tax deducted at source	122.01	AY 2010-11	Disputed
43	Tax deducted at source	180.77	AY 2011-12	Disputed
44	Tax deducted at source	171.65	AY 2012-13	Disputed
45	Tax deducted at source	21.37	AY 2013-14	Disputed

**The amounts specified do not include the interest and/or any penalty amount.*

**As certified by Umesh Prasad & Associates, Chartered Accountants, Independent Chartered Accountants vide their certificate dated September 16, 2024.*

We propose to utilize a part of our Objects for payment of our statutory dues, for more details, please refer to "*Use of Proceeds*" on page 93. We cannot assure you that such instances will not occur in future. In case, such non-compliance persist, we may be exposed to penal action by concerned authorities including initiation of prosecution against our directors and key managerial personnel. In case of imposition of penalties upon us, our business, financial position and operations may be adversely affected.

6. ***Names of Ajay Singh, Chairperson and Managing Director and Shiwani Singh, Non-Executive non-Independent Director, appeared in the list of defaulters (₹ 1.00 crore and above).***

Names of Ajay Singh, our Chairperson and Managing Director and Shiwani Singh, Non-Executive non-Independent Director of our Company, appeared in the list of defaulters on the website of TransUnion CIBIL Limited ("**CIBIL**") in relation to an irregularity/overdue reported by ICICI Bank Limited, in CIBIL report of Ajay Singh and Shiwani Singh, with respect to a borrowing facility availed by Star Bus Private Limited, wherein Ajay Singh and Shiwani Singh are presently the directors, and was classified as non-performing assets in year 2016 as per guidelines of RBI for an amount of ₹ 559.05 million along with applicable interest thereon. Star Bus Private Limited along with other parties entered into settlement agreement with ICICI Bank Limited on December 22, 2022, and paid the entire settlement amount on March 28, 2024. Subsequently, a no dues certificate was issued on April 3, 2024. While we have settled the present issue, we cannot assure that a circumstance like this will not arise in the future. Further, any such unanticipated circumstance may adversely affect our reputation. For further details, see "*Board of Directors and Senior Management – Disclosures pertaining to Defaults*" beginning on page 234.

7. ***Our Promoter, Chairperson and Managing Director- Ajay Singh had pledged certain equity shares in the favour of Indian Bank (erstwhile Allahabad Bank) as an additional security under various financing documents entered into by the Company, which have already been invoked by Indian Bank. There is no assurance that similar invocations would not occur in the future resulting in dilution of the Promoters' shareholding.***

Our Company availed debt facilities from Indian Bank (erstwhile Allahabad Bank), against which our Promoter, Chairperson and Managing Director, Ajay Singh had pledged certain equity shares of our Company held by him in favour of Indian Bank. Indian Bank invoked the pledge for 2,35,00,000 equity shares in the year 2022. Subsequent, to such invocation, our Company has availed / renewed debt facilities from Indian Bank and Indian Bank has continued to treat the invoked pledged shares as security for such fresh / renewed debt facilities availed by our Company.

Since, Indian Bank is still treating the invoked pledge as a security for the fresh / renewed debt facilities, our Company continues to reflect 2,35,00,000 equity shares (2.96% of our paid-up equity share capital) as pledged shares held in the name of Ajay Singh in our shareholding pattern.

There is no assurance that Indian Bank would continue to treat such invoked pledges as security for the debt facilities availed by our Company or Indian Bank does not sell these invoked shares in the market or to our competitors, which may have an adverse impact on our share price and consequent impact on our operations and financial position.

Further, we are not aware whether our Promoter and Promoter Group have encumbered the Equity Shares held by them in any manner in favour of third parties. Any invocation of such encumbrance by such third parties may have an adverse impact on our share price and consequent impact on our operations and financial position.

8. ***Our statutory auditors have issued qualified opinion in respect of our audited financials. Any adverse remarks in respect of our financials may impact our business.***

Our statutory auditors have issued qualifications, remarks and emphasis of matters in respect of our financials in last five Fiscals of 2024, 2023, 2022, 2021, 2020, as follows:

Fiscal / Period	Reservation, qualification, emphasis of matter or adverse remark
June 30, 2024	**Qualifications** The Holding Company and its certain subsidiaries are in non-compliance with various laws and regulations applicable to the Holding Company and the said subsidiaries as detailed in Note 10 to the accompanying consolidated financial results. Pending regularising of these non-compliances under the respective laws and regulations, the management is of the view that the impact of the aforesaid non-compliances on the accompanying consolidated financial results is presently unascertainable. In the absence of necessary assessment of the impact of the aforesaid matter, including fines and penalties that may be levied, we are unable to comment on the adjustments, if any, that may be required to the accompanying consolidated financial results on account of aforesaid matter. The opinion expressed by auditors on in our audit report dated 15 July 2024 on the consolidated financial results for the year ended 31 March 2024 is also qualified in respect of above matter. The auditor draw attention to Note 7 to the accompanying Statement which describes that the Group has earned net profit (after other comprehensive income) of Rs. 1,586.26 million during the quarter ended 30 June 2024 and, as of that date, the Group's accumulated losses amount to Rs. 77,283.86 million which have resulted in complete erosion of its net worth and the current liabilities have exceeded its current assets by Rs. 64,054.36 million as at 30 June 2024. These conditions together with other matters as described in note 7, indicates the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, 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 raising of additional funds, the management is of the view that the going concern basis of accounting is appropriate for preparation of accompanying Statement. Our conclusion above is not modified in respect of this matter. Auditor draw attention to Notes 4 and 5 which describe the uncertainty relating to the outcome of ongoing litigation with erstwhile promoters which is pending with the Hon'ble High Court of Delhi and certain resultant possible non-compliances of applicable provisions of the Act. During the quarter, the Commercial Appellate Tribunal – Hon'ble High Court, New Delhi vide order dated 17 May 2024, has set aside the judgement dated 31 July 2023 passed by the Single Judge of Hon'ble High Court, New Delhi and has directed the appeal filed by the Holding Company under Section 34 of the Arbitration and Conciliation Act, 1996 to be considered afresh. The management basis their assessment and legal advice obtained, is of the view that no material liability is likely to arise out of the aforesaid matter and accordingly, no adjustment has been made to the accompanying consolidated financial results in this respect. Our conclusion is not modified in respect of this matter. The Statement includes the interim financial information of one subsidiary, which have not been reviewed by their auditor, whose interim financial information reflects total revenues of Rs. Nil, net

Fiscal / Period	Reservation, qualification, emphasis of matter or adverse remark
	loss after tax of Rs. 4.78 million, total comprehensive loss of Rs. 4.78 million for the quarter ended 30 June 2024 as considered in the Statement and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.
Fiscal 2024	**Qualified Opinion** The Holding Company and its certain subsidiaries are in non-compliance with various laws and regulations applicable to the Holding Company and the said subsidiaries as detailed in Note 47 to the accompanying consolidated financial statements. Pending regularising of these non-compliances under the respective laws and regulations, the management is of the view that the impact of the aforesaid non-compliances on the accompanying consolidated financial statements is presently unascertainable. In the absence of necessary assessment of the impact of the aforesaid matter, including fines and penalties that may be levied, 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.
Fiscal 2024	**Material Uncertainty Related to Going Concern** Auditor draw attention to Note 2A(a)(iii) to the accompanying consolidated financial statement which describes that the Group has incurred a net loss (after other comprehensive income) of Rs. 4,183.79 million for the year ended March 31, 2024, and, as of that date, the Group's accumulated losses amounts to Rs. 78,871.39 million which have resulted in complete erosion of its net worth and the current liabilities have exceeded its current assets by Rs. 65,892.40 million as at March 31, 2024. These conditions together with other matters as described in note 2A(a)(iii), indicates the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, 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 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.
Fiscal 2024	**Emphasis of Matter** We draw attention to Note 49 which describe the uncertainty relating to the outcome of ongoing litigation with erstwhile promoters which is pending with the Hon'ble High Court of New Delhi and certain resultant possible non-compliances of applicable provisions of the Act. Subsequent to year end, the Commercial Appellate Jurisdiction - Hon'ble High court, New Delhi vide order dated May 17, 2024, has set aside the judgement dated July 31, 2023 passed by the Single Judge of High court, New Delhi and has directed the appeal filed by the Holding Company under Section 34 of the Arbitration and Conciliation Act, 1996 to be considered afresh. The management basis their assessment and legal advice obtained, is of the view that no material liability is likely to arise out of the aforesaid matter and accordingly, no adjustment has been made to the accompanying consolidated financial statements in this respect. Our opinion is not modified in respect of this matter.
Fiscal 2024	**Other Matter** Auditor did not audit the financial information of one subsidiary, whose financial information reflects total assets of Rs. 91.91 million as at 31 March 2024, total revenues of Rs. Nil and net cash flows amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. This financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary, is based solely on such unaudited financial information. In Auditor opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group. Auditor's opinion above on the consolidated financial statements, and auditors report on other legal and regulatory requirements

Fiscal / Period	Reservation, qualification, emphasis of matter or adverse remark
	below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.
Fiscal 2024	**IFC** According to the information and explanations given to auditors and based on the audit, the following material weakness has been identified in the operating effectiveness of the Holding Company and its subsidiaries internal financial controls with reference to financial statements as at March 31, 2024: The Holding Company's and its three subsidiaries internal financial controls over estimation of consequences towards non-compliances with laws and regulations as more fully explained in Note 47 to the consolidated financial statements, were not operating effectively, which could potentially result in an inappropriate assessment of the accuracy and completeness of provision for fines/penalties. This could lead to potential material misstatement in the value of fines/penalties payable, and its consequential impact on the loss after tax, reserve and surplus and related disclosures respect thereof as at and for the year ended March 31, 2024. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.
Fiscal 2023	**Qualified Opinion** 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. 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.
Fiscal 2023	**Material Uncertainty Related to Going Concern** Auditor 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.

Fiscal / Period	Reservation, qualification, emphasis of matter or adverse remark
	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.
Fiscal 2022	**Qualified Opinion** As stated in Note 49 to the accompanying consolidated financial statements, the management of the Holding Company had recognized recoverable of Rs.15,549.03 million over the period up to September 30, 2021 for recovery of rent, maintenance and other expenses incurred on Boeing 737 Max aircrafts, which had been grounded since March 2019. As further explained in the said note, the Holding Company has settled the aforesaid claims with Boeing and 737 Max aircraft lessors during the quarter ended December 31, 2021 and has recognised further amounts as 'other income'. In our assessment, there was no virtual certainty to recognise any recoverable until September 30, 2021, as required under Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets' and accordingly, upon settlement of the said claims, the Holding Company should have restated the comparative periods to reverse the recoverable along with consequent reversal of 'other income' and related 'foreign exchange gain/ (loss)' impact recorded in such earlier periods, and should have recorded the entire settlement amount in the year ended March 31, 2022 in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Had the Holding Company recognised the entire settlement gain during the year ended March 31, 2022 with restatement of earlier periods, the reported loss for the year ended March 31, 2022 would have been lower by `12,419.18 million. Our opinion for the year ended March 31, 2021 was also qualified in respect of this matter.
Fiscal 2022	**Material Uncertainty Related to Going Concern** Auditor draw attention to Note 2(A)(a)(iii) to the accompanying consolidated financial statement which describes that the Group has incurred a net loss (after other comprehensive income) of Rs. 17,410.13 million during the year ended March 31, 2022 and, as of that date, the Group's accumulated losses amount to Rs. 59,592.94 million which have resulted in complete erosion of its net worth of the Group and the current liabilities have exceeded its current assets by Rs. 64,464.98 million as at March 31, 2022. These conditions and other matters set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, based on the factors mentioned in the foresaid note including re-negotiation of payment terms to various parties, management is of the view that the going concern basis of accounting is appropriate.
Fiscal 2022	**Emphasis of Matters** We draw attention to the following notes to the consolidated financial statements: a) Note 48 which describes the uncertainty relating to the outcome of ongoing litigation with erstwhile promoters which is pending with the Hon'ble High Court of Delhi and certain resultant possible non-compliances of applicable provisions of the Act. The final outcome of these litigations is presently unascertainable. Further, based on internal assessment and legal advice obtained, the management is of the view that any possible consequential effects (including penal consequences and any compounding thereof) are not likely to have a material impact on the consolidated financial statements of the Group and accordingly, no adjustment has been made to the consolidated financial statements in respect of aforesaid matters. Note 50 which describes the effects of uncertainties relating to the outbreak of Covid-19 pandemic and the management's evaluation of its impact on the Group's operations and the consolidated financial statements of the Group as at March 31, 2022. Our opinion is not modified in respect of this matter.
Fiscal 2022	**IFC**

Fiscal / Period	Reservation, qualification, emphasis of matter or adverse remark
	According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Holding Company's internal financial controls with reference to financial statements as at March 31, 2022: The Holding Company's internal financial control system over recognition of other income as required by Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and restatement of the comparative periods in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', were not operating effectively, which has resulted in material misstatements in other income, other receivables, related foreign exchange gain/loss on restatement and its consequential impact on earnings, equity and related disclosures, as explained in Note 49 to the accompanying consolidated financial statements. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Group's annual or interim financial statements will not be prevented or detected on a timely basis.
Fiscal 2021	**Qualified Opinion** As described in Note 47 of the consolidated financial statements, the management of the Holding Company has recognised 'other income' of Rs. 5,604.48 million for the year ended March 31, 2021 (Rs. 6,718.04 million for the year ended March 31, 2020) and the related 'foreign exchange loss on restatement' of Rs. 270.61 million for the year ended March 31, 2021 (foreign exchange gain of Rs. 367.05 million for the year ended March 31, 2020) for the amount charged to Boeing for reimbursement of expenses incurred on Boeing 737 Max aircrafts, which has been grounded since March 2019. In our assessment, there is no virtual certainty to recognise such other income and related receivable, as required by Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets". Had the Holding Company not recognised such other income (including its related foreign exchange restatement), the reported loss for the year ended March 31, 2021 would have been higher by Rs. 5,333.87 million. The erstwhile auditors have also qualified their audit opinion for the year ended March 31, 2020 in respect of this matter.
Fiscal 2021	**Material Uncertainty Related to Going Concern** Audit draw attention to Note 2A(a)(iii) of the consolidated financial statements, which describes that the Group has incurred a net loss (after other comprehensive income) of Rs. 10,281.87 million during the year ended March 31, 2021 and, as of that date, the Group's accumulated losses amount to Rs. 42,233.80 million which have resulted in complete erosion of its net worth of the Group and the current liabilities have exceeded its current assets by Rs. 51,842.49 million as at March 31, 2021. These conditions, together with uncertainties relating to the impact of the ongoing Covid-19 pandemic on the operations of the Group as described in Note 48 to the consolidated financials statements and other matters set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, based on the factors mentioned in the aforesaid note including re-negotiation of payment terms to various parties, management is of the view that the going concern basis of accounting is appropriate.
Fiscal 2021	**Emphasis of Matters** We draw attention to the following notes to the consolidated financial statements: a) Note 46 which describe the uncertainty relating to the outcome of ongoing litigation with erstwhile promoters which is pending with the Hon'ble High Court of Delhi and certain resultant possible non-compliances of applicable provisions of the Act. The final outcome of these litigations is presently unascertainable. Further, based on internal assessment and legal advice obtained, the management is of the view that any possible consequential effects (including penal consequences and any compounding thereof) are not likely to have a material impact on the consolidated financial statements of the Group and accordingly, no adjustment has been made to the consolidated financial statements in respect of aforesaid matters. b) Note 48 which describes the effects of uncertainties relating to the outbreak of Covid-19 pandemic and the management's evaluation of its impact on the Group's operations and

Fiscal / Period	Reservation, qualification, emphasis of matter or adverse remark
	the consolidated financial statements of the Group as at March 31, 2021, the extent of which is significantly dependent on future developments as they evolve. Our opinion is not modified in respect of the above matters.
Fiscal 2021	**Other Matter** The consolidated financial statements of the Group for the year ended March 31, 2020 were audited by the predecessor auditor, S.R Batliboi & Associates LLP, who have expressed a qualified opinion on those consolidated financial statements vide their audit report dated July 29, 2020.
Fiscal 2021	**IFC** The Holding Company's internal financial control system over recognition of other income as required by Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets", were not operating effectively, which has resulted in material misstatements in other income, other receivables, related foreign exchange loss on restatement and its consequential impact on earnings, equity and related disclosures, as explained in Note 47 to the accompanying consolidated financial statements. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Group's annual or interim financial statements will not be prevented or detected on a timely basis.
Fiscal 2020	**Qualified Opinion** We draw attention to Note 48 to the accompanying consolidated Ind AS financial statements, regarding recognition of other income of Rs. 6,718.04 million for the year ended March 31, 2020 and the related foreign exchange gain on restatement of this balance amounting to Rs. 427.30 million. In our view, there is no virtual certainty to recognise such other income and related receivable, as required by paragraph 33 of Ind-AS 37, "Provisions, Contingent Liabilities and Contingent Assets". Had the Group not recognised such other income (including its related foreign exchange restatement), the reported loss for the year ended March 31, 2020 would have been Rs. 16,511.02 million, and accumulated losses as at March 31, 2020 would have been higher by Rs. 7,145.34 million. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.
Fiscal 2020	**Material Uncertainty Related to Going Concern** Audit draw attention to Note 2A(a)(iii) in the consolidated Ind AS financial statements which, indicate that the Group has accumulated losses and its net worth has been fully eroded, the Group has incurred a net loss during the current and previous year and, the Group's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 2A(a)(iii), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Auditor opinion is not qualified in respect of this matter.
Fiscal 2020	**Emphasis of Matter** We draw attention to the following matters: a. Note 49 of the consolidated Ind AS financial statements, which describes the economic and social disruption the Group is facing as a result of Covid-19 pandemic, and its possible consequential implications, on the Group's operations and financial metrics. b. Note 47 of the consolidated Ind AS financial statements regarding the

Fiscal / Period	Reservation, qualification, emphasis of matter or adverse remark
	uncertainties arising from the dispute with erstwhile promoters and certain resultant possible non-compliances of applicable provisions of law. Our opinion is not qualified in respect of these matters.
Fiscal 2020	**Other Matter** Auditor did not audit the financial statements and other financial information, in respect of 3 subsidiaries, whose Ind AS financial statements include total assets of Rs. 0.30 million as at March 31, 2020, and total revenues of Rs. Nil and net cash inflows of Rs. 0.3 million for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.
Fiscal 2020	**IFC** According to the information and explanations given to auditor and based on our audit and the reports issued by other auditors on internal financial controls over financial reporting with reference to these consolidated financial statements read with the matter stated in Note 48 to the financial statements, the following material weakness has been identified as at March 31, 2020: • The Group's internal controls over financial reporting relating to recognition of income were not operating effectively, in respect of other income of Rs. 6,718.04 million. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, 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. In our opinion, the Group has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these consolidated financial statements as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as of March 31, 2020.

For further details, please refer to sections titled "*Financial Information*" on page 299 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 110. In case such qualification persist in future, it will impact our business and results of operation.

9. ***Our Company could not comply with certain requirements in respect of Companies Act, 2013, compliances related to corporate governance requirements and certain other regulatory requirements. If such non-compliances continue in future, we may be exposed to penalties and regulatory actions by regulatory authorities including prosecution.***

During Fiscal 2023, our Company could only conduct three board meetings due to a ransomware attack in May 2022, which affected the IT system(s) of our Company and resulted in delay in completion of audit process and conducting the meeting of the Board within the prescribed timeline. We cannot assure you that such instances will not occur in future. Any non-compliance with regulatory requirements due to any reason can lead to imposition of penalties. Such penalties may impact our business and financials. In the three months period ending on June 30, 2024 and the last three Fiscals of 2024, 2023 and 2022 our Company was unable to disclose the quarterly financial results on time on various occasion, the table below sets out such instances of delay and the reasons for such delay:

S. No.	Financial Results for Quarter Ended	Due Date	Actual Filing Date	Total No. of Days	Reason for delay
1.	December 31, 2021	February 14, 2022	February 15, 2022	1	The Board Meeting of our Company scheduled to be held on February 14, 2022 could not

S. No.	Financial Results for Quarter Ended	Due Date	Actual Filing Date	Total No. of Days	Reason for delay
					commence as the meeting of the audit committee for approval of the unaudited standalone and consolidated financial results for the third quarter ended December 31, 2021 remained inconclusive and adjourned to February 15, 2022 due to paucity of time.
2.	March 31, 2022	May 30, 2022	August 31, 2022	93	Our Company witnessed a ransomware attack on IT on May 25, 2022 which affected the completion of our audit process within the stipulated time.
3.	June 30, 2022	August 14, 2022	August 31, 2022	17	Our Company witnessed a ransomware attack on IT on May 25, 2022 which affected the completion of our audit process within the stipulated time.
4.	December 31, 2022	February 14, 2023	February 24, 2023	10	Due to non-availability of requisite members for our audit committee, the Board meeting, scheduled on February 14, 2023 was postponed and rescheduled to February 24, 2023 to consider and approve, inter-alia, the unaudited standalone and consolidated financial results for the third quarter ended December 31, 2022
5.	March 31, 2023	May 30, 2023	August 14, 2023	76	Our Company could not hold the meeting of the audit committee and Board members for approval of financial results for financial year ended March 31, 2023 due to ongoing medical incapacitation of a key member of our audit committee
6.	September 30, 2023	November 14, 2023	December 12, 2023	28	Ongoing medical incapacitation of a key member of our audit committee
7.	December 31, 2023	February 14, 2024	July 15, 2024	152	Ongoing medical incapacitation of a key member of our audit committee
8.	March 31, 2024	May 30, 2024	July 15, 2024	46	Ongoing medical incapacitation of a key member of our audit committee

Our Company was short of one independent woman director on our Board and our Company could not comply with corporate governance requirements as required under the SEBI Listing Regulations. Subsequently, we have now appointed one independent woman director on our Board. Further, we did not appoint one independent director on the board of our material subsidiaries, however, the non-compliance has now been rectified.

Our Company procured necessary software to maintain structured data base in accordance with SEBI Insider Trading Regulations, since January 2023, however, no UPSI has been maintained for the period till now. We have also been identified as SDD Non-Compliant on the website of BSE.

Further, there have been occasions wherein while transacting in the Equity Shares by the Promoters and Promoter Group, certain approvals as required under the SEBI Insider Trading Regulations and intimations as required under the SEBI Takeover Regulations and the SEBI Insider Trading Regulations have not been undertaken by our Promoters and Promoter Group.

The Demat accounts of our Promoters were frozen by BSE in terms of SEBI Circular bearing no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 (the "**SEBI Circular**") for non-submission of financial results by the Company for the quarter ended December 31, 2023 and March 31, 2024, in terms of Regulation 33 of the SEBI LODR Regulations. Upon submission of said financial results the Demat account were unfreezed on August 21, 2024.

BSE Limited has penalized our Company on account of certain non-compliances in the last three Fiscals and the current Fiscal:

(amount in ₹)

Non-compliance	Period (quarter)	Fine Levied by BSE
SEBI LODR Regulations - 17(1) - Non-appointment of one independent woman director	June 2021	4,55,000
SEBI LODR Regulations -17(1) - Non-appointment of one independent woman director	September 2021	4,60,000
SEBI LODR Regulations -21(2) - Risk Management Committee to have minimum three members with majority of them being members of the board of directors, including at least one independent director	September 2021	1,14,000
SEBI LODR Regulations -33 - Delay in submission of unaudited financial results for the quarter	December 2021	5,000
SEBI LODR Regulations -17(1) - Non-appointment of one independent woman director	December 2021	4,60,000
SEBI LODR Regulations - 21(2) - Risk Management Committee to have minimum three members with majority of them being members of the board of directors, including at least one independent director	December 2021	1,84,000
SEBI LODR Regulations -33 - Delay in submission of unaudited financial results for the quarter	March 2022	4,65,000
SEBI LODR Regulations -17(1) - Non-appointment of one independent woman director	March 2022	4,50,000
SEBI LODR Regulations -33 - Delay in submission of unaudited financial results for the quarter	June 2022	75,000
SEBI LODR Regulations -17(1) - Non-appointment of one independent woman director	June 2022	4,55,000
SEBI LODR Regulations -17(2) - The board of directors shall meet at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings	June 2022	10,000
SEBI LODR Regulations -17(1) - Non-appointment of one independent woman director	September 2022	4,60,000
SEBI LODR Regulations -33 - Delay in submission of unaudited financial results for the quarter	December 2022	50,000
SEBI LODR Regulations -17(1) - Non-appointment of one independent woman director	December 2022	4,60,000
SEBI LODR Regulations -33 - Delay in submission of unaudited financial results for the quarter	March 2023	3,80,000
SEBI LODR Regulations -17(1) - Non-appointment of one independent woman director	March 2023	4,50,000
SEBI LODR Regulations -23(9) - Disclosures of related party transactions in the format as specified	September 2023	5,000
SEBI LODR Regulations -33 - Delay in submission of unaudited financial results for the quarter	September 2023	1,35,000

Non-compliance	Period (quarter)	Fine Levied by BSE
SEBI LODR Regulations -33 - Delay in submission of unaudited financial results for the quarter	December 2023	7,60,000
SEBI LODR Regulations -33 - Delay in submission of unaudited financial results for the quarter	March 2024	2,50,000
SEBI LODR Regulations -31 - Delay in submission of shareholding pattern for the quarter	June 2024	34,000

We cannot assure you that such non-compliance will not occur in future. If such non-compliances continue in future, we may be exposed to penalties and regulatory actions by regulatory authorities. Penalties due to such non compliances may impact our financials and may impact our business.

10. ***Our business, results of operations and financial condition could be affected by adverse results of legal proceedings.***

There are several outstanding legal proceedings against our Company including civil suits, consumer disputes, IBC Petitions, arbitration claims etc. These proceedings are pending at different levels of adjudication before various adjudication forums. For further details of material legal proceedings, including criminal and statutory and regulatory proceedings, involving our Company, please refer to the section titled "*Legal Proceedings*" on page 284. If any of these outstanding litigations are decided against our Company, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

Additionally, we operate in a strictly regulated industry primarily regulated by the DGCA and BCAS, which exposes our business to significant regulatory interface and consequential action. There have been instances of past notices, warnings and action being initiated against us on account of certain lapses in regulatory compliances, for instance DGCA has put us on enhanced surveillance on August 24, 2024 pursuant to their audit findings. In this regard, we may be subject to penalties and regulatory actions including suspension of our business operations.

Our Company and its officials are also subject to several consumer complaints and legal notices pertaining to issues such as deficient services, refund of fare for cancelled flights, delay in flights schedule and loss of baggage. Our Company has also received several legal notices in relation to the default of payment obligations to various parties such as pilots and other vendors.

We are also embroiled in a legal dispute with our erstwhile Promoters, Kalanithi Maran and KAL Airways Private Limited in relation to the Share Sale and Purchase Agreement dated January 29, 2015 ("**SSPA**") for transfer of controlling stake of our Company in favour of our current promoter and Managing Director, Ajay Singh, pursuant to which certain warrants (convertible into equity shares in future) and non-convertible redeemable cumulative preference shares ("**CRPS**") were supposed to be issued to the Sellers, subject to regulatory approvals being obtained, but such approvals could not be obtained due to regulatory and statutory issues. For further details, please refer to the section titled "*Legal Proceedings*" on page 284

We cannot assure you that these outstanding legal proceedings will be decided in our Company's favor or in the favor of our Directors or Promoters, or that no further liability will arise out of these proceedings. Further, such legal proceedings could divert management's time and attention and consume financial resources. Any adverse outcome in any of these proceedings may adversely affect our Directors, individual Promoters and/or our profitability, reputation, business, results of operations and financial condition.

11. ***We are subject to planned and unplanned audits by DGCA. DGCA has imposed penalties on us in the past in relation to implementation of rectification action with respect to our operations. Any significant finding during the audit by DGCA may lead to imposition of stringent conditions on us or suspension of our permits.***

We are subject to several planned and unplanned audits by DGCA, including (i) AMO Audits (CAR 145) – which occurs twice a year called as M1 Audit and M2 Audit - carried out on Aircraft maintenance procedures followed and store procedures; (ii) CAMO Audits (CAR M) – which occurs twice a year called G1 audit and G2 Audit- All CAMO departments as per CAR M subpart G –These includes internal departments- TSD/ Power plant/ Planning/ SLD / Tech records/MCC/Airworthiness; (iii) Spot checks / special audit /Night Surveillance on aircraft- Being performed any time /any base as per the discretion of DGCA; (iv) main base inspection audit by safety- This is comprehensive audit performed annually; (v) Organization approval audit - initially performed at the time of organization approval and subsequently after every 5 years for the purpose of renewal of approval of the organization; (vi) Scope enhancement Audit- it is performed when we needs to enhance the scope of a maintenance station; and (vii) SAFA audit on aircraft- safety assessment of foreign aircraft done during the international operation to comply with international standard.

The nature and scope of such audits are comprehensive and we are required to comply with the finding of such audits. For instance DGCA has put us on enhanced surveillance on August 24, 2024 pursuant to their audit findings. In this regard, we may be subject to penalties and regulatory actions including suspension of our business operations; a special audit of our engineering facilities was conducted on the August 7 and August 8, 2024, which revealed certain deficiencies and we were permitted to release the aircraft only after confirming to DGCA that all reported malfunctions were rectified.

DGCA has also imposed penalties on us in the past, the brief details of which are set out in the table below:

(₹ in million)

S. No.	Name of statutory authorities	Date of Action/Order	Brief summary	Amount of Penalty, if any
1	DGCA	August 20, 2024	In AELP (Aviation English Language Proficiency) Department, rater 1 was utilized without information to DGCA.	0.50
2	DGCA	October 13, 2023	There was deviation in compliance of CAR Section 8 Series F Part II. DGCA suspended Director Training for 3 months.	2.00
3	BCAS	September 20, 2022	As per BCAS AVSEC Order No. 05/2009, 1 supervisor and 3 security staff are required for flight arrivals. On August 6, 2022, when SpiceJet flight SG-8108 arrived at IGI Airport Delhi, only 2 security personnel were present, leading passengers to disembark onto the Apron, posing safety risks. BCAS noted the violation and suspended SpiceJet Security Programme at Delhi Airport from 1200-1800 hrs on September 20, 2022. SpiceJet appealed, citing disruption to flights. After review, the suspension was upheld but deferred to September 22, 2022, from 1330-1530 hrs, to minimize public inconvenience.	Nil
4	DGCA	June 7, 2022	Variation in Return to Service training of MAX aircraft. Suspension of Director Training for 3 months One of the equipment	1.00 million

DGCA has wide powers in relation to issuance of instructions basis the audits conducted by them. We cannot assure you that we will not be subject to imposition of stringent conditions during such audits or under extreme circumstances cancellation or suspension of airline permit. Any such occurrence will have a material adverse impact on our cash-flows, financial conditions and results of operation.

12. ***The global grounding of Boeing 737 MAX-8 had a material adverse impact on our operations and financial position.***

The Boeing MAX-8 Aircraft suffered 2 (two) fatal crashes (Lion Air on October 29, 2018, and Ethiopian Airlines on March 10, 2019) owing to suspect design defects and these were accordingly banned from flying by every major governmental air traffic regulation authority around the Globe, including by the DGCA with immediate effect from

March 13, 2019. The 13 (thirteen) Boeing 737 MAX Aircraft which were leased by our Company, for commercial passenger flying services were fundamentally rendered incapable of being used, either 'safely' or 'legally', within a period of just 3 (three) months from the date the lease term commenced. Resultantly, we could not derive any revenue from these aircraft for a period of 37 months approx., out of a lease term of 120 months since the worldwide grounding. Between the time period that the worldwide grounding of the MAX fleet took place and until the first quarter of 2020, we were scheduled to get an additional 13 MAX-8 aircraft, as per the delivery schedule agreed between us and Boeing under the aircraft purchase agreement, which would have resulted in a total of 26 MAX-8 aircraft being in revenue operations by March 31, 2020. However, the worldwide grounding of the MAX fleet, on account of the catastrophic crashes coupled with the loss of scheduled deliveries of our additional 13 MAX aircraft has a material adverse impact on our operations and financial position.

The unavailability of the MAX aircraft directly caused an unprecedented cancellation of flights and displacement of our passengers, which resulted in the abandonment of our plans to expand to several new international routes (including the loss of opportunity for expansion in comparison to some of our competitor airlines) and caused us to over-utilise our existing fleet on routes which we had planned for the MAX. Further, the non-availability of the MAX required us to enter into leases of the less efficient 737 NG aircraft (the "NG"), extend the existing NG leases, and acquire CFM56-7B engines in order to maintain stability in operations, and in order to mitigate our losses, while protecting our market presence. These aforesaid measures caused us to suffer losses and damages/costs that we would not have otherwise incurred or suffered. Under these circumstances, the global grounding of the MAX Aircraft created a situation where not only were we compelled to induct our fleet on MAX routes but the impeding non-return of MAX aircraft into service also resulted in over-utilisation of our then current fleet which was less fuel efficient when compared to the MAX aircraft. In addition to the fuel costs, we also suffered from idling costs towards the 13 MAX aircraft which were grounded.

Our results of operations for Fiscal 2020, 2021 and 2022 were adversely affected by the grounding of our 737 MAX aircraft in these periods, which materially and adversely affected the ramp up of our operations and our profitability (as we continued to incur expenses on these grounded aircraft, even while they were not generating any revenues). There is no assurance that such circumstance would not occur in future, further, any such occurrences relating to our aircraft or engine could have a disruptive impact on our operations, cashflows and financial position.

Further, we have an existing order book of 147 737 MAX aircraft with Boeing and if either Boeing or the engine manufacturers (CFM) become unable to perform their contractual obligations, or if we are unable to acquire or lease aircraft or engines from these or other owners, operators or lessors on acceptable terms, we would have to find other suppliers for a similar type of aircraft or engine. If we have to lease or purchase aircraft from another supplier, we would lose the significant benefits we would have derived from our fleet composition. We may also incur substantial transition costs, including costs associated with retraining our employees, replacing our manuals and adapting our facilities and maintenance programs. Our operations could also be harmed by the failure or inability of aircraft, engine and parts suppliers to provide sufficient spare parts or related support services on a timely basis, particularly in connection with new-generation introductory technology.

13. ***If we are unable to raise additional capital, we may not be able to implement our business strategies or sustain and manage our growth due to which our business, results of operations and financial condition could be adversely affected.***

As on June 30, 2024, we have negative retained earnings of ₹ 77,283.86 million and negative net worth of ₹ 50,221.07 million. We have incurred liability on account of alleged delays in repayment/non-payment to our creditors, inability to comply with the terms of leasing arrangements, non-payment of statutory dues and irregularity in complying with the regulations or guidelines. We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any unfavourable change to terms of borrowings may adversely affect our cash flows, results of operations and financial conditions. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital on time and on acceptable terms, or at all, our business, results of operations, financial condition and cash flows could be adversely affected. Further, if we are unable to raise additional capital, we would not be able to repay our dues, and carry out repair and maintenance of our aircrafts.

Our growth strategy includes expanding our existing business. We cannot assure you that our growth strategies will be successful or that we will be able to expand our business. We cannot guarantee that we will be able to manage the growth. Accordingly, our ability to manage our growth, including by way of depends significantly upon our ability to manage key issues such providing on-time services to flyers, developing and maintaining our air fleet. Our failure to do any of the preceding could adversely affect our business, results of operations and financial condition and cash flows.

A substantial portion of our operating cash flow is required to service our debt and other payment obligations. This reduces funds available to finance our operations and pursue new business opportunities, limits our flexibility in responding to changing business and economic conditions, including technological changes and increased competition, and potentially makes us more vulnerable than certain of our competitors to a future downturn in the economy. In the event that our cash flow from operations is less than anticipated and we are unable to secure additional funding to cover our expenses, our business, financial condition, expansion plans and operations would be materially adversely affected. Moreover, we may need additional external financing to offset future losses, and there can be no assurance that we will be able to arrange such financing on acceptable commercial terms or at all. If we are unable to finance losses, we will have to halt our operational expansion, which may further limit our ability to offset future losses and may have a material adverse effect on our business, results of operations, financial condition and prospects.

14. ***Our Company has negative cash flows from its operating activities, investing activities and financing activities in the past years, details of which are given below. Sustained negative cash flow could impact on our growth and business.***

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in the previous year(s) and the same are summarized as under:

(₹ in million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash flow from investing activities	358.30	5,496.68	(1,490.04)
Net cash flow from/(used) in financing activities	7,302.42	(6,101.39)	(8,777.97)
Net cash flow from / (used) in operating activities	(5,958.69)	822.28	10,037.04

We may experience negative cash flows in the future as well. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. This situation may have an adverse effect on our cash flows, business, future financial performance and results of operations.

For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 110.

15. ***As of the date of this Preliminary Placement Document, the position for the Chief Financial Officer is vacant and we are in the process of identifying the suitable candidate for this position.***

The success of our business significantly depends upon the continued services of members of our key and senior leadership team. As on the date of this Preliminary Placement Document, the position of the Chief Financial Officer in our Company is vacant, and we are in the process of identifying a suitable candidate to fill this position. Ashish Kumar, erstwhile Chief Financial Officer of our Company resigned w.e.f. July 15, 2024, however, the corporate filings in relation to his resignation are in the process of being completed. Presently, we are also in the process of identifying a suitable candidate to fill this position. We could be adversely affected by the loss of any of our key or senior management or other executive officers. The market for such qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain high calibre individuals. Our success also depends, in part, on key client relationships forged by members of our key managerial personnel and senior management. If we were to lose any of our key managerial personnel or senior management, we cannot assure you that we will be able to continue to maintain key client relationships or renew them. If we are unable to retain these members of our senior management or our key managerial personnel, our business, results of operations, cash flows and financial condition may be adversely affected.

16. ***Our Chairperson and Managing Director, Ajay Singh and Non-Executive non-Independent Director, Shiwani Singh, were not in compliance with Section 165 of the Companies Act, 2013.***

Our Chairperson and Managing Director, Ajay Singh held directorship in more than 20 companies and our Non-executive and non-independent director, Shiwani Singh held directorship in more than 20 companies and more than 10 public companies. While as on the date of this Preliminary Placement Document, the non compliance have been rectified, however there is no assurance that such non-compliances would not be repeated in future or the relevant RoC would not impose penalties on them under the provisions of the Companies Act, 2013. Imposition of penalties on them would adversely impact their reputation, which will have a consequent adverse impact on us.

17. ***A failure to comply with covenants contained in our aircraft and engine lease agreements or our financing agreements could have a negative impact on us.***

We have entered into aircraft and engine lease agreements with various lessors. These agreements contain customary termination events and also require us to comply with certain covenants during the term of each agreement, including regulatory compliance. Failure to comply with such covenants could result in a default under the relevant agreement, and ultimately in a re-possession of the relevant aircraft or engine. Certain of these agreements also contain cross-default clauses, as a result of which default under any one of the lease agreements may be treated as a default under other lease agreements. There have been defaults under our aircraft engine and lease agreements in the past and some of our aircraft and engine lessors have initiated enforcement actions against us. For further details, please refer to "*Legal Proceedings*" on page 284. As such, a failure to comply with the covenants in our aircraft and engine lease agreements could have an adverse effect on our business, financial condition and results of operations. We are in dispute with several of our lessors on account of alleged unpaid dues. For more details, please refer to the section titled "*Legal Proceedings*" on page 284.

In the event we are unable to obtain the consents of our lessors or lenders under these agreements in a timely manner, or at all, the same could have an adverse impact on our business.

18. ***We are unable to trace some of our historical records including the returns, forms, resolutions, minutes, and other related documents, as maintained by the Company and available in the records of the Company at the Company office, in relation to the capital build-up.***

Certain of our Company's corporate regulatory filings and records are not traceable as the relevant information were not available in the records maintained by our Company or on the online portal of the Ministry of Corporate Affairs ("**MCA Portal**") or in the physical records available at the Registrar of Companies, National Capital Territory of Delhi and Haryana (**"RoC"**). Despite conducting internal searches and engaging an independent practicing company secretary, Mahesh Gupta & Company, to conduct a physical search of our records at the RoC, we have not been able to trace the documents in relation to returns, forms, resolutions, minutes, and other related documents, as maintained by the Company and available in the records of the Company at the Company office, in relation to the capital build-up and certain allotments. While no legal proceedings or regulatory action has been initiated against our Company or is pending in relation to untraceable secretarial and other corporate records and documents as of the date of this Preliminary Placement Document, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company or that any fines will be imposed by regulatory authorities on our Company in this respect in the future. Further, the impact of this is not expected to be material.

19. ***We are still recovering from the financial impact of COVID-19 pandemic.***

Outbreak of COVID-19 was announced by the World Health Organisation (**WHO**) on January 12, 2020, and thereafter, various travel advisories were issued by the Ministry of Health and Family Welfare, Government of India ("**GoI**") relating to restrictions on air travel. On January 30, 2020, the WHO declared the outbreak of COVID-19 as a `Public Health Emergency of International Concern'. On March 23, 2020, Ministry of Civil Aviation, Government of India ("**MoCA**") issued Order AV.11011/1/2020-US(AG) Office - MOCA, which prohibited the operation of all scheduled domestic flights with effect from 23:59 hours IST on March 24, 2020. On March 24, 2020, India went into its first national lockdown, pursuant to the lockdown guidelines issued by the Ministry of Home Affairs, Government of India ("**First Lockdown Order**"). The Directorate General of Civil Aviation ("**DGCA**"), on the same day by its Office Order dated March 24, 2020, disseminated MoCA's order of even date for guidance and strict compliance of all domestic operators engaged in scheduled operations in India. That all domestic air travel of passengers remained prohibited on account of various orders issued by the MoCA, MHA and DGCA, till May 24,

2020. Extremely restricted domestic air travel was permitted to resume from May 25, 2020 onwards with attendant capping of price and capacity. Airline operators were permitted to resume aircraft operations only in a calibrated manner, with effect from May 25, 2020 onwards, such that domestic civil flight operations were permitted to a limited extent of restricted approved 1/3rd (33%) capacity of the airlines summer schedule for the year 2020. these capacities were enhanced gradually from 33% to 70% (i.e., from 33% to 45%, 45% to 60% and 60% to 70%) in a phased manner during the year 2020 by MoCA. Thereafter, on December 3, 2020, MoCA further enhanced this capacity from 70% to 80%. That, it was only from October 18, 2021 that Indian airline operators were allowed to undertake operations domestically with full capacity at 100%.

As far as international air travel of passengers is concerned, that too was prohibited with effect from March 26, 2020, with only exceptions to international cargo operations and flights specially approved by DGCA. These restrictions on scheduled international commercial passenger services continued and extended up to February 28, 2022, by DGCA.

It is also pertinent to note that due to the lockdown measures and restrictions imposed on account of COVID-19, pandemic, we also faced issues relating to refund of tickets and maintenance of aircraft fleet, amongst others. It is further relevant to state that due to the outbreak of COVID-19 pandemic and grounding of aircraft, the operations of airline companies in general were impacted deeply. It may also be relevant to note that the impact of COVID-19 pandemic has also been taken note of by International Air Transport Association ("IATA"). IATA's cash burn report made various remarks concerning the aviation sector as whole, including but not limited to, (i) airlines have generated negligible revenue during these unprecedented and unavoidable circumstances due to the complete suspension of its scheduled domestic and international passenger operations; (it) without relief, the (global) aviation industry's cash position could deteriorate by $ 252 billion (approx.) in the year 2020 itself.

Even after the lifting of the COVID 19 pandemic restrictions, the fear caused by COVID-19 (including fear relating to any new mutations) continued the adverse impact on the aviation and travel industry which further delayed the industry's return to pre-pandemic levels of operations. Accordingly, the effects of COVID-19 on our business and results of operations were immense. In the same period, we received several notices from our lessors notifying us, inter alia, that we have failed to pay rentals as they fell due, that events of defaults have occurred and are continuing, demanding immediate payments of overdue amounts and reserving their rights to take all actions permitted under the lease agreements upon the occurrence of an event of default, resulting in grounding of our aircraft.

We cannot assure that Further, the outbreak of other epidemics, pandemics, natural or other calamities and terrorism could also have an adverse effect on our business, operating results, financial condition and liquidity.

20. We may be unsuccessful in implementing our growth strategy.

Our growth strategy involves increasing the frequency of our flights in markets that we currently serve, particularly in slot constrained airports, expanding into tier II and tier III cities in India and potentially to select new destinations in Southeast Asia, South Asia and the Middle East. The number of markets we serve and our flight frequencies depend on our ability to identify appropriate geographic markets upon which to focus and to gain suitable airport access and route approval in these markets.

Factors that may affect our ability in implementing our growth strategy and in particular to identify appropriate new routes to which we can expand, include:

1. general population trends in India;
2. conditions in the Indian domestic ground transportation industry;
3. national, regional and local governmental laws, regulations, policies or actions, including those related to taxation and tax restrictions;
4. regulatory limitations such as on flight capacity or the ability of carriers to process more passengers;
5. the business and operations of our competitors;
6. our inability to grow domestic networks and frequencies in a profitable manner;
7. our inability to acquire additional licenses and traffic rights to our targeted geographical markets;
8. delay in procuring, or our inability to procure, parking bays and flight slots on terms that are financially viable at our targeted airports;
9. changes to our cost structure;
10. inability to effectively execute our international strategy which is based on the LCC business model;
11. factors affecting demand in international travel to and from India, including the general condition of the global economy;

12. operational, financial, marketing and legal challenges (including compliance with foreign laws) that are different from those that we currently encounter;
13. our inability to operate and manage a larger operation in a cost-effective manner;
14. our inability to maintain or grow our ancillary revenues;
15. greater exposure to exchange rate volatility;
16. our inability to hire, train and retain sufficient numbers of pilots, flight crew and engineers with relevant experience;
17. delays or disruptions caused by engine problems or a lack of spare engines to operate our aircraft; and
18. delays in fulfilment of our aircraft orders by the aircraft manufacturer or our inability to finance such aircraft on acceptable terms.

Our inability to successfully identify new routes on which to expand our route network may result in excess unused seat capacity in our fleet. Although we may not operate additional new routes immediately or at all, we may still incur costs in attempting to identify such new routes and operating expenses to maintain and service our aircraft. The size of our route network also affects our aircraft fleet requirements, and our failure to expand our route network may cause us to delay or cancel our new aircraft orders or delivery of new or previously used aircraft that we have purchased or leased, which in turn could result in a breach of our obligations under our aircraft purchase agreements or our various aircraft lease agreements.

The expansion of our business will also require additional skilled personnel, equipment and facilities. The inability to hire and retain skilled pilots and other personnel or secure the required equipment and facilities efficiently and cost-effectively may adversely affect our ability to execute our growth strategy. Expansion of our markets and flight frequencies may also strain our existing management resources and operational, financial and management information systems to the point where they may no longer be adequate to support our operations, requiring us to make significant expenditures in these areas. Many of the factors above are beyond our control.

While we intend to replicate our LCC business model to expand our operations to new markets, we may have limited operating experience in such markets, where the operating, financial, marketing and legal challenges presented could be significantly different from those that we currently face in our existing markets. There can be no assurance that we will succeed in implementing our strategy of expanding into these new markets. Accordingly, we cannot assure you that we will be able to successfully establish new markets or expand our existing markets, and our failure to do so could have an adverse impact on our business, financial condition and results of operations.

21. ***Our business and growth plans will depend on how effectively we apply the low-cost carrier, model to the markets in which we operate or plan to operate and how successful we are in implementing our growth strategy.***

The airline industry is characterized by low profit margins and high fixed costs, including lease and other aircraft acquisition charges, engineering and maintenance charges, financing commitments, staff costs and IT costs. Significant operating expenses, such as airport charges, do not vary according to passenger load factors. In order for us to profitably operate our business, we must continue to achieve, on a regular basis, high utilization of our aircraft, low levels of operating and other costs, careful management of passenger load factors and revenue yields, acceptable service levels and a high degree of safety, such that we continue to generate high revenues and grow profitably. As some of the factors affecting these tasks are not totally under our control, there can be no assurance that we will be able to achieve any one or more of these aims to a sufficient degree for our business and growth plans to succeed at all or for us to be able to cover the fixed costs of our operations or achieve acceptable operating or net profit margins. As we rely on maintaining high utilization of our aircraft, if an aircraft becomes unavailable, our operations may suffer and we may suffer reputational loss and profitability.

In addition, it may be difficult for us to continue to operate at present costs levels because of the addition of new aircraft to our fleet, expansion of our operations in domestic and international markets, aviation fuel price increases and other internal or external factors. Furthermore, it may be difficult for us to deliver higher revenues and capture greater market share, if we face prolonged or intense price competition. The expansion of flight routes in foreign markets are also dependent on bilateral and/or reciprocal arrangements between the relevant governments, which may or may not materialize. In these and other ways, should we be unable to successfully continue to apply the low cost carrier model to the Indian market or replicate it in competitive international markets, our business, operations and financial condition may be adversely affected.

22. ***The airline industry tends to experience disproportionately high adverse financial performance during economic downturns.***

A substantial portion of airline travel, for both business and leisure, is discretionary, the airline industry tends to experience disproportionately high adverse financial performance during economic downturns compared to the other sectors of the economy.

As the airline industry is generally characterized by high fixed costs, principally for lease and other aircraft acquisition charges, airport charges, engineering and maintenance charges, financing commitments, staff costs and IT costs, a shortfall in revenue levels as a result of slower economic cycles (such as the economic downturn resulting from the pandemic like COVID-19) have had and could in the future have an adverse impact on our results of operations and financial conditions.

If the global economy, and in particular the Indian economy, continues to experience a downturn due to the impact of pandemic like COVID-19 or other factors in the future, it may lead to supressed demand for business and leisure travel in India and in foreign markets, as a result of which, our results of operations may be adversely affected.

In addition, if there is a tightening of credit in the financial markets in the future, financing for our route and fleet expansion and working capital may not be available on commercially acceptable terms or at all, and as a result, we may experience serious cash flow problems, and the implementation and planning of our growth strategy may be delayed. Uncertainty and adverse changes in the economy could also increase costs (including increased costs of fuel) associated with our growth strategy in a number of ways and increase our exposure to material losses from our investment in our fleet.

23. ***Our success depends in part on our achievement of high daily aircraft utilisation. As a consequence, our results of operations may suffer in the event of delays.***

One of the key elements of our business strategy is to maintain a high daily aircraft utilisation rate, which is the amount of time that our aircraft spend in the air carrying passengers. High daily aircraft utilisation gives us the capacity to generate more revenue from our aircraft and is achieved partly by reducing turnaround time at airports so that we can fly more hours each day. Aircraft utilisation may be reduced by delays resulting from many factors, most of which are not fully in our control, such as security requirements, air traffic and airport congestion, adverse weather conditions, defects or mechanical problems with our aircraft, customer processing, baggage handling and in-flight crew strikes or work stoppages or acts of third parties upon whom we rely for various services. This risk is particularly acute in India, where the top ten airports handle the majority of air traffic. These airports are heavily congested and operate far above their design capacities, leading to frequent congestion and delays. Given the number of aircraft we currently operate, if an aircraft becomes unavailable for any reason, we could suffer more severe financial and reputational impacts due to the absence of available replacement aircraft than other larger airlines with larger fleets.

The planned expansion of our business to include new aircraft, new destinations and more frequent flights on existing routes could increase the risk of delays to the extent that expansion increases our exposure to congested airports or airports with less established infrastructure or facilities, longer flight durations or air traffic congestion. Higher utilisation also puts pressure on our internal systems to achieve a quick turnaround between flights. Furthermore, high aircraft utilisation increases the risk that an aircraft could remain behind schedule for a substantial period of time once it falls behind schedule during the day, thus causing delays to subsequent flights. Delays could damage our reputation as well as reduce our daily available aircraft.

24. ***We are subject to stringent labour laws or other industry specific standards in respect of our employees. Any strike, work stoppage by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition and results of operations.***

Our operations are labour intensive. As of June 30, 2024, we had 7,824 full-time employees. We are subject to a number of stringent labour laws that protect the interests of workers, including legislation that stipulates rigorous procedures for dispute resolution and retrenchment of workers that impose financial obligations on employers. Due to our financial stress, we have also been compelled to furlough our employees for certain period including deferral of monthly remuneration payment to our employees. We cannot assure you that such instances will not occur in the future. Additionally, our inability to recruit employees, in particular, employees and retain our current workforce could have a material adverse effect on our business, financial condition and profitability.

Additionally, in the event of any Government directive, our operations are stopped during such period, we might have to pay higher wages in such situation during the shutdown period which will affect our results of operation.

For instance during the COVID-19 pandemic, we had to undertake a furlough of our employees across all departments.

There have been also instances of complaints in respect of sexual harassment in our Company, which we endeavor to resolve in accordance with our policies and applicable laws.

Any order from a regulatory body or court requiring us to make payments to such contract labour may have an adverse effect on our business, financial condition, results of operations and cash flows. Further, we may be exposed to risks of loss, fraud, theft, misappropriation, or unauthorized transactions by employees or other personnel we engage for our business or operations. While there have neither been any instances of fraud nor any material instances of theft or misappropriation or unauthorized transactions during Fiscals 2024, 2023, and 2022, however we cannot assure that such instances will not occur in future, and if they occur, may result in an adverse effect on our reputation, business or operations.

25. We have high dependency on the Boeing 737 family aircraft, and our operations are vulnerable to any technical issue or regulatory changes affecting this aircraft which may business operations and financial conditions of the company

We have a fleet of 58 aircraft as on the date of this Preliminary Placement Document , of which majority belong to the Boeing 737 family. Our dependence on Boeing 737 family aircraft makes us particularly vulnerable to any problems that might be associated with such aircraft. The Boeing 737 family of aircraft has been in service for over 30 years. Any defect or problem discovered in an Boeing 737 family aircraft may result in Boeing 737 recalling or issuing maintenance advisories applicable to all such aircraft, and substantial part of our fleet may have to be grounded while such a defect or problem is corrected, assuming it can be corrected at all. Any such defect or problem may also result in aviation authorities in India or elsewhere implementing certain airworthiness directives which may require substantial cost to comply with. Further, our operations could be adversely affected if passengers avoid flying with us as a result of a negative perception of the Boeing 737 aircraft due to real or perceived safety concerns or other problems. A change in engine suppliers or contractual terms with existing engine suppliers, including a change in fuel saving terms, may lead to less favourable terms in our future engine orders, which may increase our fixed and variable costs. Further, if Boeing 737 aircraft become unable to perform their contractual obligations, or if we are unable to acquire or lease aircraft or engines from these or other owners, operators or lessors on acceptable terms, we would have to find other suppliers for a similar type of aircraft or engine. We may also incur substantial transition costs, including costs associated with retraining our employees, replacing our manuals and adapting our facilities and maintenance programs. Our operations could also be harmed by the failure or inability of aircraft, engine and parts suppliers to provide sufficient spare parts or related support services on a timely basis, particularly in connection with new-generation introductory technology.

26. Our operations are dependent on the limited number of routes, which in turn contributes to a significant part of our revenue from operations and any restriction on such routes may adversely affect our business, operations and financial position.

We are dependent on very limited routes for our flights which in turn contributes significantly to our revenue. The civil aviation industry in India is primarily regulated by the MoCA, the DGCA, the Bureau of Civil Aviation Security, Government of India (an independent department under MoCA) and the Airports Authority of India. The regulations are extensive and complex and cover all major aspects of operations, including basic licenses, aircraft acquisitions, and routing. The issuance and regulation of operating permits, certification, import and registration of aircraft, security clearances for designated personnel, route frequencies, and administration of all related aviation regulations is handled by the DGCA. Due to our dependency on a few routes, our overall growth and profitability is subject to any restrictions being imposed on these routes. For example, the Route Dispersal Guidelines of the DGCA, read together with the National Civil Aviation Policy 2016, stipulate that we operate on certain routes to economically less developed parts of India. Also, private scheduled air transport operators require the approval of the MoCA for the import of additional aircraft into India. Foreign airlines are also allowed to invest in the capital of Indian companies engaged in providing air transport services up to the limit of 49% of their paid-up capital without prior RBI approval and beyond 49% up to 100% of their paid-up capital with prior RBI approval, subject to certain conditions. Any enhancement of these regulations, or the imposition of additional restrictions and conditions that affect our business and operations could impact our revenues, profitability and ability to grow our business. Any change to the present structure and norms may affect our operations, fleet utilization, cost structure, availability of necessary crew and the number of required crew.

27. ***We propose to utilize a portion of the Net Proceeds for repayment of statutory dues, settlement of creditors dues, ungrounding of our existing fleet, new fleet induction, payment of employee dues and payment of outstanding liabilities. If Net Proceeds to be utilised towards the aforesaid objects are insufficient for settlement of various liabilities, we may have to seek alternative forms of funding.***

We propose to utilize a portion of the Net Proceeds for repayment of statutory dues, settlement of creditors dues, ungrounding of our existing fleet, new fleet induction, payment of employee dues and payment of outstanding liabilities as set forth. in "*Use of Proceeds*" on page 93. If Net Proceeds to be utilised towards the aforesaid objects are insufficient for settlement of various liabilities, we may have to seek alternative forms of funding. As on the date of this Preliminary Placement Document, we may not have agreed or entered into any definitive agreements towards such settlement of liabilities. Further, it is also possible that we may not be able to enter into settlements with our creditors, or that if we do enter into settlements, we may not be able to complete those such settlements on terms commercially acceptable to us or at all and/or be able to complete all conditions of such settlement in a timely manner or at all. Our inability to deploy our Net Proceeds in full or in part for the purposes set out above and the inability to complete such transactions may adversely impact our operations and results of operations. Further, we will from time to time continue to seek settlement and the amount of Net Proceeds to be used for such settlements will be based on our management's decision. The amounts deployed towards such settlements may not be the total value or cost of the Objects for which we propose to utilise the Net Proceeds. Consequently, we may be required to explore a range of options to raise requisite capital, including internal accruals or debt financing from third party lenders or institutions.

28. ***The airline industry is significantly affected by the price and availability of aircraft fuel. Inadequate supplies of aircraft fuel or disruption in supply may result in increases in the cost of aircraft fuel or could cause significant disruptions to our business.***

Fuel is the single-largest operating expense for airlines, the price of aviation turbine fuel (ATF) can have a major impact on demand and airline profitability. The ability to pass on a significant part of higher fuel prices is limited and inadequately addressed, largely due to competitive pressures. In the three months ended June 30, 2024 and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, expenses on account of aviation turbine fuel constituted 34.07%, 33.38%, 41.82% and 31.68%, respectively, of our total expenses for such periods on a consolidated basis. As such, our operating results are significantly impacted by changes in the availability and the cost of aircraft fuel.

Both the cost and the availability of aircraft fuel are subject to many economic and political factors and events occurring throughout the world that we can neither control nor accurately predict. Aircraft fuel prices have been subject to high volatility, fluctuating substantially over the past several years. Due to the large proportion of aircraft fuel expenses in our total expenses, even a relatively small increase in the price of aircraft fuel can have a significant negative impact on our total expenses. Our ability to pass on increased fuel expenses to our customers by raising ticket prices is limited.

In addition, there can be no assurance that the Indian government will continue with the prevailing policies and aircraft fuel subsidies enjoyed by us and other airlines in India. The price of aircraft fuel in India is also dependent on other factors including the following:

1. limited competition in India because aircraft fuel is currently available at airports primarily from three government-controlled oil marketing companies and two private companies;
2. periodic variations in the ex-refinery price charged for aircraft fuel by oil marketing companies: the price is fixed every month based on the Arab Persian Gulf Platt aircraft fuel prices and the cost of crude oil;
3. fluctuations in the exchange rate between the U.S. Dollar and the Rupee, since a substantial percentage of crude oil is imported; and
4. excise duty and state taxes .

Inadequate supplies of aircraft fuel or disruption in supply may result in increases in the cost of aircraft fuel or could cause significant disruptions to our business.

29. ***We are exposed to the risk related to repair and maintenance of the aircraft which can be time consuming and costly. Our failure to repair the aircraft and lack of regular maintenance, could have an adverse effect on our business, financial condition and results of operations***

We have entered into aircraft lease agreements with various lessors. These agreements contain customary termination events and also require us to comply with certain covenants during the term of each agreement, including regulatory compliance, periodic repair and maintenance of the aircraft. Failure to comply with such covenants could result in a default under the relevant agreement, and ultimately in a re-possession or grounding of the relevant aircraft. The details of the aircraft grounded due to lack of maintenance on account of financial constraints or unavailability of components are as provided below:

S/N	Aircraft Type/Model	Aircraft Registration	Status	Major Shortfalls
1	Boeing 737-8	VT-MXA	Storage/Maintenance	Engines & Components
2	Boeing 737-8	VT-MXB	Storage/Maintenance	Engines & Components
3	Boeing 737-8	VT-MXC	Storage/Maintenance	Engines & Components
4	Boeing 737-8	VT-MXD	Storage/Maintenance	Engines & Components
5	Boeing 737-8	VT-MXE	Storage/Maintenance	Engines & Components
6	Boeing 737-8	VT-MXI	Storage/Maintenance	Engines & Components
7	Boeing 737-700F	VT-SFB	Storage/Maintenance	Engines & Components
8	Boeing 737-700F	VT-SFD	Storage/Maintenance	Engines & Components
9	Boeing 737-700F	VT-SFE	Storage/Maintenance	Engines & Components
10	Boeing 737-800	VT-SGJ	Storage/Maintenance	Engines & Components
11	Boeing 737-900ER	VT-SLD	Storage/Maintenance	Engines & Components
12	Boeing 737-800	VT-SLJ	Storage/Maintenance	Engines & Components
13	Boeing 737-700	VT-SLP	Storage/Maintenance	Engines & Components
14	DHC-8-402	VT-SUB	Storage/Maintenance	Engines & Components
15	DHC -8-402	VT-SUD	Storage/Maintenance	Engines & Components
16	DHC -8-402	VT-SUE	Storage/Maintenance	Engines & Components
17	DHC -8-402	VT-SUF	Storage/Maintenance	Engines & Components
18	DHC -8-402	VT-SUG	Storage/Maintenance	Engines & Components
19	DHC -8-402	VT-SUI	Storage/Maintenance	Engines & Components
20	DHC -8-402	VT-SUJ	Storage/Maintenance	Engines & Components
21	DHC -8-402	VT-SUK	Storage/Maintenance	Engines & Components
22	DHC -8-402	VT-SUL	Storage/Maintenance	Engines & Components
23	DHC -8-402	VT-SUM	Storage/Maintenance	Engines & Components
24	DHC -8-402	VT-SUP	Storage/Maintenance	Engines & Components
25	DHC -8-402	VT-SUQ	Storage/Maintenance	Engines & Components
26	DHC -8-402	VT-SUR	Storage/Maintenance	Engines & Components
27	DHC -8-402	VT-SUS	Storage/Maintenance	Engines & Components
28	DHC -8-402	VT-SUV	Storage/Maintenance	Engines & Components
29	DHC -8-402	VT-SUY	Storage/Maintenance	Engines & Components
30	Boeing 737-900ER	VT-SZL	Storage/Maintenance	Engines & Components
31	Boeing 737-800	VT-SYI	Storage/Maintenance	Engines & Components
32	Boeing 737-700	VT-SYT	Storage/Maintenance	Engines & Components
33	Boeing 737-700	VT-SYU	Storage/Maintenance	Engines & Components
34	Boeing 737-800	VT-SXB	Storage/Maintenance	Engines & Components
35	Boeing 737-800	VT-SXC	Storage/Maintenance	Engines & Components
36	DHC -8-402	VT-SJU	Storage/Maintenance	Engines & Components

Our failure to repair the aircraft and lack of regular maintenance, could have an adverse effect on our business, financial condition and results of operations. While we propose to utilise certain proceeds of our issue in new fleet induction and ungrounding of existing fleet, we cannot assure that such issues will not arise in future.

30. ***Our reputation and business could be adversely affected in the event of an emergency, accident or incident involving our aircraft or personnel.***

We are exposed to potential significant losses in the event that any of our aircraft is subject to an emergency, accident, terrorist incident, animal hits, other disasters and, consequently, significant costs and harm to our reputation arising from passenger claims, repairs or replacement of a damaged aircraft and its temporary or permanent loss from service. For instance, in 2014, A stray buffalo hit one of our Boeing 737-800 aircraft while being on a take-off roll from Surat to New Delhi, as the buffalo was practically invisible against a dark background. The aircraft was carrying 140 passengers and six crew members. The aircraft's left engine was severely damaged and it had to be grounded after the incident. Similarly, in 2015, our Q400 aircraft collided with wild boars and went off the runway while landing at the Jabalpur airport There were 49 passengers on board and no harm was done to them, but the aircraft suffered damages. In May 2022, our flight from Mumbai to Durgapur flew into severe turbulence, which lead to injuries to 17 passengers.

There can be no assurance that we will not be affected by such events or that the amount of our insurance coverage will be adequate in the event such circumstances arise and any such event could cause us to incur a significant loss and a substantial increase in our insurance premiums. In addition, any future aircraft accidents or incidents, even if fully insured, may create a public perception that we are less reliable or safe than other airlines, which could have an adverse impact on our reputation and business. Further, our reputation may also be harmed by any real or perceived problems with our aircraft or services that may highlighted in news reports or social media.

31. ***We are exposed to certain risks against which we do not insure and may have difficulty obtaining insurance on commercially acceptable terms or at all on risks that we insure against today.***

Insurance coverage is fundamental to an airline's operations. In the past year, aviation insurers have increased premiums and applied insurance surcharges for each passenger. There is also no assurance that the insurance premiums payable by us will be commercially viable or justifiable. Accordingly, our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability.

We maintain customary insurance for the airline industry in India, the typical coverage of which is extended to damage claims from third parties, aircraft insurance, fire and special perils, money in transit, director and officer liability, burglary, ground support equipment and group mediclaim, among others, which includes insurance for our international operations, specifically by way of aircraft insurance and our hull and risk policy. For details, see "*Our Business—Insurance*" on page 228. Some of our business risks are uninsured, including business interruptions, loss of profit or revenue and consequential business losses arising from mechanical breakdown. To the extent that uninsured risks materialize or to the extent any of our currently outstanding insurance claims do not get settled (including material insurance claims), we could be materially and adversely affected. There can be no assurance that our coverage will cover actual losses incurred. In addition, presently there are certain outstanding insurance claims made by our Company to the respective insurer(s). To the extent that actual losses incurred by us exceed the amount insured, we may have to bear substantial losses which will have an adverse impact on our business.

As a result of terrorist attacks or other world events, certain aviation insurance could become more expensive, unavailable or available only for reduced amounts of coverage that are insufficient to comply with the levels of coverage required by our aircraft lessors or applicable government regulations. Any inability to obtain insurance for our general operations or specific assets on commercially acceptable terms or at all could harm our business.

We are also exposed to potential significant losses in the event that any of our aircraft are subject to an accident, terrorist incident or other disaster which may result in damage to our aircraft and injury or death to our passengers and third parties. Any such accident or incident could involve costs related to repairs or replacement of a damaged aircraft and its temporary or permanent removal from service. In addition, an accident or incident could result in significant legal claims against us arising from death or injury affecting passengers and others, including ground victims.

We cannot assure you that, in the future, any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Further, an insurance claim once made could lead to an increase in our insurance premium, result in higher deductibles and also require us to spend towards addressing certain covenants specified by the insurance companies.

32. ***We rely on automated systems and the internet in the operation of our business and retain customer data, which exposes us to risks from systems failures and security breaches.***

We use automated systems in the operation of our business, including our website and our online booking and revenue management systems, some of which are provided by third parties and online travel agencies. Any inability of such third parties to deliver such services could significantly disrupt our operations and harm our business. Our website and online reservation system must be able to accommodate a high volume of traffic, deliver important flight information and have adequate protection from security breaches. Hence, we may incur significant costs on our website and online reservation systems. We have had instances of minor security breaches of our online systems and minor system failures from time to time and there can be no assurance that material system failures or security breaches will not occur in the future. For instance, in May, 2022, we faced an attempted ransomware attack that impacted some of our IT systems and caused delays on flight departures, this incident had also caused us to delay publishing our quarterly financial results. Any disruption in our automated systems may result in the loss of important data, increase our expenses and materially and adversely affect our reputation and ticket sales and, consequently, our business. Recently in July, 2024, our operations was severely impacted by 'Crowd strike' patch, which led to a massive global Microsoft outage.

We retain personal information received from customers and have put in place security measures to protect against unauthorized access to such information. Personal information held both offline and online is highly sensitive and, if third parties were to access such information without the customers' prior consent or misappropriate that information, it could deter people from transacting on our website, our reputation could be adversely affected and customers could possibly bring legal claims against us, any of which could adversely affect our business, financial condition and results of operations. In addition, we may be liable to credit card companies should any credit card information be accessed and misused as a result of lack of sufficient security systems implemented by us.

We are subject to domestic and international laws relating to the collection, use, retention, security and transfer of personally identifiable information with respect to our consumers and employees. In many cases, these laws not only apply to third-party transactions, but also may restrict transfers of personally identifiable information among us and our international subsidiary. Further, several jurisdictions have passed laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may vary from jurisdiction to jurisdiction. Complying with emerging and changing international requirements may cause us to incur costs or require us to change our business practices.

33. ***Our business could be adversely affected if we are unable to obtain regulatory approvals in the future or maintain or renew our existing regulatory approvals.***

The aviation industry is heavily regulated and as a result, our Company is required to obtain, maintain, and renew various permits, registrations, non-objection certificates, licenses and approvals (hereinafter collectively referred to as "**Permits**") that are necessary to conduct our business, including to operate our routes and aircraft, maintain our aircraft in *"airworthy"* condition, ensure compliance with regulations surrounding maintenance of security and to ensure that our staff have obtained the requisite Permits to discharge their functions.

Each of these Permits is subject to conditions imposed by the applicable regulatory authority and may also require periodical renewals. Failure to comply with the requirements of any of the Permits could result in the revocation of such Permit. Our failure to obtain any of these or any other applicable Permits or renewals thereof or comply with the requirements of the Permits, may adversely affect the continuity of our business, hinder our operations and adversely impact our revenues, growth and profitability.

34. ***Our Promoters and Promoter Group will continue to influence the outcome of matters submitted for approval of our shareholders.***

Our Promoter and Promoter Group currently own 37,35,73,846 Equity Shares, aggregating to 47.01% of our Equity Shares. Following the completion of the Issue, our Promoter and Promoter Group will continue to hold a significant percentage of our Equity Share capital. This concentration of ownership could limit your ability to influence corporate matters requiring shareholder approval. As a result, they will have the ability to influence matters requiring shareholders' approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association and any assignment or transfer of our interest in any of our licenses. In addition, if our Promoters and Promoter Group do not act together, such matters requiring shareholder approval may be delayed or not occur at all, which could adversely affect our business. If our Promoters and Promoter Group invest in another company in competition with us, we may lose the support provided to us by them, which could adversely affect our business, financial condition, cash flows and results of operations. We cannot assure you that our Promoters and Promoter Group will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

35. ***Any further downgrade in our credit ratings may increase our cost of capital and future fund raising may cause a dilution in promoters' shareholding or place restrictions on our operations.***

During Fiscal 2024, CRISIL downgraded the short term credit rating of our Company from CRISIL A4 (Issuer not Cooperating) to CRISIL D (Issuer not Cooperating). Also, Acuité has downgraded its long-term rating from 'ACUITE B' to 'ACUITE D' in respect of ₹ 2,784.80 million bank facilities and downgraded its long-term rating from 'ACUITE B' to 'ACUITE C' in respect of ₹ 5,120.40 million bank facilities. Further, Acuité downgraded its short term rating from 'ACUITE A4' (read as ACUITE A four) to 'ACUITE D' in respect of the ₹ 5,812.80 million bank facilities. We cannot assure you that our credit rating will not be downgraded in future. Any downgrade in our credit rating could inter-alia adversely affect our ability to raise additional financing and increase in the interest rates, borrowing costs due to heightened perceived credit risk, adverse effect on other commercial terms at which such additional financing is available and negative impact on reputation and market perception of business of our Company.

In the future, we may be required to raise additional funding to meet capital or operational expenditure requirements, for our business or operations, to increase our shareholding in subsidiaries and/or associated companies. Such funding, if raised through the issuance of equity securities, may cause a reduction in the percentage ownership of our existing shareholders at that particular point in time.

Alternatively, if such funding requirements are met by way of additional debt financing, we may have restrictions placed on us through such debt financing arrangements which may:

• limit our ability to pay dividends or require us to seek consents for the payment of dividends;
• increase our vulnerability to general adverse economic and industry conditions;
• limit our ability to pursue our growth plans; and
• limit our flexibility in planning for, or reacting to, changes in our business and our industry.

36. ***We have certain contingent liabilities that have not been provided for, if materialized, may adversely affect our business, financial condition, results of operations and cash flows.***

We have disclosed the following contingent liabilities as at March 31, 2024:

(₹ in million)

S. No.	Contingent liabilities, commitments and other matters (to the extent not provided for	As at March 31, 2024
1	Demand arising out of legal cases filed against the Company in various consumer courts and forums (refer note (i) below)	303.85
2	Demand arising out of other legal cases filed against the Company (refer note (ii) below)	90.21
3	Demand arising out of goods and service tax (refer note (iii) below)	117.09
4	Demand in respect of provident fund dues for international workers as explained in note (iv) below	142.37
5	Demand in respect of services tax (including interest and penalty) as explained in note (v) below	170.70

6	Show cause notice received in respect of service tax as explained in note (vi) below	3,541.77
7	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	619.58
8	Demand in respect of inter-corporate deposit received from Mallanpur Steels Limited (refer note (viii) below)	-
9	Demand in respect of order from the Competition Commission of India as explained in note (ix) below	51.00
10	Demand on account of tax deducted at source related claims (refer note x below)	718.34
11	Liability arising out of customs related show cause notice and demand order (refer note xi below)	48.35

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 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 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, 2024 have been shown as recoverable.*

vii. *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.*

viii. *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 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.*

ix. *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.*

x. *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.*

xi. *The custom related demand pertains to custom duty on the entire quantity of the remnant aviation turbine fuel in the fuel tank arriving from foreign airport.*

Other Notes:

a. *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 defense on these matters, the Company has not disclosed the same as a contingent liability.*

b. *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.*

(₹ in million)

Particulars	As at March 31, 2024
Capital and Other Commitments	
Commitments (net of advance)	606,470.29
Commitments relating to the bank guarantees.	2,651.31

Our ability to meet our payment obligations for the new aircraft we have ordered will depend on the adequate growth in our passenger numbers, revenues and operating results. Under our agreements to acquire additional aircraft, we are required to take delivery of the aircraft pursuant to the terms and conditions of such agreements, whether or not we are able to obtain financing arrangements for such aircraft and whether or not we are able to use such aircraft in our operations at the time of delivery. If we are required to take delivery of aircraft for which we cannot obtain financing or which we are unable to use, our financial condition could be substantially adversely affected. Failure to make timely payments in respect of any aircraft order could result in the cancellation of the order, forfeiture of the payments previously made and additional penalties.

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of these contingent liabilities materialize or if at any time, we are compelled to pay all or a material proportion of these contingent liabilities, our financial condition, cash flows and results of operation may be adversely affected. For details, see "*Financial Information*" on page 299.

37. ***We are dependent on a number of key management personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, financial results and prospects.***

Our future success is highly dependent on our senior management to maintain our strategic direction and manage our current operations and meet future business challenges that may also arise in the course of our business. The loss of, or inability to attract or retain, such persons could materially and adversely affect our business and financial results. In particular, the expertise, experience and services of Ajay Singh, Chairperson and Managing Director and members of our senior management team that are executing our growth strategy, have been integral to our business. For further details in relation to the experience of our senior management team, see "*Board of Directors and Senior Management*" on page 229.

If one or more of these key management personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly or at all, which could have a material adverse effect on our business, financial results and prospects. We may take a long period to hire and train replacement personnel when skilled personnel terminate their employment with our Company. If we are unable to hire and train replacement personnel on time or increase our levels of employee compensation to remain competitive, our business, financial results and prospects may be materially and adversely affected.

38. ***All our offices are on lease or license. Non-renewal of such leases or licenses can adversely impact our business.***

All our offices are situated on leased/rented land. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. While we have not failed to renew our lease arrangements in the past, in the event that we are unable to in the future, we may be required to vacate our current premises and make alternative arrangements to shift our manufacturing operations. We cannot assure you that the new arrangements will be on commercially agreeable terms. If we are required to relocate our business operations or shut down our manufacturing facilities during this period, we may suffer a disruption in our operations or incur substantial expenditure in relocating our offices, have to pay increased charges, which could have an adverse effect on our business, financial condition, cash flows and results of operations. Further, process of renewal of lease is long and time consuming process. Further, there is no assurance that we will not face any disruption of our rights as lessee and such lease agreements will not be terminated prematurely by the lessor. Furthermore, the deeds for our existing and future leased properties may not be adequately stamped or such stamp duty may not be accepted as evidence in a court of law, and we may be required to pay penalties for inadequate stamp duty. Any failure to obtain any consent or comply with any condition or covenant under our lease agreements could lead to a termination of the lease and could adversely affect our ability to conduct our business. If any of the owners of these premises revokes the arrangements under which we occupy the premises or imposes terms and conditions that are unfavourable to us, or if we are otherwise unable to occupy such premises, we may suffer a disruption in our operations.

39. ***The industries in which we operate are intensely competitive. Our inability to compete effectively may adversely affect our business, cash flows, results of operations and financial condition.***

The sector in which we operate is highly competitive. There is intense pricing competition among low cost airlines to provide discounted pricing to passengers. Our competitors may have greater financial, technical and marketing resources available to them than our businesses that compete against them.

In addition to our current competitors, additional competitors may enter the market. As a result, there can be no assurance that we will not encounter increased competition in the future. Our continued success depends on our ability to compete effectively against our existing and future competitors. We expect that the level of competition will remain high, which could directly impact the size of our fleet and therefore potentially limit our ability to maintain or increase our market share or profitability. Our competitors may succeed in rendering services more effectively and economically than us, which may make our services uncompetitive and adversely affect our business, cash flows, results of operations and financial condition. Enhanced competitive presence could manifest itself in various ways such as pricing pressure, talent acquisition and retention thereby leading to enhanced costs.

40. ***We have entered into and may in the future enter into related party transactions.***

In the ordinary course of business, we have entered into and continue to enter into transactions with certain related parties. While all such related party transactions have been conducted on an arm's length basis, in ordinary course of business, and related-party transactions that we may enter into or have entered in the past are or have been subject to approval by our Board of Directors, as required under the Companies Act and the SEBI Listing Regulations, however, there can be no assurance that we could not have achieved more favorable terms had such transactions been entered into with non-related parties. We may enter into related party transactions in the future and cannot assure you that such future transactions, individually or in the aggregate, will not involve conflicts of interest. For more information regarding related party transactions, please refer to the section titled "*Financial Information*" on page 299.

41. ***Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by CAPA Advisory exclusively commissioned and paid for by us for such purpose.***

This Preliminary Placement Document contains information from the CAPA Report, which has been exclusively commissioned and paid for by our Company, pursuant to an engagement with our Company and such industry and third-party related information has not been independently verified by us. The CAPA Report use certain methodology for marketing and forecasting. We commissioned the CAPA Report for the purpose of confirming our understanding on the commercial airline industry, and the future outlook of the industry. Moreover, the industry sources including the CAPA Report contains certain industry and market data, based on certain assumptions. Such assumptions may change based on various factors. Further, the CAPA Report uses certain methodologies for market sizing and forecasting. There are no standard data gathering methodologies, and methodologies and assumptions vary widely among different industry sources.

Industry sources and publications are prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Further, the CAPA Report or any other industry data or sources are not recommendations to invest in any company or sector covered in the CAPA Reports. In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in the Preliminary Placement Document based on, or derived from, the CAPA Report. While the BRLMs have exercised due diligence in relation to the CAPA Report as required under applicable laws, you should consult your own advisors and undertake an independent assessment of information in the Preliminary Placement Document based on, or derived from, the CAPA Report before making any investment decision regarding the Issue.

42. ***Our Promoter, Directors, key management personnel and senior management personnel may have interests in our Company other than normal remuneration or benefits and reimbursement of expenses incurred.***

Our Promoter, Directors, key management personnel and senior management personnel may be deemed to be interested in our Company, in addition to regular remuneration or benefits and reimbursements of expenses, to the extent of Equity Shares or other securities, held by them and their relatives (if any) and their dividend or bonus entitlement, and benefits arising from their directorship in our Company and are also interested to the extent of sitting fee payable to them for attending each of our Board and committee meetings (to the extent relevant). There can be no assurance that our Promoters, Directors, Key Management Personnel or senior management personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Directors and our Key Management Personnel may take or block actions concerning our business, which may conflict with the best interests of our Company or that of minority shareholders. For details of the related party transactions during the last three Financial Years, see "*Related Party Transactions*" on page 44.

43. ***This Preliminary Placement Document includes certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the broking industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other broking companies.***

Certain non-GAAP financial measures such as earnings before depreciation, adjusted profit after tax, total net income and interest service coverage ratio (together the "**Non-GAAP Measures**") and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Preliminary Placement Document. Such Non-GAAP measures are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Measures and other statistical information relating to our operations and financial performance are not standardised terms, hence a direct comparison of these Non-GAAP measures between companies may not be possible. Other companies may calculate Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. We compute and disclose such Non-GAAP Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of broking businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results.

44. ***If we are unable to establish and maintain an effective system of internal controls and financial risk management, our business and reputation may be adversely affected.***

We are responsible for establishing and maintaining adequate internal measures commensurate and financial risk management with the size and complexity of our operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis. Our Board and senior management is actively involved in designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of financial statements. Our Statutory Auditors has issued qualifications stating that our Company's and our three subsidiaries' internal financial controls over estimation of consequences towards non-compliances with laws and regulations as more fully explained in Note 47 to the consolidated financial statements, were not operating effectively, which could potentially result in an inappropriate assessment of the accuracy and completeness of provision for fines/penalties. This could lead to potential material misstatement in the value of fines/penalties payable, and its consequential impact on the loss after tax, reserve and surplus and related disclosures respect thereof as at and for the year ended March 31, 2024.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our equity shares.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. While our code of conduct requires our employees and intermediaries to comply with all applicable laws, and we continue to enhance our policies and procedures in an effort to ensure compliance with applicable anti-corruption laws and regulations, these measures may not prevent the breach of such anti-corruption laws, as there are risks of such breaches in emerging markets, such as India, including within the aviation sector. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

While we periodically test and update our internal processes and systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. If our efforts to manage these risks are ineffective, we could suffer losses that may adversely affect our results of operations. Any future expansion and diversification in business will require us to continue to enhance our efforts to manage risks.

Our management information systems and internal procedures may not identify every instance of non-compliance or every suspicious transaction. If internal system or processes weaknesses are identified, our actions may not be sufficient to correct such weaknesses.

45. ***We are dependent on information technology systems in carrying out our business activities and they form an integral part of our business. Further, if we are unable to adapt to technological changes and successfully implement new technologies or if we face failure of our information technology systems, we may not be able to compete effectively which may result in higher costs and would adversely affect our business and results of operations.***

We are dependent on information technology systems in connection with carrying out our business and such systems form an integral part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Our information technology systems, specifically our software may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorised access to our networks.

Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. Our failure to successfully adopt such technologies in a cost-effective manner could increase our costs thereby compelling us to bid at lower margins which might lead to loss of bidding opportunities vis-à-vis such competitors. Additionally, the government authorities may require adherence with certain technologies, and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.

46. ***The advent of superior aircraft technology or the introduction of a new line of aircraft could cause our existing fleet of aircraft to become outdated and therefore less desirable to our customer and require us to incur significant costs, which could adversely affect our financial results and growth prospects.***

Over time, new advanced aircraft models are being introduced, existing aircraft of a particular type may experience declining demand by airlines and investors or a reduction in economic viability due to government regulation, introduction of more fuel-efficient technology and/or lighter and stronger construction materials, increased range and payload capabilities, technological obsolescence, changing airline preferences or a combination of these and other factors. Further, the increasing focus on reducing carbon emissions and the environmental impact of air travel may result in airlines having to incur significant costs to upgrade their fleet to reduce carbon emission or put in place other measures to offset carbon emissions. Such new technology and new aircraft types can deliver improvements in fuel efficiency, airframe maintenance costs, emissions and external noise, among other benefits, and the introduction of these models may have an adverse impact on demand for, and the value of, the aircraft models they replace. Demand for certain aircraft types may also be adversely affected by the introduction of more stringent regulations such as noise or emissions standards. In addition, demand for existing aircraft types may be impacted by the development of new aircraft programs by new market entrants. Such factors may have a negative impact on the demand and lease rates for certain aircraft types and the value of such aircraft may be permanently impaired. Any or all of these factors could materially and adversely affect our business, financial condition and results of operations and our ability to meet our financial obligations.

47. ***The airline industry is exposed to risks from extraneous catastrophic events such as terrorist attacks or the outbreak of contagious diseases, as well as catastrophic events involving passenger aircraft.***

The airline industry is exposed to extraneous events such as terrorist attacks or the outbreak of contagious diseases as well as catastrophic events involving passenger aircraft. The effect of such incidents on the airline industry may include increased security and insurance costs, increased concerns about future terrorist attacks, airport shutdowns, flight cancellations and delays due to security breaches and perceived safety threats, and significantly reduced passenger traffic and yields due to the subsequent dramatic drop in demand for air travel globally.

Terrorist attacks, or the fear of such attacks, or other world events could result in decreased cabin factors and passenger yields and could also result in increased costs, such as increased aircraft fuel expenses or insurance costs, for the airline industry, including us. We cannot assure you that we will be able to pass any portion of any such increased costs to passengers. Other events, such as rare but high-impact meteorological phenomena, may also cause major disruptions in aviation operations.

48. Changes in government regulation could reduce our operating flexibility, increase our operating expenses, and result in service delays and disruptions.

The civil aviation industry in India is primarily regulated by the MoCA, the DGCA, the Bureau of Civil Aviation Security, Government of India (an independent department under MoCA) and the Airports Authority of India. The regulations are extensive and complex and cover all major aspects of operations, including basic licenses, aircraft acquisitions, and routing. The issuance and regulation of operating permits, certification, import and registration of aircraft, security clearances for designated personnel, route frequencies, and administration of all related aviation regulations is handled by the DGCA. For example, the Route Dispersal Guidelines of the DGCA, read together with the National Civil Aviation Policy 2016, stipulate that we operate on certain routes to economically less developed parts of India. Also, private scheduled air transport operators require the approval of the MoCA for the import of additional aircraft into India.

Foreign airlines are also allowed to invest in the capital of Indian companies engaged in providing air transport services up to the limit of 49% of their paid-up capital without prior RBI approval and beyond 49% up to 100% of their paid-up capital with prior Government approval, subject to the prescribed conditions.

Further, as per the Civil Aviation Regulations Section 3 Series 'M' Part IV, issued by the DGCA on August 6, 2010, the DGCA has made it mandatory for airlines to pay passengers compensation for delay and cancellation of flights or in case passengers are denied boarding despite having a confirmed ticket. Though airlines are exempted from paying compensation in certain cases like political instability, natural disaster, civil war, insurrection or riot, flood, explosion, government regulation or order affecting the aircraft, delays attributable to the Air Traffic Control, meteorological conditions and security risks, they are liable to pay passengers a compensation of ₹ 5,000 to ₹ 10,000 or the value of the ticket for one-way fares, for flight cancellations or a compensation amounting to 200% to 400% of the value of the ticket subject to a maximum of ₹ 20,000 for not allowing boarding.

Additionally, passengers must be offered a refund of the air ticket, a flight to the first point of departure or alternative transportation. In case of flight cancellation, the Civil Aviation Regulations make it mandatory for the airlines to inform the passengers about it three hours in advance from the scheduled departure of the flight to reduce inconvenience to them. Such restrictions and penalties imposed upon us can affect our revenues.

Private airport operators and the Airports Economic Regulatory Authority determine landing charges, route navigation facility charges, terminal navigation landing charges, allocation of parking bays and allocation of slot timings at all of the airports which we fly to in India. Such charges and the allocation of parking bays and slot timings are determined by private airports for the remainder of our destinations. Our performance may be affected by any adverse increase in such charges or the unavailability of parking bays and departure slots required by us.

Any inability to comply with new requirements or to maintain or obtain permissions and approvals from relevant regulatory authorities could have a material adverse effect on our international operations and expansion strategy. Indian regulatory authorities may re-evaluate foreign investment restrictions and other regulations currently applicable to the Indian airline industry. We are also required to comply with various international laws and conventions related to international air carriage and our business, including the Cape Town Convention and the Cape Town Protocol intended to facilitate asset-based financing and leasing and sale of aviation equipment. In some instances, the Government of India has extended these acts to non-international air carriage.

Any enhancement of these regulations, or the imposition of additional restrictions and conditions that affect our business and operations could impact our revenues, profitability and ability to grow our business.

There are also risks that may affect our scheduled flight operations such as charter and cargo operations that reduce the availability or utilization of slots at different airports. The impact of these risks cannot be predicted as changes to regulations can occur without warning and with immediate effect, giving operators no time to plan.

In addition, we face the risk that the MoCA, AAI or respective airports may choose to implement NOTAM to engage in maintenance of infrastructure or other operations which could disrupt our planned flights by prohibiting movement into or out of the respective airports.

Presently, many of the categories of employees are subject to specific regulatory requirements including in relation to the qualification, training criteria, age criteria and various other criteria. These apply to pilots, cockpit crew, training crew, cabin crew, engineers, technicians, AME, security, screeners, cargo operating crew, etc. These positions and the manner in which we can deploy and utilise them are governed by government, the MoCA and various regulators and regulations. Any change to the present structure and norms may affect our operations, fleet utilization, cost structure, availability of necessary crew and the number of required crew.

49. Lack of airport infrastructure and facilities and increased airport costs in India could adversely affect our business.

We are dependent on the quality of airport infrastructure in India and any other market we operate for our future expansion. The availability and cost of terminal space, slots and aircraft parking are critical to our operations. Many of the key airports from which we operate are highly congested and passenger processing is currently at or near maximum capacity. In general, parking bays for aircraft and prime time departure slots at the airports from which we operate are limited. Based on the network schedule, we liaise with the respective airport authorities for departure slots. These and other required facilities and equipment may not be available in a timely manner or on economic terms in certain airports. Our inability to lease, acquire or access airport facilities on reasonable terms or at preferred times to support our growth could have a material adverse effect on our operations.

There are new airport and airport-expansion projects that have been completed or are currently being undertaken in India. For example, green-field airport projects at Bengaluru and Hyderabad are operational and we are using their modernized facilities. In addition, new airports are planned for construction in Chennai, Noida, Mumbai, Jaipur, Lucknow, Guwahati and Ahmedabad. Furthermore, the government is investing in modernizing airports in India. These developments have led to an increase in the cost of using airport infrastructure and facilities such as landing and parking charges at airports such as New Delhi and Mumbai. Such increases may adversely affect our operating results. Our ability to pass on such increased costs to our passengers is limited by several factors, including economic and competitive conditions.

50. Our international routes expose us to risks associated with international activities.

Having commenced international operations , we have limited experience operating in international sectors, which involve risks that are not generally encountered when doing business only in India. These risks include, but are not limited to:

a. changes in foreign currency exchange rates and financial risk arising from transactions in multiple currencies;
b. obtaining or maintaining landing rights and the allocation of parking bays and slot timings, and agreements with third-party service providers for maintenance and ground handling services, in foreign airports where locally-based airlines may receive more favorable terms;
c. consumer attitudes, including the preference of customers for locally-based airlines;
d. increasing labour costs due to high wage inflation across different international locations, differences in general employment conditions and the degree of employee unionization and activism;
e. business, political, legal, and economic instability in foreign locations, including actual or threatened terrorist activities, and military action;
f. adverse laws and regulatory requirements, including more comprehensive regulation than in India;
g. export or trade restrictions or currency controls;
h. more restrictive data privacy requirements;
i. governmental policies or actions, such as consumer, labor and trade protection measures;
j. taxes, restrictions on foreign investment, and limits on the repatriation of funds; and
k. diminished ability to legally enforce our contractual rights.

Any of the foregoing risks may adversely affect our ability to conduct and grow our business internationally.

51. We may be subject to industrial unrest, slowdowns and increased wage costs, which could adversely impact our operations and financial condition.

India has stringent labor legislation that protects the interest of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers during employment and upon retrenchment. Under Indian law, employees have a right to establish trade unions. Although our employees (including pilots) are not currently unionized, we cannot assure that they will not unionize in the future. If some or all of our employees unionize or if we experience strikes, unrest or slowdowns, it may adversely impact our operations and make it difficult for us to maintain flexible labor policies and we may experience increased wage costs adversely impacting our profitability. In order to retain flexibility and keep our fixed overheads to a minimum, in line with industry practice, our Company appoints contractors who in turn engage on-site contract labor to perform our low-skill operations in India such as cargo handling and loading. We are subject to the risk that on an application made by the contract laborers, the appropriate government may direct that such contract laborers be treated as our employees or that we pay certain contributions for such contract-laborers. Any labour disputes, industrial unrest or slowdowns which third parties, including our contractors, sub-contractors or principal suppliers may experience, could disrupt the provision of services to us and may adversely impact our operations and financial condition. Any inability to support our growth with the required skilled laborers may affect operations and profitability.

We are also exposed to the risk relating to industrial unrest and slowdown of our aircraft and engine original equipment manufacturers. Any impact on their ability to produce their products would have an impact in the global aviation markets, making availability of aircraft on wet lease more expensive for us.

52. ***We are exposed to the risks associated with fluctuations in foreign exchange rates.***

Our result of operations are also affected by adverse currency fluctuations and we have suffered losses due to foreign exchange fluctuation in the past as follows:

(in ₹ million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Foreign Exchange Loss	1,020.12	6,823.62	2,621.83

We cannot assure you that we will not experience such loss on our foreign currency transactions in the future. A reduction in the value of such foreign currency could have a material impact on our revenue and financial condition.

Any adverse movement of exchange rates may cause significant currency fluctuation risks to the Company and may consequently result in foreign exchange losses causing an adverse impact on our business, operations and financial position. Adverse moves in exchange rates that we have not adequately hedged will have a material adverse effect on our operations, profitability and financial condition.

53. ***Our inability to successfully identify new routes on which to expand our route network may result in excess unused seat capacity in our fleet and which in turn may impact our business, financial conditions and result of operations***

Our growth strategy involves increasing the frequency of our flights in markets that we currently serve, particularly in slot constrained airports, expanding into tier II and tier III cities in India. Our inability to successfully identify new routes on which to expand our route network may result in excess unused seat capacity in our fleet. Although we may not operate additional new routes immediately or at all, we may still incur costs in attempting to identify such new routes and operating expenses to maintain and service our aircraft. The size of our route network also affects our aircraft fleet requirements, and our failure to expand our route network may cause us to delay or cancel our new aircraft orders or delivery of new or previously used aircraft that we have purchased or leased, which in turn could result in a breach of our obligations under various aircraft lease agreements. In order for us to profitably operate our business, we must continue to achieve, on a regular basis, high utilization of our aircraft, low levels of operating and other costs, careful management of passenger load factors and revenue yields, acceptable service levels and a high degree of safety, such that we continue to generate high revenues and grow profitably. We compete against all other airlines, including major full-service airlines, for highly flying routes. Given the competitive nature of the airline industry, our outstanding liabilities, inability to comply with the terms of aircraft financing agreements and grounding of our aircraft, we face difficulty in expanding the flying route network. We may have to increase our revenue and utilise our funds to get our aircraft ungrounded in order to diversify our flying routes which in turn will revamp our business and contribute to our profitability. If we are unable to expand our flying route network, we may be unable to execute our growth strategy. Further, in the recent past, we have also had few of our aircraft grounded which has been a major hinderance in our flying route expansion, there is no assurance that such issues will not occur in the future.

54. ***Our ability to make payments on our indebtedness will depend on our continued ability to generate cash from our business operations***

We have entered into short-term and long-term loan agreements with certain banks, aircraft lessors and other creditors. For Fiscal 2024, we had total outstanding borrowings (consisting of current borrowings and non-current borrowings) of ₹ 11,521.10 million. The following table summarizes our total borrowings on a consolidated basis as at the dates indicated:

(in ₹ million)

Particulars	Fiscal 2024 (on consolidated basis)
Borrowings	
Current borrowings*	2,597.61
Non-current borrowings* (Excl. Current Maturities)	8,923.49
Total borrowings	**11,521.10**

Any fluctuations in the interest rates assigned to our debt instruments may directly impact the interest costs of our loans. Our ability to make payments on and refinance our indebtedness will depend on our continued ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt in the future. In addition, we believe that since the debt-equity ratio of our Company will improve significantly after this proposed capital raise, it will enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future. Any failure to observe the covenants under the financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/withdrawals, either in whole or in part, for the use of the facility and/or restructuring of our debt. Further, any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to a termination of our credit facilities, foreclosure on our aircraft acceleration of all amounts due under such facilities, trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct our business and implement our business plans. With a view to our consistent growth, we propose to settle the outstanding liabilities, in lieu of which, we have entered into settlement agreements with few of our creditors and are in process of settling with the remaining creditors. For further details, see "*Use of Proceeds*" on page 93.

External Factors

Risks Relating to India

55. ***Changing laws, rules and regulations in India could lead to new compliance requirements that are uncertain.***

Our business, results of operations, financial condition and cash flows could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Our business, results of operations, financial condition, cash flows and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The regulatory and policy environment in which we operate are evolving and are subject to change. The Government of India may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows, financial condition and prospects.

56. ***Political instability or changes in policies effected by the Government of India could adversely affect economic conditions in India. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, financial condition and cash flows.***

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, results of operations, financial condition and cash flows and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, changes in interest rates, changes in government policies, changes in taxation laws and other political and economic developments affecting India. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby adversely affect our business, results of operations, financial condition and cash flows.

57. ***If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations, financial condition and cash flows. In particular, we might not be able to reduce our costs or increase the price of our services to pass the increase in costs on to our consumers. In such case, our business, results of operations, financial condition and cash flows may be adversely affected. Further, the Government of India has previously initiated economic measures to combat high inflation rates but it is unclear whether these measures will remain in effect. We cannot assure that Indian inflation levels will not worsen in the future.

58. ***The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of our Equity Shares.***

Any change in Indian tax laws could have an effect on our operations. The Government of India has implemented two major reforms in Indian tax laws, namely the Goods and Services Tax ("**GST**"), and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST with effect from July 1, 2017. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of certain tax benefits claimed by us. In the absence of any precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Further, the Government of India has announced the interim union budget for the financial year 2024-2025 and has enacted the Finance Act, 2024. While the Finance Act, 2024 does not propose any significant changes to the Income Tax Act, 1961, the entire union budget which is likely to be announced later this year may introduce amendments to the Income Tax Act, 1961. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/ tribunals/courts would have an effect on our profitability. In addition, we are subject to tax related inquiries and claims.

59. *Any downgrade of India's sovereign debt rating by international rating agencies could adversely affect our business.*

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business, results of operations, financial condition, cash flows and the price of the Equity Shares.

60. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets? and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

61. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

62. *Our ability to borrow in foreign currencies is restricted by Indian law.*

Indian companies are subject to foreign exchange regulations that regulate borrowing in foreign currencies, including those specified under the Foreign Exchange Management Act, 1999. Such regulatory restrictions limit our ability to borrow in foreign currencies and, therefore, could negatively affect our ability to obtain financing on competitive terms. In addition, we cannot assure you that any required approvals for borrowing in foreign currency will be granted to us without onerous conditions, if at all. Such, and other, limitations on raising foreign capital may adversely affect our business, results of operations, financial condition and cash flows.

63. *A third party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian law.*

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

64. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Lead Managers or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.

Our Company is a company incorporated under the laws of India. All of our fixed assets, Directors, Key Managerial Personnel and Senior Management are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**CPC**"). Section 13 of CPC provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Section 44A of CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards.

India is not a party to any international multilateral treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges of a like nature, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, we cannot assure you that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law. For details in relation to enforceability of judgments obtained outside India, see "*Enforcement of Civil Liabilities*" on page 19.

RISKS RELATING TO THE ISSUE AND THE EQUITY SHARES

65. ***We cannot guarantee that the Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner, or at all.***

In accordance with Indian law and practice, after our Board or a duly constituted committee passes the resolution to allot the Equity Shares but prior to crediting such Equity Shares into the Depository Participant accounts of the QIBs, we are required to apply to the Stock Exchanges for listing and trading approvals. After receiving the listing and trading approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the Depository Participant accounts of the respective QIBs and apply for the final listing and trading approvals from the Stock Exchanges. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted. There could be a failure or delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining these approvals would restrict an investor's ability to dispose of their Equity Shares.

Bidders can start trading the Equity Shares allotted to them in the Issue only after they have been credited to an investor's demat account, are listed and are permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same.

Further, we cannot assure you that the Equity Shares allocated to an investor will be credited to the investor's demat account, that listing and trading approvals will be issued by the Stock Exchanges in a timely manner, or at all, or that trading in the Equity Shares will commence in a timely manner, or at all. In accordance with applicable Indian laws and regulations and the requirements of the Stock Exchanges, in principle and final approvals for the listing and trading of the Equity Shares to be issued pursuant to the Issue will not be applied for by us or granted by the Stock Exchanges until after such Equity Shares have been issued and allotted by us on the Closing Date. If there is a failure or a delay in obtaining such approvals, we may not be able to credit the Equity Shares allotted to you to your Depository Participant account or assure ownership of such Equity Shares by you in any manner promptly after the Closing Date or at all. In any such event, your ownership over the Equity Shares allotted to you and your ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, see "*Issue Procedure*" on page 245.

66. ***Your ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Preliminary Placement Document .***

Your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in "*Selling Restrictions*" on page 261. Further, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. Pursuant to the SEBI ICDR Regulations, QIBs will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares. For further information, see "*Transfer Restrictions and Purchaser Representation*" on page 268. You are required to inform yourself on, and observe, these restrictions. Our Company and its representatives and agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

67. ***Any future issuance of Equity Shares could dilute the holdings of investors and could adversely affect the market price of the Equity Shares.***

Our Company may be required to finance our future growth through additional equity offerings. Any future issuance of Equity Shares by our Company could dilute investors' holdings and could adversely affect the market price of the Equity Shares. In addition, any future issuances of Equity Shares, sales by any significant shareholder or a perception in the market that such issuance or sale may occur, could adversely affect the trading price of the Equity Shares. Such securities may also be issued at a price below the then current trading price of the Equity Shares. These sales could also impair our Company's ability to raise additional capital from the sale of Equity Shares. Our Company cannot assure you that it will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

68. ***We cannot assure payment of dividends on the Equity Shares in the future.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and subsequent approval of Shareholders and will depend on factors that our Board of Directors and Shareholders deem relevant, including among others, our future earnings, financial condition, cash flows, capital requirements, capital expenditures, business prospects and restrictive covenants under our financing arrangements, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Board may also, from time to time, declare interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared. Additionally, under some of our loan agreements, we are not permitted to declare any dividends without prior consent from the lenders if there is a default under such loan agreements or unless we have paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

There is no guarantee that any dividends will be paid or that the amount thereof will not be decreased in the future. Accordingly, realisation of a gain on investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future.

Additionally, under the Finance Act, 2023, dividend distribution tax is not payable in respect of dividends declared, distributed or paid by an Indian company after March 31, 2020, and accordingly, any dividend payments to our resident and non-resident shareholders would not be tax exempt in their hands. For further information, see "*Dividends*" on page 109.

69. After this Issue, the price of the Equity Shares may be volatile, which could result in substantial losses for investors acquiring the Equity Shares in this Issue.

The Issue Price will be determined by our Company in consultation with the Book Running Lead Managers, based on the Bids received in compliance with Chapter VI of the SEBI Regulations, and may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. The price of the Equity Shares BSE may fluctuate after this Issue as a result of several factors, including:

1. volatility in the Indian and the global securities market or prospects for our business and the sectors in which we compete;
2. the valuation of publicly traded companies that are engaged in business activities similar to us;
3. volatility in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
4. our Company's profitability and performance;
5. perceptions about our Company's future performance or the performance of Indian banks in general;
6. the performance of our Company's competitors and the perception in the market about investments in the banking sector;
7. adverse media reports about our Company or the Indian banking sector;
8. a comparatively less active or illiquid market for the Equity Shares;
9. changes in the estimates of our Company's performance or recommendations by financial analysts;
10. significant developments in India's economic liberalization and deregulation policies;
11. inclusion or exclusion of our Company in indices;
12. significant developments in India's fiscal regulations; and
13. any other political or economic factors.

We cannot assure you that you will be able to resell your Equity Shares at or above the Equity Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

70. Foreign investors are subject to certain investment restrictions under Indian law in relation to transfer of shareholding that may limit our ability to attract foreign investors, which may adversely impact the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the requirements specified by RBI from time to time. If the transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of RBI is required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income-tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and is subject to either the security having been sold in compliance with the pricing guidelines or the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. Our Company cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions, or at all.

71. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a Shareholder's ability to sell, or the price at which a Shareholder can sell, the Equity Shares at a particular point in time.

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker applicable to the Equity Shares is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the circuit breaker from time to time without our Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot assure you regarding the ability of Shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares which may be adversely affected at a particular point in time. For further details, see "*The Securities Market of India*" on page 235.

72. Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our operating results.

The Equity Shares are quoted in Rupees on the Stock Exchanges. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividends to investors. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Rupees may affect the value of the investment in the Equity Shares. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

1. the foreign currency equivalent of the Rupee trading price of the Equity Shares in India;
2. the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Equity Shares; and
3. the foreign currency equivalent of cash dividends, if any, on the Equity Shares, which will be paid only in Rupees.

In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rates between the Rupee and other currencies (including the U.S. dollar, the Euro, the Pound sterling, the Hong Kong dollar and the Singapore dollar) have changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our operating results. You may be unable to convert Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, our Company's market valuation could be seriously harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of our Company's results of operations, financial condition and cash flows.

73. Investors may be subject to Indian taxes arising out of capital gains and stamp duty on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on equity shares sold on an Indian stock exchange. Any capital gain exceeding ₹100,000, realized on the sale of listed equity shares on a recognised stock exchange, held for more than 12 months may be subject to long-term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess). This beneficial provision is, inter alia, subject to payment of STT on both acquisition and sale of the equity shares. Further any capital gain realised on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess), without indexation benefits.

Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less immediately preceding the date of transfer, will be subject to short-term capital gains tax in India at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain realised upon the sale of the Equity Shares. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

74. Bidders are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Bidders are not allowed to withdraw their Bids or revise their Bids downwards in terms of quantity of Equity Shares or the Bid Amount after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to an Allottee's demat account with the depository participant could take approximately seven to ten Working Days from the Issue Closing Date. However, we cannot assure that adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, adverse changes in our business, results of operations, financial condition and cash flows, or other events affecting the Bidder's decision to invest in the Equity Shares would not arise between the Issue Closing Date and the date of the Allotment of Equity Shares in the Issue. The occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. Bidders shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the Allottees' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

75. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new Equity Shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such a resolution. If our Company offers to the Shareholders rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making the rights available to our Shareholders or in disposing of the rights for the benefit of our Company's Shareholders and making the net proceeds available to the Shareholders. Our Company may choose not to offer the rights to Shareholders having an address outside India. Consequently, our Company cannot assure Shareholders that they will be able to maintain their proportional interests in the Equity Shares. Shareholders will be unable to exercise their pre-emptive rights if the law of the jurisdiction in which they are located prohibits the sale of the Equity Shares without first filing an offering document or registration statement, unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to Shareholders by Indian law. To the extent that Shareholders are unable to exercise the pre-emptive rights granted to them in respect to the Equity Shares, they may suffer future dilution of their ownership position and their proportional interests in our Company would be reduced.

76. Trading of the shares may be subject to the Additional Surveillance Measure and Graded Surveillance Measure

of the stock exchanges

Additional Surveillance Measure ("**ASM**") or Graded Surveillance Measure ("**GSM**"), the initiatives by the SEBI and stock exchanges to safeguard the interests of the investors and enhance market integrity, may impact the trading of the shares, once listed on the stock exchanges. Airline industry is categorized by stringent laws and regulations governing every aspect of an airline commencing from the launching of an aircraft to its operations and business. While the ASM and GSM initiatives are not targeted towards any airline industry explicitly, however, owing to the nature of business and regulatory landscape that we operate in, the trading of shares, once listed, may be deeply impacted by the ASM and GSM.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, our Company's issued capital comprises of 794,678,717 Equity Shares of ₹ 10 each, and subscribed & paid-up capital comprises 794,672,717 Equity Shares of ₹ 10 each. The Equity Shares have been listed on BSE. The Equity Shares are listed and traded on BSE under the scrip code 500285. Further, the Equity Shares of the Company were permitted to trade on NSE under the SCRIP Code "SPICEJET", subsequently pursuant to circular issued by NSE bearing no. 0412/2023 dated March 31, 2023, NSE withdrew the permission to trade with effect from May 2, 2023. Currently, the Equity Shares of the Company are neither listed nor permitted to trade on NSE.

The market price information mentioned below, is based on the market prices of the Equity Shares of the Company available on BSE. On September 13, 2024, the closing price of the Equity Shares on BSE was ₹ 71.66 per Equity Share.

The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading turnover for the Fiscals 2024, 2023, and 2022:

BSE									
Financial Year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ Millions)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹Millions)**	**Average price for the year (₹)**
2024	77.50	February 5, 2024	2,06,96,016	1,563.90	22.65	May 23, 2023	1,59,08,765	393.06	42.55
2023	62.20	April 5, 2022	14,23,425	84.51	29.75	March 28, 2023	3,76,960	11.39	41.75
2022	87.25	November 24, 2021	46,47,909	394.12	53.30	March 7, 2022	12,29,523	68.67	70.07

(Source: www.bseindia.com)
1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing
prices, for the respective periods.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

The following table sets forth the details of the number of Equity Shares traded on the Stock Exchange and the turnover during Fiscals 2024, 2023 and 2022:

Fiscal	**Number of Equity Shares Traded**	**Turnover (in ₹ Millions)**
	BSE	**BSE**
2024	1,25,78,52,604	64,971.17
2023	9,82,93,208	4,163.69
2022	18,99,19,317	13,577.66

(Source: www.bseindia.com)

(i) The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchange on the dates on which such high and low prices were recorded during each of the last six months:

BSE											
Month year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹Millions)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ Millions)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹Millions)**
August 2024	68.50	August 26, 2024	81,46,999	545.37	51.00	August 5, 2024	22,07,069	11.56	59.32	12,51,81,648	7,759.45
July 2024	60.84	July 29, 2024	51,69,139	308.06	46.00	July 9, 2024	32,01,825	170.79	55.00	7,48,31,039	4,223.98
June 2024	58.90	June 3, 2024	22,09,472	126.24	46.05	June 4, 2024	56,37,497	289.25	54.22	3,31,56,502	1,794.04
May 2024	64.00	May 17, 2024	75,03,429	468.45	54.71	May 10, 2024	11,43,409	63.37	58.97	5,05,44,524	3,027.76
April 2024	71.45	April 10, 2024	75,92,449	530.99	60.31	April 1, 2024	21,30,829	130.92	63.77	7,25,30,417	4,736.90
March 2024	65.50	March 6, 2024	34,83,240	217.80	48.50	March 14, 2024	70,32,985	375.65	59.74	7,53,73,605	4,481.30

(Source: www.bseindia.com)
1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing
prices, for the respective periods.
2. In the case of a month, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

(ii) The following table sets forth the market price on the Stock Exchange on that is, the first working day following the approval dated July 23, 2024 of our Board of Directors for the Issue:

Date	**BSE**					
	Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ Millions)**
July 24, 2024	56.72	58.75	56.72	58.00	31,79,165	184.48

(Source: www.bseindia.com)

USE OF PROCEEDS

The Gross Proceeds from the Issue aggregate to ₹ [●] million. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions, and the estimated expenses of the Issue of approximately ₹ [●] million, is approximately ₹ [●] million (the "**Net Proceeds**").

Objects of the Issue

Subject to compliance with applicable laws, our Company intends to use the Net Proceeds towards funding the following objects:

1. Payment of statutory dues ;
2. Settlement / payment of certain outstanding liabilities of the creditors including aircraft and engine lessors, engineering vendors, financiers;
3. Ungrounding and maintenance of our existing fleet including purchase of components, spare parts and repairs ;
4. New fleet induction;
5. Payment of employees dues;
6. Payment of airports and related airport payments; and
7. General corporate purposes

((1) to (7) above are collectively referred to as "**Objects**")

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in the manner set forth below:

(₹ in million)

Sr. No.	Particulars	Amount
1.	Payment of statutory dues	6,015
2.	Settlement / payment of certain outstanding liabilities of the creditors including aircraft and engine lessors, engineering vendors, financiers	7,500
3.	Ungrounding and maintenance of our existing fleet including purchase of components, spare parts and repairs	4,100
4.	New fleet induction	3,700
5.	Payment of employees dues	1,189
6.	Payment of airports and related airport payments	1,503
7.	General corporate purposes*	[●]
	Total Net Proceeds	[●]

**The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds*

The above-stated funding requirements, deployment of funds and the intended use of Net Proceeds is based on management estimates, current circumstances of our business, our existing business plans, the prevailing market conditions and other commercial and technical factors. Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as settlement with vendors, our financial condition, business and growth strategy, and external factors such as market conditions, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period or the stated Objects. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management, subject to compliance with applicable law. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from borrowings, internal accruals and any additional equity. If the actual utilisation towards the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds and subject to applicable laws.

The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. See "*Risk Factors*" on page 45.

Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws.

Details of the Objects

1. Payment of statutory dues

Due to our financial constraints, our Company has not been able to fulfil the statutory liabilities accruing on us on a month to month basis. We have delayed in depositing the below mentioned statutory dues:

Details of statutory dues

The details of the statutory dues as on September 15, 2024, proposed for repayment, in full or part, from the Net Proceeds are set forth below:

(₹ in million)

Sr. No.	Statutory Dues*	Amount**
1.	Towards deposit of Tax Deducted at Source (TDS) with the Income Tax authorities	2,975
2.	Towards deposit of provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952	1,564
3.	Towards deposit of Goods and Services tax under Goods and Services Tax Act, 2017 and the Rules made thereunder	1,451
4.	Professional Tax, VAT etc.	25
	Total	**6,015**

**As certified by Umesh Prasad & Associates, Chartered Accountants, Independent Chartered Accountants vide their certificate dated September 16, 2024.*

***The amount does not include any interest or delay penalty, as may be applicable under the relevant statute.*

For further details about delays in payment of statutory dues, please see Risk Factor – "*There have been delays and deferrals in depositing the statutory dues by our Company. Any delay/default in deposit of such statutory dues may lead to penalties and other adverse action by the concerned authorities*" on page 48. We intend to deploy the aforesaid amount during Fiscal 2025.

2. Settlement / payment of certain outstanding liabilities of the creditors including aircraft and engine lessors, engineering vendors, financiers

The aircraft operated by our Company are leased from various aircraft and engine lessors pursuant to the lease agreements with them. Due to our financial constraints, we were not able to make payment of various lease amounts on time. Further, we have liabilities towards engineering vendors, financiers and other creditors. Our aggregate liabilities for our aircraft and engine lessors, engineering vendors, financiers and other creditors as of June 30, 2024 was ₹37,814.

Through our concerted efforts, we have been able to agree to the commercial terms of settlement with some of our aircraft and engine lessors and are in the process of agreeing to a settlement with certain other aircraft and engine lessors. Some of our aircraft and engine lessors have also initiated legal proceedings against us in India and overseas on account of lease dues. For more details, please refer to section "*Legal Proceedings*" on page 284.

We propose to utilize ₹7,500 million for settlement / payment of the above dues. The actual amount spent for such settlement / payment may be higher from the amounts we perceive that we would be able to settle at, depending on various factors, including our negotiation abilities, timing of the proposed retirement and other commercial factors governing the arrangements with the particular creditor. Further, in case of variations in the actual utilization of funds earmarked for this Object, any increased fund requirements for any particular settlement may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws or through regular cashflows. We intend to deploy the aforesaid amount during Fiscals 2025 and 2026.

In relation to the settlements which we have already agreed, upon retirement of such liabilities, the ownership of 13 Q-400 and 3 B737-NG aircraft would stand transferred to us, pursuant to our finance lease arrangements. The actual amount spent for each aircraft may vary depending on the timing of the retirement and other commercial factors governing the arrangements with the particular lessor.

3. Ungrounding and maintenance of our existing fleet including purchase of components, spare parts and repairs

Our Company proposes to deploy an aggregate amount of ₹4,100 million towards maintenance of our existing fleet including purchase of components, spare parts and repairs. We intend to deploy the aforesaid amount during Fiscals 2025 and 2026.

Currently, 36 aircraft from our fleet are grounded, depending on the spare part, component availability in the market, and the most optimal utilisation of resources, we intend to unground around 24 aircraft, comprising of B737 family and Q400 aircraft. Vman Aero Services LLP, an aviation asset management organisation, has evaluated the cost of recovery of our grounded aircraft through its certificate dated September 4, 2024.

They have adopted the following methodology and assumptions to evaluate the cost of the recovery of our aircraft:

(i) Review of the current maintenance status of each aircraft, engine, prop assembly and landing gear and next check due of the specific asset;
(ii) review of the on-wing and off-wing component maintenance status and work scope required for the same;
(iii) Review of the shortfall expendable, consumable, and hardware items for aircraft build-up;
(iv) Heavy check will be performed in the house base maintenance facility;
(v) Engine, prop assembly, and landing gear cost is rental or exchange with time continue item with min 2- year life before the next scheduled minimum;
(vi) Data for the cost of repair, exchange, lease rental, and Maintenance reserve are sourced from Vman proprietary data, recent industry transactions, industry publications and aftermarket online marketplaces like inventory locator services and part base.

Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business and growth strategy, and external factors such as market conditions, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for this Object. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management, subject to compliance with applicable law.

4. New Fleet Induction

Our Company proposes to deploy an aggregate amount of ₹ 3,700 million towards new fleet induction to enable a corresponding ramp-up in our operations and expanding our fleet size will be a critical factor for implementing our growth strategy.

Basis our current strategy, we intend to induct aircraft through different leasing models, like operating lease, finance lease and wet lease, depending on the availability of aircraft in the market. These inductions will require advance pre-delivery payments (PDP), security deposits, provisioning of stand-by letter of credits (LC) and other ancillary expenses. These amounts vary basis the demand and supply of aircraft in the secondary market and production capability of the manufacturer.

We have an aircraft purchase agreement with the Boeing Company for 155 B737 MAX aircraft of which we have taken delivery of 8 aircraft and remaining 147 are yet to be delivered.

Further, our Company has evaluated the costs specified above for induction of aircraft, basis certain assumptions, like (i) it is a 10 year old aircraft with a shelf life of further 10 years, (ii) we will obtain the aircraft on operational or wet lease, for which we will pay three months security deposit. The amount of security deposit is a function of market dynamics, our credit ratings and availability of aircraft; and (iii) the configuration of the aircraft. Basis these parameters, Cirium has arrived at an estimated value for such induction of aircraft.

(₹ in million)

Aircraft*	Total estimated Amount per Aircraft
B737 - NG (Lease) - Security Deposit for 3 months	62.57
B737 - MAX (Lease) - Security Deposit for 3 months	83.42
B737 - MAX (SLB) - PDP	208.55
A340 (Wet lease) - Security Deposit for 3 months	83.42
A330 Neo (SLB)	166.84
Narrow Body Wetlease (Boeing/Airbus)	75.08

**Ascend by Cirium has acknowledged these values and has consented that our Company may use the online values for purpose of this Issue. However, since, the tool relies on information input by us, the Online Values provided by Ascend by Cirium shall not constitute a legal opinion and any commissioned appraisal shall not be asserted as a legal opinion. Online Values should only be considered in conjunction with the assumptions, methodologies and definitions described in the Methodology guide which can be found on www.cirium.com.*

5. Payment of employees dues

As of August 31, 2024, we had 7,824 employees, including 442 cockpit crew and 839 cabin crew, as well as various others, including maintenance and overhaul personnel and ticketing and sales personnel. Due to our financial stress, we have been compelled to furlough our employees for certain period and have had to resort to deferral of monthly payment to our employees. The employee dues as on September 15, 2024 is ₹1,189 million. We propose to deploy ₹1,189 million from the Net Proceeds towards payment of employees dues.

6. Payment of outstanding liabilities to the airports and related airport payments

Due to ongoing financial constraints, we have delayed in the payment to the airports including the payment of airport charges. We pay airport charges each time we land or access facilities at the airports we serve. Depending on the policy of the individual airport, such charges can include landing and parking fees, passenger service charges, security fees and space rentals. These airport related charges are typically charged by the operator of the airport. The airport and related airport payment dues as on June 30, 2024 is ₹ 2,900, and we propose to deploy ₹ 1,503 million from the Net Proceeds towards payment to airport operators.

7. General Corporate Purposes

Our Company intends to deploy ₹ [●] million from the Net Proceeds towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds.

Such general corporate purposes may include, but are not restricted to payment to sundry creditors, new fleet induction, meeting fund requirements which our Company may face in the ordinary course of business, any capital expenditure, repayment or pre-payment of our borrowings, strategic initiatives, partnerships, investment in our Subsidiaries, working capital requirements, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with applicable law, including the necessary provisions of the Companies Act, 2013.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds towards the purposes described in this section, our Company shall deposit the Net Proceeds in a separate bank account with a scheduled commercial bank included in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market/ mutual funds, as approved by the Board and/or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**"). The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. On an annual basis, our Company shall (i) prepare a statement of funds utilised for purposes other than those stated in this Preliminary Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised; and (ii) disclose every year, the utilization of the Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Proceeds have been utilised in full.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us.

Neither of our Promoters or Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. None of our Promoters or our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management were not eligible to subscribe in the Issue.

Further, since the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under Schedule VII of the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered or to be entered into by our Company with our Promoters, Directors, Key Managerial Personnel and/or Senior Management.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation statement as at March 31, 2024, derived from the Audited Consolidated Financial Statements and as adjusted to give effect to the receipt of the Gross Proceeds from the Issue. This table should be read in conjunction with the sections entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Risk Factors*" and "*Financial Information*" beginning on pages 110, 45 and 299, respectively.

(₹ in million)

Particulars	Pre-Issue	Post-Issue
	As at March 31, 2024 (on consolidated basis)	**As adjusted for the Issue (on consolidated basis**
Borrowings		
Current borrowings* **(A)**	2,597.61	[●]
Non-current borrowings* (Excl. Current Maturities) **(B)**	8,923.49	[●]
Total borrowings (C)	**11,521.10**	[●]
Total equity		
Equity share capital* **(D)**	7,834.05	[●]
Other equity (including non-controlling interest)* **(E)**	(60,007.42)	[●]
Total Equity attributable to owners of the Company (F = D+E)	**(52,173.37)**	[●]
Non controlling interest **(G)**	(12.38)	[●]
Total Equity (H = F+G)	**(52,185.75)**	[●]
Total Capitalization (I= C+F)	**(40,652.27)**	[●]
Non-current borrowings / Total equity (B/G)	**(0.17)**	**[●]**
Total borrowings/ Total equity (C/G)	**(0.22)**	[●]

** These terms shall carry the meaning as per Schedule III of the Companies Act 2013 (as amended).*

(1) The corresponding post-Issue capitalization data for each of the amounts given in the above table is not determinable at the time of filing Preliminary Placement Document and hence the same has not been provided in the above statement

CAPITAL STRUCTURE

The share capital of our Company as on date of this Preliminary Placement Document is as follows:

	Particulars	Aggregate value at face value of the Shares *(in ₹, except for securities premium account)*
1.	**AUTHORIZED SHARE CAPITAL**	
	1,500,000,000 Equity Shares of face value of ₹ 10 each	15,000,000,000
2.	**ISSUED SHARE CAPITAL BEFORE THE ISSUE**	
	794,678,717* Equity Shares of face value of ₹ 10 each	7,946,787,170
	SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE	
	794,672,717 Equity Shares of face value of ₹ 10 each	7,946,727,170
3.	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares of face value of ₹ 10 each aggregating to ₹ [●] million (1)	[●]
4.	**ISSUED SHARE CAPITAL AFTER THIS ISSUE**	
	[●] Equity Shares of face value of ₹ 10 each (2)	[●]
	SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THIS ISSUE	
	[●] Equity Shares of face value of ₹ 10 each (2)	[●]
5.	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (₹ in millions) (2)	16,868.81
	After the Issue (₹ in millions) (3)	[●]

**6,000 Equity Shares remain unsubscribed in rights issue in the year 1994.*
(1) The Issue has been approved by the Board of Directors on July 23, 2024, subject to approval of the Shareholders. Subsequently, our Shareholders, by way of special resolution pursuant to postal ballot, approved the Issue on September 13, 2024.
(2) To be determined upon finalization of the Issue Price.
(3) The securities premium account after the Issue is calculated on the basis of Proceeds. Adjustments do not include Issue related expenses.

Notes to Capital Structure

1. Equity Share Capital History of our Company

a. The history of the Equity Share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
Prior to 1993*	200,000	10.00	-	-	-	200,000	2,000,000
March 2, 1993**	24,000,000	10.00	10.00	Preferential Allotment	Cash	24,200,000	242,000,000
March 31, 1994	1,130,0000	10.00	10.00	Preferential Allotment	Cash	35,500,000	355,000,000
April 20, 1994	370,0000	10.00	10.00	Preferential Allotment	Cash	39,200,000	392,000,000
January 16,	24,194,000	10.00	40.00	Preferential	Cash	63,394,000	633,940,000

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
1995				Allotment			
February 28, 2001	81,077,500	10.00	10.00	Preferential Allotment	Cash	144,471,500	144,4715,000
December 21, 2004	10,000,000	10.00	10.00	Preferential Allotment	Cash	154,471,500	1,544,715,000
July 12, 2005	500,0000	10.00	10.00	Preferential Allotment	Cash	159,471,500	1,594,715,000
September 6, 2005	10,000,000	10.00	10.00	Preferential Allotment	Cash	169,471,500	1,694,715,000
October 14, 2005	6,152,016	10.00	89.30	Preferential Allotment	Cash	175,623,516	1,756,235,160
February 10, 2006	3,715,394	10.00	43.52	Preferential Allotment	Cash	179,338,910	1,793,389,100
May 25, 2006	5,000,000	10.00	10.00	Preferential Allotment	Cash	184,338,910	1,843,389,100
February 1, 2007	27,072,430	10.00	52.69	Preferential Allotment	Cash	211,411,340	2,114,113,400
February 5, 2007	3,095,000	10.00	52.69	Preferential Allotment	Cash	214,506,340	2,145,063,400
February 9, 2007	26,144,860	10.00	52.69	Preferential Allotment	Cash	240,651,200	2,406,512,000
August 29, 2008	368,960	10.00	25.00	Allotment pursuant to conversion of FCCBs	Cash	241,020,160	2,410,201,600
December 14, 2009	149,400	10.00	30.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2007	Cash	241,169,560	2,411,695,600
January 4, 2010	128,200	10.00	30.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2007	Cash	24,1297,760	2,412,977,600
January 13, 2010	220,950	10.00	44.20	Preferential Allotment	Cash	241,518,710	2,415,187,100
January 20, 2010	103,900	10.00	30.00	Allotment of shares pursuant to exercise of employee stock options under	Cash	241,622,610	2,416,226,100

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
				SpiceJet ESOS - 2007			
February 10, 2010	169,800	10.00	30.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2007	Cash	241,792,410	2,417,924,100
March 19, 2010	90,300	10.00	30.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2007	Cash	241,882,710	2,418,827,100
May 13, 2010	136,900	10.00	30.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2007	Cash	242,019,610	2,420,196,100
June 8, 2010	153,60,715	10.00	39.46	Conversion of warrants	Cash	257,380,325	2,573,803,250
June 10, 2010	640,14,560	10.00	25.00	Allotment pursuant to conversion of FCCBs	Cash	321,394,885	3,213,948,850
June 21, 2010	6,641,280	10.00	25.00	Allotment pursuant to conversion of FCCBs	Cash	328,036,165	3,280,361,650
July 13, 2010	57,188,800	10.00	25.00	Allotment pursuant to conversion of FCCBs	Cash	385,224,965	3,852,249,650
October 6, 2010	291,225	10.00	30.00	Allotment of shares pursuant to exercise of employee stock options under ESOS – 2007	Cash	385,516,190	3,855,161,900
October 12, 2010	193,70,400	10.00	25.00	Allotment pursuant to conversion	Cash	404,886,590	4,048,865,900

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
				of FCCBs			
December 30, 2010	491,475	10.00	30.00	Allotment of shares pursuant to exercise of employee stock options under ESOS – 2007	Cash	405,378,065	4053,780,650
August 8, 2011	171,665	10.00	30.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2007	Cash	405,549,730	4,055,497,300
October 13, 2011	35,900,000	10.00	36.48	Preferential Allotment	Cash	441,449,730	4,414,497,300
April 10, 2012	42,900,000	10.00	23.18	Preferential Allotment	Cash	484,349,730	4,843,497,300
April 18, 2013	25,256,237	10.00	36.18	Allotment pursuant to conversion of compulsorily convertible debentures	Cash	50,9605,967	5,096,059,670
April 18, 2013	9,707,831	10.00	36.18	Allotment pursuant to conversion of compulsorily convertible debentures	Cash	519,313,798	5,193,137,980
April 18, 2013	967,385	10.00	36.18	Allotment pursuant to conversion of compulsorily convertible debentures	Cash	520,281,183	5,202,811,830
November 30, 2013	3,000,000	10.00	36.18	Conversion of warrants	Cash	523,281,183	5,232,811,830
November 30, 2013	12,000,000	10.00	36.18	Conversion of warrants	Cash	535,281,183	5,352,811,830
November 14, 2014	45,000,000	10.00	20.76	Conversion of warrants	Cash	580,281,183	5,802,811,830
November 14, 2014	19,169,000	10.00	20.76	Conversion of warrants	Cash	599,450,183	5,994,501,830

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
February 11, 2019	268,173	10.00	10.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2017	Cash	599,718,356	5,997,183,560
February 14, 2020	357,943	10.00	10.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2017	Cash	600,076,299	6,000,762,990
July 29, 2020	30,000	10.00	10.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2017	Cash	600,106,299	6,001,062,990
September 15, 2020	168,750	10.00	10.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2017	Cash	600,275,049	6,002,750,490
November 11, 2020	175,000	10.00	10.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2017	Cash	600,450,049	6,004,500,490
February 10, 2021	486,854	10.00	10.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2017	Cash	600,936,903	6,009,369,030

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
June 7, 2021	415,962	10.00	10.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2017	Cash	601,352,865	6,013,528,650
August 13, 2021	35,000	10.00	10.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2017	Cash	601,387,865	6,013,878,650
February 15, 2022	408,750	10.00	10.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2017	Cash	601,796,615	6,017,966,150
August 31, 2022	49,050	10.00	10.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2017	Cash	601,845,665	6,018,456,650
September 4, 2023	34,172,000	10.00	29.84	Preferential Issue	Cash	636,017,665	6,360,176,650
September 4, 2023	48,123,186	10.00	48.00	Conversion of outstanding debt to equity shares	Cash	684,140,851	6,841,408,510
Allotments in the one year immediately preceding the Preliminary Placement Document							
December 11, 2023	197,200	10.00	10.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2017	Cash	684,338,051	6,843,380,510

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
January 25, 2024	55,500,000	10.00	50.00	Preferential Issue	Cash	739,838,051	7,398,380,510
February 21, 2024	40,100,000	10.00	50.00	Preferential Issue	Cash	779,938,051	7,799,380,510
March 11, 2024	3,466,666	10.00	50.00	Conversion of warrants	Cash	783,404,717	7,834,047,170
May 13, 2024	100,00,000	10.00	50.00	Conversion of warrants	Cash	793,404,717	7,934,047,170
July 15, 2024	120,000	10.00	10.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2017	Cash	793,524,717	7,935,247,170
August 14, 2024	33,000	10.00	10.00	Allotment of shares pursuant to exercise of employee stock options under SpiceJet ESOS - 2017	Cash	793,557,717	7,935,577,170
August 14, 2024	1,115,000	10.00	50.00	Conversion of warrants	Cash	794,672,717	7,946,727,170

** Our Company has no relevant records available prior to the year1993. On incorporation of the Company on February 9, 1984, the subscribers to the Memorandum of Association of the Company had subscribed to 7 Equity Shares of ₹10 each on January 19, 1984. Since incorporation until March 1, 1993, the Company made further allotments of 1,99,993 Equity Shares of ₹10 each. Resultantly, as on March 1, 1993, the paid- up share capital of the Company comprised of 2,00,000 Equity Shares of ₹ 10 each. However, we are unable to locate certain corporate records, which include copies of certain filings made by the Company with the Company, RoC in India for this allotments.*

*** For details, see "Risk Factors- We are unable to trace some of our historical records including the returns, forms, resolutions, minutes, and other related documents, as maintained by the Company and available in the records of the Company at the Company office, in relation to the capital build-up" on page 63.*

b. Preference Share Capital

As on the date of this Preliminary Placement Document, there is no preference share capital in the Company.

2. Equity Shares issued in one preceding year for consideration other than Cash, or any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue

Except as stated in *"-Equity share capital history of our Company"*, the Company has not issued any shares in one year preceding the date of this Preliminary Placement Document for consideration other than cash or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

3. Warrants

Except 233,226,848, outstanding warrants which are convertible into 233,226,848 Equity Shares, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

4. Pre-Issue and Post-Issue Shareholding Pattern of our Company

The table below presents the pre-Issue shareholding pattern as of September 13, 2024 and post-Issue shareholding pattern of our Company:

S. No.	Category	Pre-Issue as on September 13, 2024^			Post-Issue*		
		Number of equity shares held	% of share holding	% of share holding assuming full conversion of outstanding warrants#	Number of equity shares held	% of share holding	% of share holding assuming full conversion of outstanding warrants#
A. Promoters/Promoters Group Holding**							
1.	Indian						
	Individuals/Hindu Undivided Family	339,401,846	42.71	33.02	[●]	[●]	[●]
	Bodies Corporate	34,172,000	4.30	16.11	[●]	[●]	[●]
	Sub Total	373,573,846	47.01	49.13	[●]	[●]	[●]
2.	Foreign Promoter/Member of Promoter Group	0	0.00	0.00	[●]	[●]	[●]
	Sub Total (A)	373,573,846	47.01	49.13	[●]	[●]	[●]
B. Non-Promoter Holding							
1.	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	123,950,682	15.60	12.06	[●]	[●]	[●]
2.	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	111,989,256	14.09	11.56	[●]	[●]	[●]
3..	Bodies Corporate	49,357,781	6.21	4.80	[●]	[●]	[●]
4.	Foreign Companies	48,123,186	6.06	4.68	[●]	[●]	[●]
5.	Mutual Funds	40,037,000	5.04	3.90	[●]	[●]	[●]
6.	Foreign Portfolio Investors Category I	21,420,403	2.70	11.33	[●]	[●]	[●]
7.	Non Resident Indians (NRIs)	12,769,013	1.61	1.24	[●]	[●]	[●]
8.	Any Other (Clearing members, HUF and Trust)	8,928,462	1.12	0.87	[●]	[●]	[●]
9.	Foreign Portfolio Investors Category II	3,048,619	0.38	0.30	[●]	[●]	[●]
10.	NBFCs registered with RBI	842,216	0.11	0.08	[●]	[●]	[●]
11.	Key Managerial Personnel	369,142	0.05	0.04	[●]	[●]	[●]
12.	Directors and their relatives (excluding independent directors and nominee directors)	155,411	0.02	0.02	[●]	[●]	[●]
13.	Any Other (FII)	107,400	0.01	0.00	[●]	[●]	[●]

S. No.	Category	Pre-Issue as on September 13, 2024^			Post-Issue*		
		Number of equity shares held	% of share holding	% of share holding assuming full conversion of outstanding warrants#	Number of equity shares held	% of share holding	% of share holding assuming full conversion of outstanding warrants#
14.	Foreign Nationals	300	0.00	0.00	[●]	[●]	[●]
	Sub Total (B)	**421,098,871**	**52.99**	**50.87**	[●]	[●]	[●]
	Grand Total (A+B)	**794,672,717**	**100.00**	**100.00**	[●]	[●]	[●]

^*Based on beneficiary position data of our Company as on September 13, 2024.*
As on the date of this Preliminary Placement Document, there are 233,226,848 outstanding warrants convertible into 233,226,848 Equity Shares.
**The post-Issue shareholding pattern has been intentionally left blank and will be filled in the Placement Document.*
***Ajay Singh had pledged certain equity shares of our Company held by him in favour of Indian Bank. Indian Bank invoked the pledge for 2,35,00,000 equity shares in the year 2022. Subsequent, to such invocation, our Company has availed / renewed debt facilities from Indian Bank and Indian Bank has continued to treat the invoked pledged shares as security for such fresh / renewed debt facilities availed by our Company. Since, Indian Bank is still treating the invoked pledge as a security for the fresh / renewed debt facilities, our Company continues to reflect 2,35,00,000 equity shares (2.96% of our paid-up equity share capital) as pledged shares held in the name of Ajay Singh in our shareholding pattern.*

5. **Employee Stock Option as on date of this Preliminary Placement Document**

Our Company adopted the "*SpiceJet Employee Stock Option Scheme - 2017*" ("**ESOS - 2017**"), which was approved by our Board pursuant to a resolution dated October 30, 2017, and our Shareholders pursuant to a special resolution dated November 27, 2017. Under the SpiceJet ESOS - 2017, our Company is allowed to grant up to 10,000,000 employee stock options exercisable into 10,000,000 equity shares of face value ₹ 10 each to eligible employees of our Company and its Subsidiaries. The objective of the SpiceJet ESOS - 2017is to reward all eligible employees for their association with the Company, their performance as well as to attract, retain and reward employees to contribute to the growth and profitability of the Company. The eligibility and number of options to be granted to an eligible employee is determined on the basis of criteria laid down in the SpiceJet ESOS – 2017 and is administered by the Nomination and Remuneration Committee. The SpiceJet ESOS - 2017 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

As on August 31, 2024, the details of options pursuant to SESOS 2017 are as follows:

Particulars	Number of employee stock option
Total number of stock options	10,000,000
Total number of options granted	4,416,155
Total number of options vested	3,649,055
Total number of options exercised	2,745,682
Total number of options forfeited	881,923
Total number of options vested and outstanding	903,373
Total options outstanding	5,758,845

6. **Proposed Allottees in the Issue**

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them, please refer to the section "*Details of Proposed Allottees*" on page 302.

7. Other Confirmations

The Shareholders of the Company have, by way of special resolution pursuant to postal ballot, approved the Issue on September 13, 2024.

The Promoters, the Directors, members of Promoter's group, Key Managerial Persons and the members' of the Senior Management of our Company do not intend to participate in the Issue.

No change in control in our Company will occur consequent to the Issue.

Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of notice dated August 14, 2024, to the Shareholders for the approval of this Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchange.

At any given time, there shall be only one denomination of the Equity Shares of our Company.

All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Preliminary Placement Document.

Our Company has not made any allotments for consideration other than cash, in the last one year preceding the date of this Preliminary Placement Document.

Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of the postal ballot notice to our Shareholders in respect of the special resolution dated August 14, 2024, approving the Issue.

The Equity Shares held by our Company and Promoters, along with the Promoter Group entity, are subject to a lockup for a period commencing on the date of this Preliminary Placement Document and ending 90 days from the date of Allotment. For further details, see "*Placement – Lock-Up*" on page 258.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act and our Articles of Association. Our Company adopted a dividend policy in accordance with Regulation 43 A of the SEBI Listing Regulations on November 25, 2016.

The dividend for any Financial Year shall normally be paid out of our Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous Financial Year(s) in accordance with provisions of the Companies Act and the SEBI Listing Regulations, as applicable.

Our Company has not declared any dividend during the three months period ended June 30, 2024, and during Fiscals 2024, 2023 and 2022 and from July 1, 2024 till the date of this Preliminary Placement Document.

Future dividends

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared after Allotment.

Please also see the sections titled "*Taxation*" and "*Risk Factors*" on pages 279 and 45, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*This discussion may contain forward-looking statements, that involve risks and uncertainties and reflects our current views with respect to future events and financial performance. We caution investors that our business and financial performance is subject to substantive risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth under the sections titled "Forward-Looking Statements" and "Risk Factors" on pages 17 and 45, respectively, and elsewhere in this Preliminary Placement Document. We prepared our Financial Statements in accordance with the Indian Accounting Standards prescribed under section 133 of the Company Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**"). Ind AS differs in some material respects from US GAAP and IFRS and other accounting principles with which prospective investors may be familiar.*

Unless stated otherwise, all financial information is presented on a consolidated basis, and such financial information corresponding to (i) Fiscals 2024, 2023 and 2022 has been derived from the Audited Consolidated Financial Statements, and (ii) the three months ended June 30, 2024 and June 30, 2023 has been derived from the Unaudited Interim Consolidated Financial Information. Our financial year ends on March 31 of every year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year.

*Certain information in this section includes extracts from a report by CAPA Advisory titled 'Indian Aviation Market Overview' dated September 13, 2024 (the "**CAPA Report**"), which has been exclusively commissioned and paid for by us in connection with this Issue. The relevant industry sources are indicated at all relevant places within this section. For more information, see "Risk Factors — Risks Relating to Business — "Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by CAPA Advisory exclusively commissioned and paid for by us for such purpose and any reliance on such information for making an investment decision in this Issue is subject to inherent risk." on page 41. None of our Company, the Book Running Lead Manager or any other person connected with the Issue has independently verified all the information contained in the CAPA Report.*

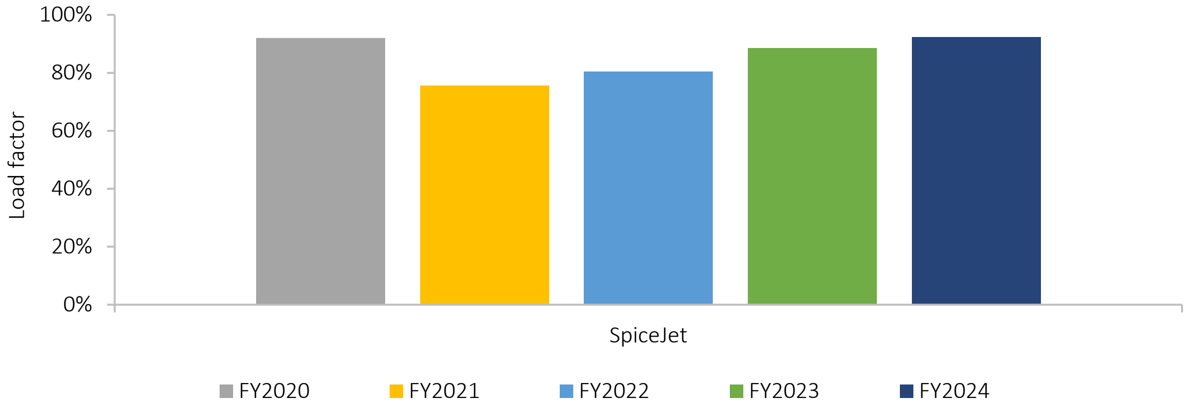
Overview

We are a scheduled commercial airline engaged in providing domestic and international airline services. We are a low cost carrier (**LCC**) with a focus on maintaining low unit costs and delivering value to our customers. Our differentiated offerings comprising of SpiceMax, a premium service equivalent to premium economy; SpiceCafe, our inflight catering offering hot meals; SpiceScreen, mobile based in-flight entertainment; SpiceClub, being one of the first LCC in India to launch a loyalty programme and co-branded credit card; and SpiceXpress our dedicated cargo and logistics arm. Our ancillary products and services has enabled us in achieving the highest ancillary revenue as a share of operational revenue at 7.80 % in Fiscal 2020 in the Indian aviation market *(Source: CAPA Report)*. Our target customers are the growing middle-class passengers, and we believe our product and service offerings are attractive to these large and growing segments of the travellers in India.

In Fiscal 2024, we had 8 fortress airports, being the second largest among scheduled mainline operators in India. Fortress airports are airports where an airline has a domestic seat capacity share of more than 50% *(Source: CAPA Report)*. We also had the second-largest number of fortress routes among scheduled mainline operators in India in Fiscal 2024. Among our 49 fortress routes, we had a monopoly in 40 of such routes *(Source: CAPA Report)*. Fortress routes are the routes where an airline has a domestic seat capacity share of more than 50%.

As of Fiscal 2024, we operated a fleet of 55 aircraft including from the B737 family and the Q400 series, capturing a 5.1% share of the domestic market. *(Source: CAPA Report)*. Presently, of our total fleet size of 58 aircraft, 36 aircraft are grounded, owing primarily to dues to the aircraft lessors and lack of maintenance due to financial constraints. We have an aircraft order book of 147 Boeing 737 MAX aircraft, in addition to our order book, we also intend to unground 28 aircraft, which can become operational post their ungrounding, to support our future growth initiatives *(Source: CAPA Report)*. Due to the smaller size of our fleet after the pandemic, our traffic and market share has declined. Most of our aircraft employ high-density seating with a single cabin configuration. The suspension of 737 MAX deliveries for 2.5 years forced us to rely on older equipment to sustain our operations. Our 737 MAX aircraft are ~20% more fuel-efficient than the other 737 aircraft. Our ex-fuel cost per available seat kilometers (**CASK**) has remained below Rs. 2.50 over the last three Fiscals and our revenue per available seat kilometers (**RASK**) witnessed a substantial increase to Rs. 4.85 in Fiscal 2023 owing to a rebound in passenger traffic post the COVID 19 pandemic and is the highest among other LCCs in India (*Source: CAPA Report*).

We have a focus on operational efficiency and reliability to deliver a superior customer experience relative to other Ultra low-cost carriers ("**ULCCs**") and Low-cost carriers ("**LCCs**"). Among the major Indian carriers, we had the highest passenger load factor between FY2018 and FY2024. This was partly due to the capacity constraints that the airline faced because of the grounding of the 737 MAX equipment, as well as revenue management practices designed to maximise the number of seats sold *(Source: CAPA Report)*. Our passenger load factors in the immediately preceding 5 Fiscals is depicted in the graph below:

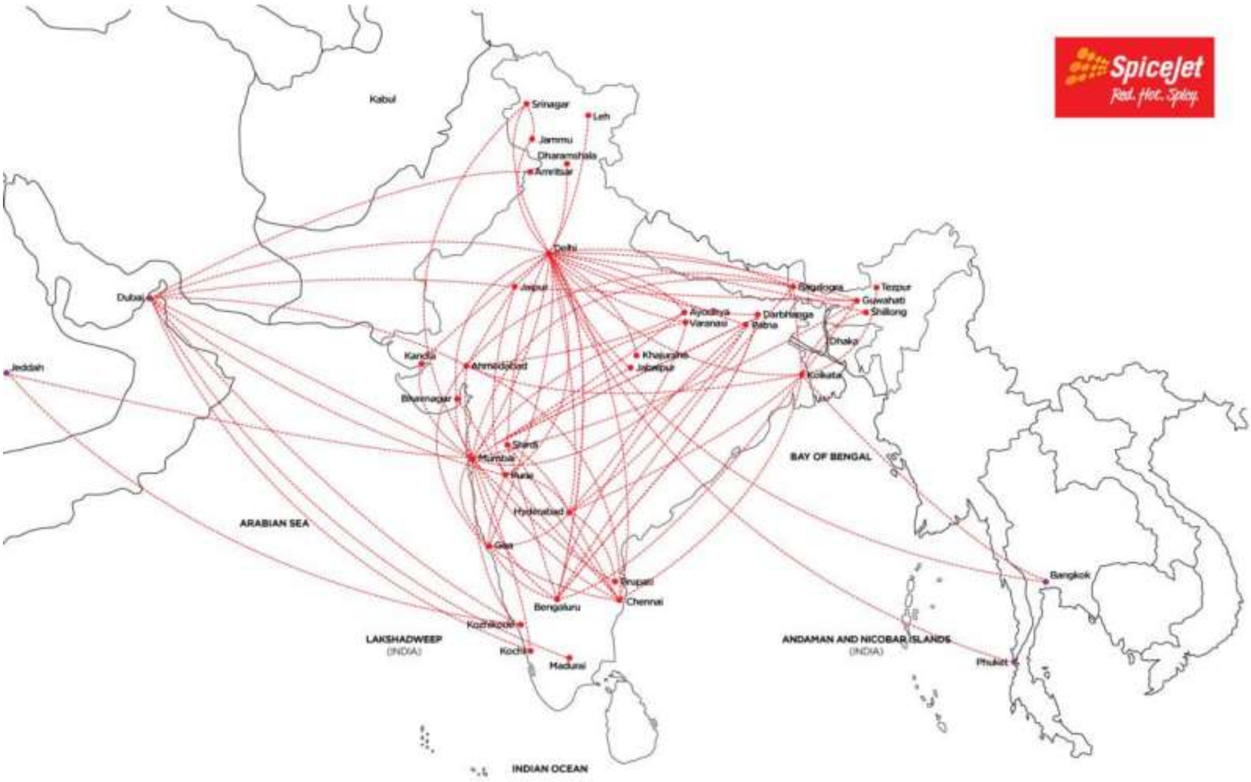


(Source: CAPA Report)

Our route network is designed to support operational efficiency and includes capacity in slot-constrained markets in India. As of June 30, 2024, we covered a network of 34 domestic and 4 international destinations. We also have rights under regional connectivity scheme to 29 domestic and 2 international destinations. We have established substantial positions in slot-constrained airports such as New Delhi, Mumbai, Kolkata, Ahmedabad and Pune *(Source: CAPA Report)*. Our slot efficiency generally, and particularly at airports that have constraints on slot expansion, gives us a significant competitive advantage. We command a significant share in the key international destinations from India, holding significant allocations of weekly seat entitlements, including around 14,297 for Dubai comprising of 22% of the weekly available seats, 5,481 for Jeddah comprising of 11% of the weekly available seats and 7,926 for Bangkok comprising of 17% of the weekly available seats. In addition, we have entered into code sharing / interline arrangement with the leading airline from Dubai, United Arab Emirates and have additional traffic rights for 17 international destinations comprising of:

S.NO.	REGION
1.	Heathrow (London)
2.	Hong Kong
3.	Abu Dhabi
4.	Sharjah
5.	Italy
6.	China
7.	Sri Lanks, Colombo
8.	Nepal, Kathmandu
9.	Russia, Moscow/ St. Petersburg
10.	Bahrain
11.	Bangladesh
12.	Kazakhistan
13.	Uzbekistan
14.	Oman
15.	Myanmar (Mandalay/ Yangoon)
16.	Afghanistan
17.	Iraq

The map below depicts our extensive network:



We have a dynamic and flexible network, which allows us to alter routes and increase or decrease the number of flights between locations based on demand in these markets. We leverage our dynamic network to cater to the routes which have high demand potential. Also, considering the changing demand in the domestic market, we have catered to customer demand for routes between Tier 2 and Tier 1 cities, as well as increased demand for travel to various leisure and pilgrimage destinations within India.

We launched a dedicated freighter service provider, SpiceXpress, which has a strong position in the Indian cargo space. Launched in September 2018, SpiceXpress has an integrated network that encompasses air cargo, ground transport and warehousing. This service aims to ensures safe, on-time and efficient cargo delivery across Indian and international routes *(Source: CAPA Report)*. With effect from April 1, 2023, we carved out our cargo business undertaking into our subsidiary, SpiceXpress and Logistics Private Limited ("**SpiceXpress**") on a slump sale basis. Accordingly, SpiceXpress is now undertaking the cargo business effective April 1, 2023. The transfer of cargo business undertaking to SpiceXpress provides us with 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 our Company and its stakeholders.

In 2022, the International Civil Aviation Organization (**ICAO**) conducted a comprehensive audit of India's aviation regulator, the Directorate General of Civil Aviation (**DGCA**). As part of this, our airline was selected as a sample auditee under the Universal Safety Oversight Audit Programme of ICAO and the audit was completed successfully. In October 2023, we were among the six global airlines to successfully complete the International Air Transport Association's (IATA) risk-based approach audit. This achievement underscores our commitment to operational safety and the proactive adoption of IATA's advanced audit standards.

We have benefited and expect to continue to benefit from the highly attractive industry dynamics that characterize the Indian aviation market. India is the third-largest domestic market in the world based on seat capacity, behind the US and China. Among the 10 largest domestic markets at present, India was the fastest-growing before COVID-19 until FY2020, witnessing a 12% CAGR during Fiscal 2010–Fiscal 2020. In Fiscal 2024, India's traffic had fully recovered and was in fact higher than in Fiscal 2020 (*Source: CAPA Report*). Despite rapid growth since Fiscal 2004, the Indian aviation market remains significantly under-penetrated. Among the world's 20 largest domestic aviation markets, India has the lowest domestic air travel penetration even when compared to other emerging markets. For instance, in Fiscal 2020, India had 0.13 domestic seats per capita, compared to 0.52 in China, 0.48 in Indonesia and Vietnam, 0.52 in Mexico, 0.57 in Brazil and 1.18 in Malaysia (*Source: CAPA Report*).

Despite the challenges faced by the airline industry generally and our Company, in particular, owing to grounding of 737 MAX aircraft globally, COVID-19 pandemic, rising fuel prices (in 2022, brent crude oil price surged to around USD120 per barrel), the Company continues to explore 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 our Company establish consistent profitable operations and cash flows in the future.

We have been bestowed with several awards and recognition in the past, including being awarded the:

(i) Best Domestic Airline Award at the Wings India Awards for Excellence in the Aviation sector organized by Ministry of Civil Aviation, Government of India;
(ii) FICCI Best Domestic Airline Awards 2018, at the 11th ASSOCHAM International Conference cum Awards on the Civil Aviation & Cargo
(iii) Best Airline 2018 Operating Under the Government's Regional Connectivity Scheme(UDAN) by APAI Airline Strategy Award 2018 for Global 'Low-Cost' Leadership and Development
(iv) Time Travel Award 2018 Editor's Choice Award for the Best Domestic Low-Cost Airline
(v) BML Munjal Award 2018 for Business Excellence Through Learning and Development
(vi) Best Cargo Carrier Award at the ASSOCHAM 14th International Civil Aviation Conference & Awards on 18th Jan 2023
(vii) Wings India Aviation Innovation Award 2022 APEX Newcomer of the Year Award 2022 in the Field of Innovation in Aviation Technology

Our Key Financial and Operational Performance Indicators

Set forth are the key financial and operational performance indicators for the period/ years indicated:

(₹ in millions, except as otherwise stated)

Particulars	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Available seat kilometres* (million)	13623.00	18,251.00	13,040
Passengers Carried (million)	9.78	12.74	9.18
Load Factors (%)**	90	87	79
Aircraft at end (Nos.)***	65	60	90
Total income (INR million)[#]	85,240.00	98,971.00	76,305.00
EBITDAR (INR million) [##]	14,067.00	3,379.00	6,499.00
Net earnings (INR million) [###]	-4237.15	-15129.47	-17,443
Total expenses (INR million)[$]	89,477.00	1,14,100.00	93,748.00

* *ASK is calculated as the sum of products obtained by multiplying the total number of seats that are available in each flight stage by the corresponding stage distance.*
** *Load Factor is a measure of capacity utilisation of airlines, which is calculated by dividing RPK by ASK.*
****Total number of aircraft*
[#]*Includes finance income*
[##]*EBITDAR and lease charges-aircraft, engines and auxiliary power units*
[###]*After tax, if any*
[$]*Includes other items*

Significant factors affecting our results of operations and financial condition

Our financial condition and results of operations are affected by numerous factors and the following are of particular importance:

Capital intensive business

The airline business is highly capital-intensive, and particularly in a high-growth phase for the aviation industry, capital must be injected by an airline rapidly and on a continuous basis. Additionally, market development and brand building require significant investment and expenditure on an ongoing basis. Furthermore, aircraft induction and deployment, on both new and existing routes, requires a period of ramp-up with a sizeable funds outlay. Any expansion of our fleet will have costs in terms of the acquisition of aircraft, deployment and other pre-delivery expenses, including route planning and development, and operations-related expenses. For Fiscal 2024, Fiscal 2023 and Fiscal 2022, our operating expenses were ₹ 54,249.06 million, ₹ 73,537.91 million and ₹ 57,671.36million, respectively.

Grounding of aircraft

As of June 30, 2024, our total fleet size was 64 aircraft, of which 36 aircraft are grounded, owing primarily to the dues to the aircraft lessors, lack of maintenance due to financial constraints and early removal of engines . Also, from time to time, certain of our aircraft may be grounded as a result of an extraordinary event or for routine maintenance work. Any unplanned grounding or grounding for a longer duration than expected will have an adverse impact on our operations.

In the past we were faced with the issue of B 737 Max-8 aircraft, the operational and financial impact of which is still continuing. The B 737 MAX-8 aircraft ("**MAX-8**") suffered 2 (two) fatal crashes (Lion Air on October 29, 2018, and Ethiopian Airlines on March 10, 2019) owing to suspect design defects and these were accordingly banned from flying by every major governmental air traffic regulation authority around the Globe, including by the DGCA with immediate effect from March 13, 2019. The 13 (thirteen) B 737 MAX Aircraft which were leased by our Company, for commercial passenger flying services were fundamentally rendered incapable of being used, either 'safely' or 'legally', within a period of just 5 (five) months from the time of induction of the first B 737 MAX-8 aircraft. Additionally, we were scheduled to get additional 13 MAX-8 aircraft, as per the delivery schedule agreed between us and Boeing under the aircraft purchase agreement, which would have resulted in a total of 26 MAX-8 aircraft being in revenue operations by March 31, 2020. However, the worldwide grounding of the MAX-8 fleet, on account of the catastrophic crashes coupled with the loss of scheduled deliveries of our additional 13 MAX aircraft has a material adverse impact on our operations and financial position. For further details, please see *"Risk Factors — Risks related to the Company and our business — The global grounding of global grounding of Boeing 737 MAX-8 had a material adverse impact on our operations and financial position*." on page 60.

Limited flexibility in reducing operating costs

The airline industry is characterised by low profit margins and high fixed and variable costs, principally for lease charges, engineering and maintenance charges, aircraft fuel and landing and airport charges. Most of these costs are fixed by external factors that can limit the impact of our cost-saving measures. As a result, the expenses of an aircraft flight do not vary significantly with variations in the number of passengers carried. Consequently, a relatively small change in the number of passengers carried will not have significant effect on our business operations, financial condition and results of operations.

We continue to explore possibilities of undertaking ancillary activities on our own to reduce reliance on third party vendors and improve our margins. For instance, we undertake certain technical repairs and maintenance activities, passenger and baggage handling, and cargo handling of aircraft, handling of technical infrastructure on our own. Any regulatory change could affect our operating expenses in the future if we are required to outsource this service.

Our ability to maintain low operating expenses is critical to our business model. If our operating expenses were to increase significantly, we might find it necessary to increase our fares to offset the expense. If, on the other hand, we are able to reduce our operating costs or are able to successfully pass cost increases on to our customers, this could increase our margins. We therefore expect our ability to manage our operating expenses to continue to affect our business operations, financial conditions and results of operations.

The principal components of our operating expenses include expenses related to aviation turbine fuel, lease charges for aircraft, engine and auxiliary power unit, landing navigation and other airport charges, aircraft repairs and maintenance, supplemental lease charges, consumption of stores and spares, aviation insurance. To a large extent, our operating costs are fixed or the factors affecting our operating costs are external and thus outside of our control.

Fuel costs

Fuel expenditure constitutes a significant portion of our total expense. In the three months ended June 30, 2024 and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, fuel expenses constituted 34.13%, 33.38 %, 41.82% and 31.68 %, respectively, of our total expenses for such periods on a consolidated basis. Because of this concentration in our expenses, fuel costs have a significant influence on our business operations, financial condition and results of operations.

Historically, our fuel expenditure has been subject to wide fluctuations in the price of ATF, which is influenced by geopolitical issues, government regulation and various supply and demand factors, including periods of market surplus and shortage. The demand for oil is highly dependent on global macroeconomic conditions among other things. Oil prices have undergone a significant volatility since the record peak of U.S.$120 per barrel (brent crude) in 2022. Significant increases in fuel cost have a significant impact on our overall expenses and our results of operations. The price of ATF is dependent on many factors, including the following:

1. periodic variations in the ex-refinery prices charged for ATF by the major oil companies, which are currently the major suppliers of ATF in India;
2. fluctuations in the exchange rate between the U.S. dollar and the Rupee;
3. changes in the rate of excise duty; and
4. VAT (value added tax) on ATF.

We typically seek to offset or otherwise address increases in the price of fuel through changes to our ticket prices or other aspects of our operations, but may not always be successful.

Foreign exchange rates

Foreign exchange rates can have a significant impact on our results of operations. We collect and report our revenues in Indian Rupees, but the majority of our operating costs, including the purchase of ATF and payments under our various lease arrangements are made in U.S. dollars or pegged to the US dollars. We operate in countries outside of India and face the risk of variation in foreign currency exchange rates against the U.S. dollar or between the currencies of these countries. See "*Risk Factors — Risks related to the Company and our business — "We are exposed to the risks associated with fluctuations in foreign exchange rates"* on page 81.

Change in fleet composition

As of June 30, 2024, we operate a fleet of 64 aircraft in our scheduled operations, of which 13 are on finance leases, 40 are held under operating leases, 3 are owned by our Company and 8 aircraft are on ACMI (wet lease) for catering to our seasonal demand.

We endeavour to remain engaged in a fleet expansion programme which has had and continues to have a significant effect on our business, financial condition and results of operations. In particular, our aircraft under operating and finance leases typically contribute to significant amounts of external indebtedness that exposes us to foreign exchange fluctuation risk. Our fleet expansion exercise also involved certain one-time costs, including stores and spares, training costs for pilots and staff to be able to operate the new aircraft effectively.

Aircraft utilisation

One of the key elements of our business is our ability to maintain high daily aircraft utilisation. High daily aircraft utilisation allows us to generate more revenue from our aircraft. High utilisation is achieved in part by reducing turnaround time at airports so that we can fly more hours each day. Aircraft utilisation can be reduced by delays resulting from many factors, most of which are not fully within our control, such as security requirements, air traffic and airport congestion, adverse weather conditions, defects or mechanical problems with our aircraft, unavailability of cockpit and in-flight crew, strikes or work stoppages and acts of third parties upon whom we rely for requirements such as fuelling. The airport infrastructure in India, on which we depend to carry out our operations, is significantly overburdened and we face intense competition from other airlines for access to airport facilities, parking bays for aircraft and arrival and departure slots. Our ability to acquire access to these facilities on reasonable terms is a major factor in our utilisation rates and can also have an impact our costs. It is not uncommon for our aircraft to have to circle an airport for a period of time prior to landing due to congestion on the runways. When this situation occurs regularly, it can lead to an increase in our fuel costs and a decrease in our average aircraft utilisation.

Our revenue management team actively manages the capacity on our current fleet by determining the most efficient seat and fare class configurations and creating fare products to match market conditions.

Route strategy

We consistently review the routes we offer for passenger airline services, including identifying profitable new routes which are not yet or are inadequately serviced by other airlines, increasing the number of routes served and increasing the frequency of flights or potentially discontinuing services on selected routes which were not profitable. Our ability to select advantageous routes and flight frequencies, develop routes before competitors establish strong positions on such routes and otherwise exploit profitable routes and frequencies depends on a number of factors, including our ability to obtain accurate data for evaluation, the availability of aircraft and the availability of suitable access to sufficiently functioning airports. Selecting and flying advantageous routes and flight frequencies, competing effectively on these routes and efficiently handling aircraft and passengers at airports are important elements of our ability to generate income.

We review our fleet and route offerings on an ongoing basis. Decisions regarding capacity and route deployment depend on many factors, including customer demand, cost and yield considerations and the availability of appropriate equipment.

Passenger volumes and fares

The largest component of our revenues is derived from ticket sales on scheduled passenger flights. Our revenues from ticket sales depend upon the number of passengers carried by our aircraft and the average fare per passenger. The expenses of each flight do not vary significantly with the number of passengers carried and a relatively small change in the number of passengers could have a disproportionate effect on our profits. High passenger volumes are essential for us to maintain and increase our revenues from passenger seat sales. Passenger volumes have in the past been, and we expect that they will continue to be, affected by a number of factors, including global and intra-India air travel trends, the pace of domestic economic growth and our ability to successfully penetrate new markets for air travel both within India and abroad.

Any catastrophic event involving our Company or other airlines in India or abroad could reduce passengers' confidence involving the safety of travel, which could lead to reduced demand for our services. Threats or perceived threats of terrorism, the war in Russia and Ukraine and in the Middle-East region and other world events of significance have had an adverse effect on the airline and tourist industries in India. As a result of these events and events like them, both passenger volumes and airfares have, over certain periods, trended downwards while insurance expenses have, until recently, increased on an industry-wide basis.

In addition, the fares we are able to charge our passengers directly impact our revenue. The DGCA established a tariff analysis unit to monitor fares across networks, on a monthly basis. Under the terms of the DGCA directive, airlines are required to publish airfares across their network on a monthly basis and to notify changes in air fares to the DGCA within 24 hours of affecting such change. This directive may increase competition and impact the level of fares we are able to charge going forward, which may impact our revenue. We expect competition to intensify further as new entrants emerge in the industry and as existing competitors seek to extend their operations and flight frequencies on routes we currently operate. See "Our Business — Competition".

Our competitive position directly impact our passenger volumes and the fares we are able to charge and depends on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including pricing strategies by competitors and the emergence and growth of other carriers. Our ability to develop profitable new routes and profitably increase route frequencies will play an important role in our competitiveness. In addition, our ability to compete in terms of operations, safety, security and service quality and other factors could have a material effect on our business, financial condition and results of operations. The airline industry is particularly susceptible to price discounting because airlines incur only nominal variable costs to provide service to passengers occupying otherwise unsold seats.

For the three months ended June 30, 2024 and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, we flew 2.09 million, 9.78 million, 12.74 million and 9.18 million passengers, respectively with an average load factor over the same periods of 91.00%, 90.00%, 87.00% and 80.00% respectively.

Seasonality within the air travel markets

We generally record lower revenues in the monsoon months of July to September, during February and during the first two weeks in March. We generally record higher revenues in April, May, June, October, November and December due to higher passenger volumes caused by school vacations and holidays. Accordingly, the revenue, operating profit and cash flow of our business are relatively lower in certain months due to decreased travel during those months. Given our high proportion of fixed costs, this seasonality is likely to cause our results of operations to vary from period to period.

Significant Accounting Policies

1. Basis of preparation of consolidated financial statements

(ii) Statement of compliance

The consolidated financial statements ('financial statements') of the Group for the year ended March 31, 2024 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('**the Act**') read together with the Companies (Indian Accounting Standards) Rules 2015, as amended.

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

(iii) 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.

(iv) Going concern assumption

The Company and its Subsidiaries ("**Group**") has incurred a net loss (including other comprehensive income) ₹ 4,183.79 million for March 31, 2024, and as of that date, the Group has negative retained earnings of ₹ 78,871.39 million and negative net worth of ₹ 52,173.37 million (excluding non-controlling interests) and the current liabilities have exceeded its current assets by ₹ 65,892.40 million as at March 31, 2024.

Losses over the last few years have been primarily driven by adjustments on account of implementation of Ind AS 116, adverse foreign exchange rates, operational disruption during Covid 19 followed by sub-optimal operations due to liquidity constraints faced by the Holding Company.

On account of its operational and financial position, the Group has deferred payments to various parties, including lessors and other vendors and its dues to statutory authorities as also described in Note 47. 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 further 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 49.

The aforesaid conditions indicate the existence of uncertainty that may create doubt about the Group's ability to continue as a going concern.

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. These initiatives are heavily dependent upon Group's ability to raise funds. During the year ended March 31, 2023, the Group had received funds aggregating to Group 4,498.17 million under Emergency Credit Line Guarantee Scheme ('**ECLGS**') scheme. The Group has further received ₹ 5,412.96 million under ECLGS scheme during the year ended March 31, 2024. During the year, Group has also issued fresh equity shares and equity warrants to the promoter group for value aggregating to ₹ 4,940.92 million and also issued equity shares to one of the large lessor against some of its outstanding dues. The Group has further issued fresh equity shares and equity warrants on preferential basis to various investors under non-promoter category aggregating to issue size of ₹ 10,600.00 million. The Group is also in ongoing discussions with certain potential investors for raising additional funds and is also expecting relief from certain lessors for settlement of their 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 raise funds as necessary and achieve profitable operations, 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.

(v) 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) (j)(iii)(a) and 43 – estimates required for employee benefits.

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

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

Note 2(A) (n) and (r) – estimation of provision of maintenance.

Note 2(A) (s) – estimates/judgement required in impairment assessment.

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

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

Note 2(A) (y) – judgment relation to contingent liability.

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

2. Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

- Exposure, or rights, to variable returns from its involvement with the investee; and

- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other voting right holders of the investee;

- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights; or
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the Group uses accounting policies other 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

1. 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.

2. 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.

3. 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.

3. Business combination and asset acquisition

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

In case, the acquisition of an asset or a group of assets that does not constitute a business, the acquirer identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition and recognition criteria for intangible assets) and liabilities assumed. The cost of the group (i.e. consideration paid) shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

4. 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:

1. Expected to be realised or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realised within twelve months after the reporting period; or
4. 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:

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

The Group classifies all other liabilities as non-current.

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

The Group has identified twelve months as its operating cycle.

5. 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 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.

6. 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.

7. 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 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.

8. 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.

9. 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.

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.

10. Employee benefits

1. 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.

2. Other long-term employee benefits

The Group also provides benefit of compensated absences to its employees (as per the policy of the Group) 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.

3. Post-employment benefits

The Group operates the following post-employment schemes:

1. Defined benefit plans – gratuity

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

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

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

2. 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.

11. 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.

12. 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.

13. Leases

The Group's lease asset classes primarily consist of leases for aircrafts, aircraft components (including engines) and buildings. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

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

1. 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.

2. 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.

3. 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.

4. 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.

5. Short-term leases and leases of low-value assets

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

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.

14. Supplementary rentals and aircraft repair and maintenance

***10.* 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.

11. 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.

15. 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.

16. 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.

17. 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:

1. In the principal market for the asset or liability; or
2. 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 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:

3. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
4. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
5. 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.

18. 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.

19. 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:

1. Debt instruments at amortised cost;

2. Debt instruments at fair value through other comprehensive income (‘FVTOCI’);
3. Debt instruments and derivatives at fair value through profit or loss (‘FVTPL’); or
4. Equity instruments at fair value through profit or loss (‘FVTPL’) or at fair value through other comprehensive income (‘FVTOCI’)

Debt instruments at amortised cost

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

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

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

20. 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.

21. 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 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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.

Principal Components of Income and expenditure

Total Revenue

Our total revenue consists of (a) revenue from operations; (b) other income and (c) financial income

Revenue from operations

Our revenue from operations, primarily comprises of sale of services including passenger revenue and cargo revenue, sale of goods including sale of food and beverages and sale of products, other operating revenues including incentives received, income from training services, subsidies received under various schemes, ground handling services and revenue from outside India operation.

Other Income

Our other income primarily includes net gain on financial assets measured at fair value through profit or loss, gain on derecognition of lease liabilities and right of use assets, liabilities/provision no longer required written back, warranty claims from aircraft manufacturer/insurance claims, and miscellaneous income.

Financial Income

Finance income primarily includes interest income on financial assets and interest income from bank deposits.

Expenses

Our total expenses comprised of operating expenses, purchases of stock-in-trade, changes in inventories of stock-in-trade, employee benefits expenses, sales and marketing expenses, other expenses, foreign exchange loss, and amortisation expense.

Operating expenses

Operating expenses comprises of expenses for aviation turbine fuel, lease charges - aircraft, engines and auxiliary power units, aircraft repairs and maintenance, supplemental lease charges - aircraft, engines and auxiliary power units, consumption of stores and spares, aviation insurance, landing, navigation and other airport charges, aircraft navigation software expenses, aircraft redelivery costs, cargo handling costs, and other miscellaneous operating expenses.

Purchase of stock-in-trade

Purchase of stock-in-trade consists of inflight food and beverages held as stock-in-trade, and merchandise and others.

Change in inventories of finished goods, stock-in-trade and work-in-progress

Change in inventories of finished goods, stock-in-trade and work-in-progress consists of changes in finished goods and work-in-progress from the beginning of the year to the end of the year differential, excise duty and cess on opening and closing inventory of finished goods and any exchange fluctuation on translation of inventory.

Employee benefits expense

Employee benefits expense comprises of salaries, wages and bonus, contribution to provident and other funds, share based payment expense, gratuity expense, and staff welfare

Other expenses

Our other expenses comprise mainly of:

1. Rent
2. Rates and taxes
3. Repairs and maintenance
4. Buildings
5. Plant and machinery
6. Others
7. Crew accommodation cost
8. Recruitment and training cost
9. Communication
10. Printing and stationery
11. Travelling and conveyance
12. Legal, and professional fees*
13. Power and fuel
14. Advances/other balances written off
15. Impairment of trade receivables and other advances
16. Insurance
17. Credit card charges

18. Bank charges
19. Loss on sale of property, plant and equipment (net)
20. Property, plant and equiptment written off
21. Miscellaneous expenses
22. Payment to auditors

Depreciation and amortisation expenses

Depreciation and amortisation expenses comprises of depreciation on property, plant and equipment, depreciation on right of use assets, and amortisation on intangible assets.

Results of Operations in our Audited Consolidated Financial Statements prepared under Ind AS

Three-month period Ended June 30, 2024 and June 30, 2023

The following table sets forth certain information with respect to our revenues, expenses and profits, also expressed as a percentage of our total revenue, for the three-month period ended June 30, 2024 and June 30, 2023, as derived from our Unaudited Consolidated Financial Statements:

(₹ in million)

Particulars	Three month period ended June 30, 2024	% of total revenue	Three month period ended June 30, 2023	% of total revenue	Growth over the Fiscal year %
Revenue from Operations	17,082.39	82.21%	20,035.93	88.39%	-14.74%
Other Income	3,695.33	17.79%	2,632.76	11.61%	40.36%
Total Revenue	20,777.72	100.00%	22,668.69	100.00%	-8.34%
Expenses	-	-	-	-	-
Operating expenses	12,940.21	62.28%	12,796.08	56.45%	1.13%
Purchases of stock-in-trade	151.63	0.73%	227.87	1.01%	-33.46%
Change in inventories of finished goods, stock in trade and work in progress	8.08	0.04%	(33.41)	(0.15)%	124.18%
Employees Benefits Expenses	1,826.60	8.79%	2,135.09	9.42%	-14.45%
Sales and marketing expenses	-	0%	-	0%	-
Other expenses	1,724.05	8.30%	2,220.09	9.79%	-22.34%
Net foreign exchange loss	-56.88	-0.27%	35.60	0.16%	-259.78%
Total expenses	16,593.69	79.86%	17,381.32	76.68%	-4.53%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	4,184.03	20.14%	5,287.37	23.32%	-20.87%
Depreciation & amortization	1,723.08	8.29%	2,083.07	9.19%	-17.28%
Finance income	-	0%	-	0%	-%
Finance costs	879.1	4.23%	1,228.05	5.42%	-28.41%
Profit /(loss) before tax	1,581.85	7.61%	1,976.25	8.72%	-19.96%
Tax Expenses	0	0.00%	0	0.00%	0.00%
Profit for the period	1,581.85	7.61%	1,976.25	8.72%	-19.96%
Other Comprehensive Income (net of tax)	4.41	0.02%	-0.88	0.00%	-601.14%
Total Comprehensive Income	1,586.26	7.63%	1,975.37	8.71%	-19.70%
(1) Basic	2.01		3.28		-38.72%
(2) Diluted	1.82		3.28		-44.51%

Revenue

Revenue from operations

Revenue from operations decreased by 14.74% from ₹20,035.93 million for the Three-month period ended June 30, 2023, to ₹17,082.39 Million in Three-month period ended June 30, 2024. This decrease in revenue from operations was primarily driven by the decrease in Pax revenue by 15% due to decrease in ASKM (available seat kilometer) by 16% and the above decrease is offset by increase in cargo revenue by 8%.

Revenue from operations as a percentage of Total Revenue was 82.21% for Three-month period ended June 30, 2024, compared to 88.39% for Three-month period ended June 30, 2023.

Other Income

Other income increased by 40.36 % from ₹2,632.76 Million for the Three-month period ended June 30, 2023 to ₹3,695.33 Million for the Three-month period ended June 30, 2024, primarily on account of settlement of liabilities with lessors.

Other income as a percentage of Total Revenue increased from 11.61% for Three-month period ended June 30, 2023 to 17.79% for Three-month period ended June 30, 2024.

Total Revenue

Total Revenue decreased by 8.34% from ₹22,668.69 Million for the Three-month period ended June 30, 2023 to ₹207,777.72 Million for Three-month period ended June 30, 2024, primarily due to a decrease in Revenue from Operations and offset by an increase in Other Income as explained above.

Expenses

Operating expenses

Operating expenses increased by 1.13% from ₹12,796.08 Million for the Three-month period ended June 30, 2023 to ₹12,940.21 Million for the Three-month period ended June 30, 2024, primarily due to induction of wet lease Aircraft. Further, there is a decrease in fuel and maintenance cost on reduced operations.

Purchases of stock-in-trade

Purchases of stock-in-trade decreased by 33.46% from ₹227.87 Million for the Three-month period ended June 30, 2023 to ₹151.63 Million for the Three-month period ended June 30, 2024, primarily due to decrease in operations

Changes in inventories of finished goods, stock-in-trade, and work-in-progress

Change in Inventories of finished goods, stock-in-trade and work-in-progress decreased by 124.18% from ₹(33.41) Million for the Three-month period ended June 30, 2023 to ₹8.08 Million for the Three-month period ended June 30, 2024, primarily due to utilization of inventory.

Employee benefits expenses

Employee benefits expenses decreased by 14.45% from ₹2,135.09Million in Three-month period ended June 30, 2023 to ₹1,826.60 Million in Three-month period ended June 30, 2024 due to reduction in head count. Employee benefits expenses as a percentage of Total Revenue decreased from 9.42% in Three-month period ended June 30, 2023 to 8.79% in Three-month period ended June 30, 2024.

Other expenses

Other expenses decreased by 22.34% from ₹2,220.09 Million in Three-month period ended June 30, 2023 to ₹1,724.05 Million for Three-month period ended June 30, 2024. This decrease in other expenses was primarily on account of the following:

Foreign exchange (gain)/loss

Foreign exchange (gain)/loss decreased by 259.78% from a loss of ₹35.60 Million for the Three-month period ended June 30, 2023 to a gain of ₹56.88 Million for the Three-month period ended June 30, 2024, primarily due to reduction in outstanding liability on settlement with lessor and other vendors.

Depreciation and amortization expenses

Depreciation and amortization expenses decreased by 17.28% from ₹2,083.07 Million for Three-month period ended June 30, 2023 to ₹1,723.08 Million for Three-month period ended June 30, 2024. The decrease in depreciation and amortization expenses was primarily on account of termination of long term leases.

Finance cost decreased by 28.41% from ₹1,228.05 Million for Three-month period ended June 30, 2023 to ₹879.10 Million for Three-month period ended June 30, 2024. This decrease in finance cost expenses was primarily due to in settlement of outstanding with EDC & on termination of long term leases.

Total Expenses

Total expenditure decreased by 4.53% from ₹17,381.32 Million in Three-month period ended June 30, 2023 to ₹16,593.69 Million in Three-month period ended June 30, 2024. The decrease is primarily attributable to decrease in employee benefit & corporate overhead expense. Total Expenses as a percentage of Total Revenues was 79.86% in Three-month period ended June 30, 2024 as against 76.68 % in Three-month period ended June 30, 2023.

Profit before tax

Our profit before tax decreased by 19.96% from ₹1,976.25 Million in Three-month period ended June 30, 2023 to ₹1,581.85 Million in Three-month period ended June 30, 2024 mainly on account of factors mentioned above.

Tax Expense

Our tax expenses for the three month period ended June 2024 and June 2023 were both NIL.

Profit after tax

Our profit after tax decreased by 19.96% from ₹1,976.25 Million in Three-month period ended June 30, 2023 to ₹1,581.85 Million in Three-month period ended June 30, 2024. There has been a deterioration in our profit after tax margins from 8.72% in Three-month period ended June 30, 2023 to 7.61% in Three-month period ended June 30, 2024 mainly on account of decrease in operations.

Fiscal Years 2024 and 2023

The following table sets forth certain information with respect to our revenues, expenses and profits, also expressed as a percentage of our total revenue, for Fiscal 2024 and Fiscal 2023, as derived from our Audited Consolidated Financial Statements:

(₹ in million)

Particulars	Fiscal 2024	% of total revenue	Fiscal 2023	% of total revenue	Growth over the Fiscal year %
Revenue from Operations	70,853.06	83.40%	88,735.93	90.16%	-20.15%
Other Income	14,102.15	16.60%	9,682.96	9.84%	45.64%
Total Revenue	84,955.21	100.00%	98,418.89	100.00%	-13.68%
Expenses					
Operating expenses	54,249.06	63.86%	73,537.91	74.72%	-26.23%
Purchases of stock-in-trade	731.05	0.86%	997.28	1.01%	-26.70%
Change in Inventories of finished goods, stock-in-trade and work-in-progress	-24.86	-0.03%	-72.73	-0.07%	-65.82%

Particulars	Fiscal 2024	% of total revenue	Fiscal 2023	% of total revenue	Growth over the Fiscal year %
Employees Benefits Expenses	8,208.56	9.66%	8,800.07	8.94%	-6.72%
Sales and marketing expenses	3,553.96	4.18%	2,279.84	2.32%	55.89%
Other expenses	9,553.58	11.25%	6,429.17	6.53%	48.60%
Foreign exchange (gain)/loss	1,020.12	1.20%	6,823.62	6.93%	-85.05%
Total expenses	77,291.47	90.98%	98,795.16	100.38%	-21.77%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	7,663.74	9.02%	-376.27	-0.38%	-2136.74%
Depreciation & amortization	7,531.17	8.86%	10,227.41	10.39%	-26.36%
Finance income	-285.13	-0.34%	-551.81	-0.56%	-48.33%
Finance costs	4,654.85	5.48%	5,077.60	5.16%	-8.33%
Profit /(loss) before tax	-4,237.15	-4.99%	-15,129.47	-15.37%	-71.99%
Tax Expenses	-	0.00%	-	0.00%	0.00%
Profit for the year	-4,237.15	-4.99%	-15,129.47	-15.37%	-71.99%
Other Comprehensive Income (net of tax)	53.36	0.06%	-0.48	0.00%	-11,331.24%
Total Comprehensive Income	-4,183.79	-4.92%	-15,129.95	-15.37%	-72.35%
(1) Basic	-6.39		-25.14		-74.58%
(2) Diluted	-6.39		-25.14		-74.58%

Revenue

Revenue from operations

Revenue from operations decreased by 20.15% from ₹88,735.93 Million for the Fiscal 2023 to ₹70,853.06 Million in Fiscal 2024. This decrease in revenue from operations was primarily driven by decrease in operation. Revenue from operations as a percentage of Total Revenue was 83.40% for Fiscal 2024 compared to 90.16% for Fiscal 2023. This increase in revenue from operations was primarily driven by the following:

(a) Sale of services decreased by 21.00% from ₹85,534.23 Million for the Fiscal 2023 to ₹67,574.13 Million in Fiscal 2024. Sale of services included passenger and cargo revenue. Decrease in revenue was preliminarily due to decrease in ASKM by 23%.

(b) Sales of goods like food and beverages and products increased by 8.09% from ₹185.75 Million for the Fiscal 2023 to ₹200.78 Million in Fiscal 2024.

(c) Other operating revenue includes incentives received, income from training services, subsidies received under various schemes, ground handling services, and others increased by 3.20% from ₹2,968.43 Million for the Fiscal 2023 to ₹3,063.43 Million in Fiscal 2024.

Other Income

Other income increased by 45.64% from ₹9,682.96 Million for the Fiscal 2023 to ₹14,102.15 Million for the Fiscal 2024, primarily on account of the following:

(a) Net gain on financial assets measured at fair value through profit or loss increased by 56.52% from ₹0.23 Million for the Fiscal 2023 to ₹0.36 Million in Fiscal 2024;

(b) Gain on derecognition of lease liabilities and right of use assets increased by 138.69% from ₹2,423.31 for the Fiscal 2023 to ₹5784.30 Million in Fiscal 2024;

(c) Settlement with lessor and vendor increased by 14.37% from ₹7,140.45 Million for the Fiscal 2023 to ₹8166.77 Million in Fiscal 2024;

(d) Warranty claims from aircraft manufacturer/insurance claims decreased by 79.01%from ₹14.20 Million for the Fiscal 2023 to ₹2.98 Million in Fiscal 2024;

(e) Miscellaneous income increased by 36.36% from ₹104.77 Million for the Fiscal 2023 to ₹142.86 Million in Fiscal 2024

Other income as a percentage of Total Revenue increased from 9.84% for Fiscal 2023 to 16.60% for Fiscal 2024.

Total Revenue

Total Revenue decreased by 13.68% from ₹98,418.89 Million for the Fiscal 2023 to ₹84,955.21 Million for Fiscal 2024, primarily due to a decrease in Revenue from Operations.

Expenses

Operating expenses

Operating expenses decreased by 26.23% from ₹73,537.91Million for the Fiscal 2023 to ₹54,249.06 Million for the Fiscal 2024, primarily due to the following:

(a) Cost of aviation turbine fuel decreased by 37.40% from ₹47,716.55 Million for the Fiscal 2023 to ₹29,868.98 Million for the Fiscal 2024, primarily due to decrease in operations and fuel prices.

(b) Lease charges - aircraft, engines and auxiliary power units increased by 70.49% from ₹3,755.72 Million for the Fiscal 2023 to ₹6,403.25 Million for the Fiscal 2024, primarily due to induction of wet lease aircraft during the period.

(c) Aircraft repairs and maintenance decreased by 44.01% from ₹5,273.72 Million for the Fiscal 2023 to ₹2,952.62 Million for the Fiscal 2024, primarily due to decrease in utilizations.

(d) Supplemental lease charges - aircraft, engines and auxiliary power units decreased by 7.41% from ₹5,450.65 Million for the Fiscal 2023 to ₹5,046.73 Million for the Fiscal 2024, primarily due to decrease in utilizations.

(e) Consumption of stores and spares decreased by 25.80% from ₹625.47 Million for the Fiscal 2023 to ₹464.10 Million for the Fiscal 2024, primarily due to decrease in operations.

(f) Aviation insurance decreased by 27.26% from ₹1,003.88 Million for the Fiscal 2023 to ₹730.19 Million for the Fiscal 2024, primarily due to decrease in no of fleets.

(g) Landing, navigation and other airport charges decreased by 12.06% from ₹7,955.18Million for the Fiscal 2023 to ₹6,996.03 Million for the Fiscal 2024, primarily due to decrease in operations.

(h) Aircraft navigation software expenses increased by 36.77% from ₹545.18 Million for the Fiscal 2023 to ₹745.63 Million for the Fiscal 2024, primarily due to decrease in operations.

(i) Aircraft redelivery costs decreased by 19.66% from ₹105.27 Million for the Fiscal 2023 to ₹84.57 Million for the Fiscal 2024, primarily due to decrease in no of redeliveries during the period.

(j) Cargo handling costs decreased by 36.55% from ₹798.11 Million for the Fiscal 2023 to ₹506.4 Million for the Fiscal 2024, primarily due to decrease in cargo operations.

(k) Other miscellaneous operating expenses increased by 46.20% from ₹308.18 Million for the Fiscal 2023 to ₹450.56 Million for the Fiscal 2024, primarily due ferry flight and delivery/re-delivery of Aircraft.

Purchases of stock-in-trade

Purchases of stock-in-trade decreased by 26.70% from ₹997.28 Million for the Fiscal 2023 to ₹731.05 Million for the Fiscal 2024, primarily due to decrease in operations.

Changes in inventories

Change in Inventories decreased by 65.82% from ₹ (72.73) Million for the Fiscal 2023 to ₹ (24.86) Million for the Fiscal 2024, primarily due to utilization.

Employee benefits expenses

Employee benefits expenses decreased by 6.72% from ₹8,800.07 Million in Fiscal 2023 to ₹8,208.56 Million in Fiscal 2024 mainly on reduction in head count. Employee benefits expenses as a percentage of Total Revenue increased from 8.94% in Fiscal 2023 to 9.66%in Fiscal 2024.

(a) Salaries, Wages and Bonus - The expense on Salaries, Wages and Bonus was ₹7,547.54 Million for the Fiscal 2024 as against ₹8,029.30 Million in Fiscal 2023 which indicates a decrease of 6.00%.

(b) Contributions to Provident and other Funds - The contributions made to Provident Fund and other Funds was ₹361.01 Million for the Fiscal 2024 as against ₹443.95 Million in Fiscal 2023 which indicates a decrease of 18.68%.

(c) Share based payment expense - The share based payment expense was ₹23.83 Million for the Fiscal 2024 as against ₹25.34 Million in Fiscal 2023 which indicates a decrease of 5.96%.

(d) Gratuity expense - The gratuity expense was ₹133.39 Million for the Fiscal 2024 as against ₹145.90 Million in Fiscal 2023 which indicates a decrease of 8.57%.

(e) Staff welfare expenses - The staff welfare expenses was ₹142.79 Million for the Fiscal 2024 as against ₹155.58 Million in Fiscal 2023 which indicates a decrease of 8.22%.

Sales and marketing expenses

Sales and marketing expenses increased by 55.89% to ₹ 3,553.96 million in Fiscal 2024 from ₹ 2,279.84 million in Fiscal 2023 with an increase in promotional activities.

Other expenses

Other expenses increased by 48.60% from ₹6,429.17Million in Fiscal 2023 to ₹9,553.58 Million for Fiscal 2024. This increase in other expenses was primarily on account of the following:

(a) Rent was ₹661.95 Million for the Fiscal 2024 as against ₹826.23 Million in Fiscal 2023 which indicates a decrease of 19.88%;

(b) Rates and taxes were ₹418.76 Million for the Fiscal 2024 as against ₹356.11 Million in Fiscal 2023 which indicates an increase of 17.59%;

(c) Repairs and maintenance was ₹657.28 Million for the Fiscal 2024 as against ₹596.18 Million in Fiscal 2023 which indicates an increase of 10.25%;

(d) Crew accommodation cost was ₹331.98 Million for the Fiscal 2024 as against ₹392.2 Million in Fiscal 2023 which indicates a decrease of 15.35%;

(e) Recruitment and training cost were ₹279.47 Million for the Fiscal 2024 as against ₹387.44 Million in Fiscal 2023 which indicates a decrease of 27.87%;

(f) Communication was ₹97.57 Million for the Fiscal 2024 as against ₹125.45 Million in Fiscal 2023 which indicates a decrease of 22.22%;

(g) Printing and stationery was ₹72.78 Million for the Fiscal 2024 as against ₹93.51 Million in Fiscal 2023 which indicates a decrease of 22.17%;

(h) Travelling and conveyance was ₹1584.76 Million for the Fiscal 2024 as against ₹1,356.85 Million in Fiscal 2023 which indicates an increase of 16.80%;

(i) Legal, and professional fees was ₹790.96 Million for the Fiscal 2024 as against ₹506.20 Million in Fiscal 2023 which indicates an increase of 56.25%;

(j) Power and fuel was ₹92.03 Million for the Fiscal 2024 as against ₹112.17 Million in Fiscal 2023 which indicates a decrease of 17.95%;

(k) Advances/other balances written off were ₹2,559.46 Million for the Fiscal 2024 as against ₹794.67 Million in Fiscal 2023 which indicates an increase of 222.08%;

(l) Impairment of trade receivables and other advances were ₹273.93 Million for the Fiscal 2024 as against ₹111.25 Million in Fiscal 2023 which indicates a decrease of 146.23%;

(m) Insurance was ₹179.84 Million for the Fiscal 2024 as against ₹163.17 Million in Fiscal 2023 which indicates an increase of 10.22%;

(n) Credit card charges were ₹154.64 Million for the Fiscal 2024 as against ₹207.99 Million in Fiscal 2023 which indicates a decrease of 25.65%;

(o) Bank charges was ₹15.65 Million for the Fiscal 2024 as against ₹10.27 Million in Fiscal 2023 which indicates an increase of 52.39%;

(p) Loss on sale of property, plant and equipment was ₹39.24 for the Fiscal 2024 as against ₹NIL in Fiscal 2023 which indicates an increase of 100%;

(q) Miscellaneous expenses were ₹96.28 Million for the Fiscal 2024 as against ₹389.48 Million in Fiscal 2023 which indicates a decrease of 75.28%.

Foreign exchange (gain)/loss

Foreign exchange (gain)/loss decreased by 85.05% from a loss of ₹6,823.62 Million for the Fiscal 2023 to a loss of ₹1,020.12 Million for the Fiscal 2024, primarily due to reduction in liability on settlement with lessor & other vendors.

Depreciation and amortization expenses

Depreciation and amortization expenses decreased by 26.36% from ₹10,227.41 Million for Fiscal 2023 to ₹7,531.17 Million for Fiscal 2024. The decrease in depreciation and amortization expenses was primarily on account of termination of leases.

Finance cost

Finance cost decreased by 8.33 % from ₹5,077.60 Million for Fiscal 2023 to ₹4,654.85 Million for Fiscal 2024. This increase in finance cost expenses was primarily due to the following:

(a) Interest on term loan from banks was ₹796.24 Million for the Fiscal 2024 as against ₹432.06 Million in Fiscal 2023 which indicates an increase of 84.29%;

(b) Interest on loan from others was ₹351.17 Million for the Fiscal 2024 as against ₹418.95 Million in Fiscal 2023 which indicates a decrease of 16.18%;

(c) Interest on lease liabilities and redelivery provisions was ₹2,179.68 Million for the Fiscal 2024 as against ₹3,129.94 Million in Fiscal 2023 which indicates an decrease of 30.36%;

(d) Other borrowing costs was ₹1,327.76 Million for the Fiscal 2024 as against ₹1,096.65 Million in Fiscal 2023 which indicates an increase of 21.07%.

Total Expenses

Total expenditure decreased by 21.77% from ₹98,795.16 Million in Fiscal 2023 to ₹77,291.47 Million in Fiscal 2024. The decrease is primarily attributable to decrease in operating expense and foreign exchange loss. Total Expenses as a percentage of Total Revenues was 90.98% in Fiscal 2024 as against 100.38% in Fiscal 2023.

Profit before tax

Our profit before tax decreased by 71.99% from a loss of ₹15,129.47 Million in Fiscal 2023 to ₹4,237.15 Million in Fiscal 2024 mainly on account of factors mentioned above.

Tax Expense

Tax expense was NIL for Fiscals 2024 and 2023, due to no profits being shown by the Company.

Profit after tax

Our profit after tax decreased by 71.99% from a loss of ₹15,129.47 Million in Fiscal 2023 to ₹4,237.15 Million in Fiscal 2024 mainly on account of factors mentioned above.

Financial Year 2023 compared with Financial Year 2022

The following table sets forth certain information with respect to our revenues, expenses and profits, also expressed as a percentage of our total revenue, for Fiscal 2023 and Fiscal 2022, as derived from our Audited Financial Statements:

(₹in million)

Particulars	Fiscal 2023	% of total revenue	Fiscal 2022	% of total revenue	Growth over the Fiscal year %
Revenue from Operations	88,735.93	90.16%	66,035.94	87.21%	34.38%
Other Income	9,682.96	9.84%	9,681.21	12.79%	0.02%
Total Revenue	98,418.89	100.00%	75,717.15	100.00%	29.98%
Expenses					
Operating expenses	73,537.91	74.72%	57,671.36	76.17%	27.51%
Purchases of stock-in-trade	997.28	1.01%	943.97	1.25%	5.65%
Change in Inventories of finished goods, stock-in-trade and work-in-progress	(72.73)	-0.07%	64.33	0.08%	-213.06%
Employees Benefits Expenses	8,800.07	8.94%	7,536.42	9.95%	16.77%
Sales and marketing expenses	2,279.84	2.32%	1,219.46	1.61%	86.95%
Other expenses	6,429.17	6.53%	5,153.19	6.81%	24.76%
Net foreign exchange loss	6,823.62	6.93%	2,621.83	3.46%	160.26%
Total expenses	98,795.16	100.38%	75,210.56	99.33%	31.36%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(376.27)	-0.38%	506.59	0.67%	-174.28%
Depreciation & amortization	10,227.41	10.39%	12,933.36	17.08%	-20.92%
Finance income	(551.81)	-0.56%	(588.27)	-0.78%	-6.20%
Finance costs	5,077.60	5.16%	4,829.61	6.38%	5.13%

Loss before exceptional items	(15,129.47)	-15.37%	(16,668.11)	-22.01%	-9.23%
Exceptional items	-	0.00%	774.58	1.02%	-100.00%
Loss before tax	(15,129.47)	-15.37%	(17,442.69)	-23.04%	-13.26%
Tax Expenses	-	0.00%	-	0.00%	0.00%
Profit for the period	(15,129.47)	-15.37%	(17,442.69)	-23.04%	-13.26%

Revenue

Revenue from operations

Revenue from operations increased by 34.38% from ₹66,035.94 Million for the Fiscal 2022 to ₹88,735.93 Million in Fiscal 2023. Revenue from operations as a percentage of Total Revenue was 90.16% for Fiscal 2023 compared to 87.21% for Fiscal 2022. This increase in revenue from operations was primarily driven by the following:

(a) Sale of services increased by 34.74% from ₹63,482.88 Million for the Fiscal 2022 to ₹85,534.23 Million in Fiscal 2023. Sale of services includes passenger and cargo revenue.

(b) Sales of goods like food and beverages and products decreased by 62.09% from ₹615.39 Million for the Fiscal 2022 to ₹233.27 Million in Fiscal 2023.

(c) Other operating revenue includes incentives received, income from training services, subsidies received under various schemes, ground handling services, and others increased by 53.20% from ₹1,937.67 Million for the Fiscal 2022 to ₹2,968.43 Million in Fiscal 2023.

Other Income

Other income as a percentage of Total Revenue decreased from 12.79% for Fiscal 2022 to 9.84% for Fiscal 2023. Other income increased by 0.02% from ₹9,681.21 Million for the Fiscal 2022 to ₹9,682.96 Million for the Fiscal 2023, primarily on account of the following:

(a) Net gain on financial assets measured at fair value through profit or loss increased by 35.29% from ₹0.17 Million for the Fiscal 2022 to ₹0.23 Million in Fiscal 2023;

(b) Gain on derecognition of lease liabilities and right of use assets increased by 100% from ₹NIL for the Fiscal 2022 to ₹2,423.31 Million in Fiscal 2023;

(c) Liabilities/ provision no longer required written back increased by 364.08% from ₹1,538.64 Million for the Fiscal 2022 to ₹7,140.45 Million in Fiscal 2023;

(d) Warranty claims from aircraft manufacturer/insurance claims decreased by 99.81% from ₹7,550.24 Million for the Fiscal 2022 to ₹14.20 Million in Fiscal 2023;

Miscellaneous income decreased by 82.31% from ₹592.16 Million for the Fiscal 2022 to ₹104.77 Million in Fiscal 2023.

Total Revenue

Total Revenue increased by 29.98% from ₹75,717.15 Million for the Fiscal 2022 to ₹98,418.89 Million for Fiscal 2023, primarily due to an increase in Revenue from Operations, Finance income and Other Income as explained above.

Expenses

Operating expenses

Operating expenses increased by 27.51% from ₹57,671.36 Million for the Fiscal 2022 to ₹73,537.91 Million for the Fiscal 2023, primarily due to the following:

(a) Cost of aviation turbine fuel increased by 61.98% from ₹29,457.78 Million for the Fiscal 2022 to ₹47,716.55 Million for the Fiscal 2023, primarily due to increase in operational utilization and increase in fuel cost.

(b) Lease charges - aircraft, engines and auxiliary power units decreased by 37.32% from ₹5,992.26 Million for the Fiscal 2022 to ₹3,755.72 Million for the Fiscal 2023, primarily due to reduction in wet lease Aircraft and return of certain Aircraft.

(c) Aircraft repairs and maintenance increased by 13.22% from ₹4,657.93 Million for the Fiscal 2022 to ₹5,273.72 Million for the Fiscal 2023, primarily due to increase in utilization.

(d) Supplemental lease charges - aircraft, engines and auxiliary power units decreased by 2.96% from ₹5,616.86 Million for the Fiscal 2022 to ₹5,450.65 Million for the Fiscal 2023.

(e) Consumption of stores and spares increased by 23.64% from ₹505.87 Million for the Fiscal 2022 to ₹625.47 Million for the Fiscal 2023, primarily due to increase in utilization.

(f) Aviation insurance decreased by 8.02% from ₹1,091.43 Million for the Fiscal 2022 to ₹1,003.88 Million for the Fiscal 2023.

(g) Landing, navigation and other airport charges increased by 4.80% from ₹7,590.66 Million for the Fiscal 2022 to ₹7,955.18 Million for the Fiscal 2023, primarily due to increase in operation.

(h) Aircraft navigation software expenses increased by 55.04% from ₹351.63 Million for the Fiscal 2022 to ₹545.18 Million for the Fiscal 2023, primarily due to increase in operation.

(i) Aircraft redelivery costs increased by 138.33% from ₹44.17 Million for the Fiscal 2022 to ₹105.27 Million for the Fiscal 2023.

(j) Cargo handling costs decreased by 58.07% from ₹1,903.47 Million for the Fiscal 2022 to ₹798.11 Million for the Fiscal 2023, primarily due to reduced cargo operation.

Other miscellaneous operating expenses decreased by 32.90% from ₹459.30 Million for the Fiscal 2022 to ₹308.18 Million for the Fiscal 2023, primarily on account of delivery/re-delivery cost.

Employee benefits expenses

Employee benefits expenses increased by 16.77% from ₹7,536.42Million in Fiscal 2022 to ₹8,800.07 Million in Fiscal 2023 primarily on account of restoration of salary during the year post pandemic period. Employee benefits expenses as a percentage of Total Revenue decreased from 9.95% in Fiscal 2022 to 8.94% in Fiscal 2023.

(a) Salaries, Wages and Bonus - The expense on Salaries, Wages and Bonus was ₹8,029.30 Million for the Fiscal 2023 as against ₹6,726.89 Million in Fiscal 2022 which indicates an increase of 19.36%.

(b) Contributions to Provident and other Funds - The contributions made to Provident Fund and other Funds was ₹443.95 Million for the Fiscal 2023 as against ₹357.68 Million in Fiscal 2022 which indicates an increase of 24.12%.

(c) Share based payment expense - The share based payment expense was ₹25.34 Million for the Fiscal 2023 as against ₹41.40 Million in Fiscal 2022 which indicates a decrease of 38.79%.

(d) Gratuity expense - The gratuity expense was ₹145.90 Million for the Fiscal 2023 as against ₹156.59 Million in Fiscal 2022 which indicates a decrease of 6.83%.

(e) Staff welfare expenses - The staff welfare expenses was ₹155.58 Million for the Fiscal 2023 as against ₹253.86 Million in Fiscal 2022 which indicates a decrease of 38.71%.

Sales and marketing expenses

Sales and marketing expenses increased by 86.95% from ₹1,219.46 Million in Fiscal 2022 to ₹2,279.84 Million for Fiscal 2023 primarily on account of increase in operations and a strong rebound in the business post-pandemic.

Other expenses

Other expenses increased by 24.76% from ₹5,153.19 Million in Fiscal 2022 to ₹6,429.17 Million for Fiscal 2023. This increase in other expenses was primarily on account of the following:

(a) Rent was ₹826.23 Million for the Fiscal 2023 as against ₹719.72 Million in Fiscal 2022 which indicates an increase of 14.80%;

(b) Rates and taxes were ₹356.11 Million for the Fiscal 2023 as against ₹206.33 Million in Fiscal 2022 which indicates an increase of 72.59%

(c) Repairs and maintenance was ₹596.18 Million for the Fiscal 2023 as against ₹648.06 Million in Fiscal 2022 which indicates a decrease of 8.01%;

(d) Crew accommodation cost was ₹392.2 Million for the Fiscal 2023 as against ₹286.02 Million in Fiscal 2022 which indicates an increase of 37.12%;

(e) Recruitment and training cost were ₹387.44 Million for the Fiscal 2023 as against ₹395.58 Million in Fiscal 2022 which indicates an decrease of 2.06%;

(f) Communication was ₹125.45 Million for the Fiscal 2023 as against ₹130.14 Million in Fiscal 2022 which indicates a decrease of 3.60%;

(g) Printing and stationery was ₹93.51 Million for the Fiscal 2023 as against ₹84.79 Million in Fiscal 2022 which indicates an increase of 10.28%;

(h) Travelling and conveyance was ₹1,356.85 Million for the Fiscal 2023 as against ₹1,238.10 Million in Fiscal 2022 which indicates an increase of 9.59%;

(i) Legal, and professional fees was ₹506.20 Million for the Fiscal 2023 as against ₹542.92 Million in Fiscal 2022 which indicates a decrease of 6.76%;

(j) Power and fuel was ₹112.17 Million for the Fiscal 2023 as against ₹105.17 Million in Fiscal 2022 which indicates an increase of 6.66%;

(k) Advances/other balances written off were ₹794.67 Million for the Fiscal 2023 as against ₹128.52 Million in Fiscal 2022 which indicates an increase of 518.32%;

(l) Impairment of trade receivables and other advances were ₹111.25 Million for the Fiscal 2023 as against ₹58.27 Million in Fiscal 2022 which indicates an increase of 90.92%;

(m) Insurance was ₹163.17 Million for the Fiscal 2023 as against ₹141.05 Million in Fiscal 2022 which indicates an increase of 15.68%;

(n) Credit card charges were ₹207.99 Million for the Fiscal 2023 as against ₹152.48 Million in Fiscal 2022 which indicates an increase of 36.40%;

(o) Bank charges was ₹10.27 Million for the Fiscal 2023 as against ₹37.68 Million in Fiscal 2022 which indicates a decrease of 72.74%;

(p) Loss on sale of property, plant and equipment was ₹NIL for the Fiscal 2023 as against ₹6.13 Million in Fiscal 2022 which indicates an decrease of 100%;

(q) Property, plant and equipment written off was ₹NIL for the Fiscal 2023 as against ₹53.7 Million in Fiscal 2022 which indicates a decrease of 100%;

Miscellaneous expenses were ₹389.48 Million for the Fiscal 2023 as against ₹218.53 Million in Fiscal 2022 which indicates an increase of 78.23%.

Depreciation and amortization expenses

Depreciation and amortization expenses decreased by 20.92% from ₹12,933.36 Million for Fiscal 2022 to ₹10,227.41 Million for Fiscal 2023. The decrease in depreciation and amortization expenses was primarily on account of termination of long term leases.

Finance cost

Finance cost increased by 5.13% from ₹4,829.61 Million for Fiscal 2022 to ₹5,077.60 Million for Fiscal 2023. This increase in finance cost expenses was primarily due to the following:

(a) Interest on term loan from banks was ₹432.06 Million for the Fiscal 2023 as against ₹376.17 Million in Fiscal 2022 which indicates an increase of 14.86%;

(b) Interest on loan from others was ₹418.95 Million for the Fiscal 2023 as against ₹174.11 Million in Fiscal 2022 which indicates an increase of 140.62%;

(c) Interest on lease liabilities and redelivery provisions was ₹3,129.94 Million for the Fiscal 2023 as against ₹2,905.07 Million in Fiscal 2022 which indicates an increase of 7.74%;

(d) Other borrowing costs was ₹1,096.65 Million for the Fiscal 2023 as against ₹1,374.26 Million in Fiscal 2022 which indicates a decrease of 20.20%.

Total Expenses

Total expenditure increased by 31.36% from ₹75,210.56 Million in Fiscal 2022 to ₹98,795.16 Million in Fiscal 2023. The increase is preliminary explained above. Total Expenses as a percentage of Total Revenues was 99.33% in Fiscal 2022 as against 100.38% in Fiscal 2023.

CASH FLOW

Our cash is generated by sales of our products that is used to fund investments and service loans and interest towards borrowings. The table below summarizes our cash flows for the Financial Years 2024, 2023 and 2022:

(₹ in million)

	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Profit before Tax & Extra Ordinary items	-4,237.15	-15,129.47	-17,442.69
Operating Profit before working capital changes	-1,259.00	-3,194.37	1,399.36
Cash Generated from operation before Tax & Extra-Ordinary item	-5,753.00	1,269.31	10,684.83
Net Cash Flow from Operating Activities - (A)	-5,958.69	822.28	10,037.05
Net Cash Flow from Investing Activities - (B)	358.3	5,496.68	-1,490.04
Net Cash Flow from Financing Activities - (C)	7,302.42	-6,101.39	-8,777.97
Net increase/Decrease in cash & cash equivalent (A+B+C)	1,702.03	217.57	-230.96
Effects of exchange difference on cash and cash equivalents held in foreign currency	-7.96	6.49	13
Opening Cash and Cash Equivalent	337.01	112.95	330.91

Cash flow from/ (used in) operating activities

Net cash from operating activities includes funds generated from our operating activities and net cash inflows or outflows from changes in operating assets and liabilities.

Cash generated from operating activities for Fiscal 2024 was ₹(5,958.69) Million while our net profit before taxation was ₹(4,237.15) Million. We had an operating profit before working capital changes of ₹(1,259.00) Million. The primary adjustments consisted of depreciation and amortisation expense of ₹ 7,531.17 million, impairment of trade receivables of ₹ 273.93 million, loss on sale of property plant and equipment of ₹ 34.36 million, impairment of capital advances of ₹ 1,247.00 million, share based payment expense of ₹ 23.83 million, interest on lease liabilities of ₹ 2,179.68 million, other finance costs of ₹ 2,475.17 million, interest income from other financial assets measured at amortised cost of ₹ (152.37) million, net gain on financial assets measured at amortised cost of ₹ (0.36) million interest income of ₹ (132.76) million, impairment of advances and other advances/amounts written off of ₹ 2,559.46 million, liabilities/provision no longer required written back of ₹ (8,166.77) million, unrealised foreign exchange loss of ₹ 890.11 million and gain on de-recognition of lease liabilities and right of use assets of ₹ (5,784.30) million.

Cash generated from operating activities for Fiscal 2023 was ₹822.28 Million while our net profit before taxation was ₹(15,129.47) Million. We had an operating profit before working capital changes of ₹(3,194.37) Million. The primary adjustments consisted of depreciation and amortisation expense of ₹ 10,227.41 million, impairment of trade receivables of ₹ 111.25 million, profit on sale of property plant and equipment of ₹ (7.62) million, impairment of capital advances of ₹ 381.36 million, share based payment expense of ₹ 25.34 million, interest on lease liabilities of ₹ 3,129.94 million, other finance costs of ₹ 1,947.65 million, interest income from other financial assets measured at amortised cost of ₹ (228.59) million, net gain on financial assets measured at amortised cost of ₹ (0.23) million interest income of ₹ 323.22 million, impairment of advances and other advances/amounts written off of ₹ 794.67 million, liabilities/provision no longer required written back of ₹ (7,140.55) million, unrealised foreign exchange loss of ₹ 5,822.36 and gain on de-recognition of lease liabilities and right of use assets of ₹ (2,423.31) million.

Cash generated from operating activities for Fiscal 2022 was ₹10,037.05 Million while our net profit before taxation was ₹(17,442.69) Million. The primary adjustments consisted of depreciation and amortisation expense of ₹ 12,933.36 million, impairment of trade receivables of ₹ 58.27 million, loss on sale of property plant and equipment of ₹ 6.13 million, share based payment expense of ₹ 41.40 million, interest on lease liabilities of ₹ 2,905.07 million, other finance costs of ₹ 1,924.54 million, interest income from other financial assets measured at amortised cost of ₹ (253.37) million, net gain on financial assets measured at amortised cost of ₹ (0.17) million interest income of ₹ (334.90) million, impairment of advances and other advances/amounts written off of ₹ 128.52 million, , unrealised foreign exchange loss of ₹ 2,918.14 and liabilities/provision no longer required written back of ₹ (1,538.64)million.

Cash flow from/ (used in) investing activities

Net cash flow from investing activities was ₹358.30 Million for Fiscal 2024, reflecting cash flow used in purchase of property, plant and equipment and capital work in progress of ₹ (579.69) million, loans to director of ₹ (6.46) million, purchase of investments net of ₹ 0.01 million, movement in fixed deposits net of ₹ (96.51) million movement in margin money (net) of ₹ 679.42 million, finance income received of ₹ 123.72 million and proceeds from sale of property, plant and equipment of ₹ 237.81 million.

Net cash flow from investing activities was ₹5,496.68 Million for Fiscal 2023, reflecting cash flow used in purchase of property, plant and equipment and capital work in progress of ₹ (157.06) million, purchase of investments of ₹ (0.08) million, movement in fixed deposits of ₹ 495.69 million movement in margin money (net) of ₹ 4,484.59 million, finance income received of ₹ 302.68 million and proceeds from sale of property, plant and equipment of ₹ 56.74 million.

Net cash (used in) investing activities was ₹(1,490.04) Million for Fiscal 2022, reflecting cash flow used in purchase of property, plant and equipment and capital work in progress of ₹ (371.80) million, sale/ (purchase) of investments (net) of ₹ 0.44 million, movement in fixed deposits (net) of ₹ (489.53) million movement in margin money (net) of ₹ (1,011.56) million, finance income received of ₹ 330.62 million and proceeds from sale of property, plant and equipment of ₹ 51.79 million.

Cash flow from / (used in) financing activities

Net cash flow from financing activities was ₹7,302.42 Million for Fiscal 2024 as a result of proceeds from issue of equity shares of ₹ 5,778.74 Million, proceeds from issue of share warrants of ₹ 2,391.97 Million, proceeds from long term borrowings of ₹ 5,411.82 Million, repayment of long term borrowings of ₹ (477.00) Million, movement in short term borrowings of ₹ (590.00) Million, repayment of lease liabilities of ₹ (4,253.19) Million and finance costs paid of ₹(959.92)Million.

Net cash flow from (used in) financing activities was ₹(6,101.39) Million for Fiscal 2023 as a result of proceeds from issue of equity shares of ₹ 0.49 Million, proceeds from long term borrowings of ₹ 2,629.92 Million, repayment of long term borrowings of ₹ 624.37 Million, movement in short term borrowings of ₹ (2,582.10) Million, repayment of lease liabilities of ₹ (6,277.06) Million and finance costs paid of ₹ (497.01) Million.

Net cash flow from (used in) financing activities was ₹(8,777.97) million for Fiscal 2022 as a result of proceeds from issue of equity shares on exercise of stock options of ₹ 8.60 Million, proceeds from long term borrowings of

₹ 1,475.18 Million, movement in short term borrowings of ₹ (1,708.23) Million, repayment of lease liabilities of ₹ (8,011.36) Million and finance costs paid of ₹ (542.16) Million.

Indebtedness

The total indebtedness as on March 31, 2024, are set as follows:

Contractual Obligations

The following table sets forth a summary of the maturity profile for our Company's outstanding long-term debt obligations including current maturity and short-term and long-term debt as of the periods indicated:

(₹in Million)

Particulars	Outstanding as on March 31, 2024
Borrowings	11,521.10
Trade payables	34,232.60
Lease liabilities	44,247.28
Other current financial liabilities	1,446.24

There are a number of covenants in our financing agreements that we have entered into with our lenders. Further, some of our financing agreements include conditions and covenants that require us to obtain their consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business.

Seasonality

See "- *Key Factors Affecting our Results of Operations - Seasonality within the air travel markets*" on page 117.

Unusual or infrequent events or transactions

Except as described in this Preliminary Placement Document, no unusual or infrequent events or transactions have taken place that have in the past or may in the future affect our business operations or future financial performance.

Changes in accounting policy

There have been no changes in our Company's accounting policies during the last three financial years.

Significant Economic Changes

Other than as described above, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Known trends or uncertainties

Other than as described in the sections "*Risk Factors*" and "*Management's Discussion and Analysis of Factors affecting the Financial Condition, Results of Operations*", beginning on pages 45 and 110 respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

Related party transactions

We enter into various transactions with related parties. For further information, see "*Related Party Transactions*" beginning on page 44.

Off-Balance Sheet commitments and arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "*Significant factors affecting our results of operations and financial condition"* and the uncertainties described in the chapter titled "*Risk Factors*" beginning on pages 113 and 45, respectively. To our knowledge, except as disclosed in this Preliminary Placement Document, there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Interest coverage ratio

The interest coverage ratio for Fiscal 2024, Fiscal 2023 and Fiscal 2022 were as follows:

(₹in Million)

Particulars	Three months period ended June 30, 2024	Fiscals		
		2024	2023	2022
Profit after tax **(A)**	1,581.85	(4,237.15)	(15,129.47)	(17,442.69)
Add:				
Provision for tax (B)	-	-	-	-
Depreciation and amortisation expense **(C)**	1,723.08	7,531.17	10,227.41	12,933.36
Finance Cost **(D)**	879.10	4,654.85	5,077.60	4,829.61
Adjusted Profit (E= A+B+C+D)	4,184.03	7,948.87	175.54	320.28
Interest Coverage Ratio (number of times) (on a consolidated basis) (E/D)	4.76	1.71	0.03	0.07

Interest coverage ratio = Earnings before interest, depreciation and tax (which is the aggregate of profit before tax, finance costs, depreciation and amortization expense) divided by finance cost.

Contingent Liabilities and Capital Commitments

(₹ in million)

S. No.	Contingent liabilities, commitments and other matters (to the extent not provided for	As at March 31, 2024
1	Demand arising out of legal cases filed against the Company in various consumer courts and forums (refer note (i) below)	303.85
2	Demand arising out of other legal cases filed against the Company (refer note (ii) below)	90.21
3	Demand arising out of goods and service tax (refer note (iii) below)	117.09
4	Demand in respect of provident fund dues for international workers as explained in note (iv) below	142.37
5	Demand in respect of services tax (including interest and penalty) as explained in note (v) below	170.70
6	Show cause notice received in respect of service tax as explained in note (vi) below	3,541.77
7	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	619.58
8	Demand in respect of inter-corporate deposit received from Mallanpur Steels Limited (refer note (viii) below)	-
9	Demand in respect of order from the Competition Commission of India as explained in note (ix) below	51.00
10	Demand on account of tax deducted at source related claims (refer note x below)	718.34
11	Liability arising out of customs related show cause notice and demand order (refer note xi below)	48.35

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 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 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, 2024 have been shown as recoverable.*

vii. *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.*

viii. *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 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.*

ix. *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.*

x. *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.*

xi. *The custom related demand pertains to custom duty on the entire quantity of the remnant aviation turbine fuel in the fuel tank arriving from foreign airport.*

Other Notes:

a. *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 defense on these matters, the Company has not disclosed the same as a contingent liability.*

b. *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.*

(₹ in million)

Particulars	**As at March 31, 2024**
Capital and Other Commitments	
Commitments (net of advance)	606,470.29
Commitments relating to the bank guarantees.	2,651.31

Except as disclosed above, there are no other off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Quantitative and Qualitative Disclosure of Market Risk

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 summarized 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: price risk, interest rate risk and foreign currency risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

Price Risk: The Group's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Group diversifies its portfolio of assets.

Sensitivity analysis

If price had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended March 31, 2024 would decrease/increase by ₹ 0.25 million (March 31, 2023: decrease/increase by Rs. 0.23 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, 2024 approximately 83.70% of the Holding Company's borrowings are at a variable rate of interest (March 31, 2023 – 88.58%)

Interest rate sensitivity

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended March 31, 2024 would increase by ₹ 28.74 million and decrease by ₹ 86.50 million respectively (March 31, 2023: increase by ₹ 20.23 million and decrease by ₹ 47.82 million respectively).

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 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, 2024 would increase/decrease by ₹ 4,952.83 million (March 31, 2023: increase/decrease by ₹ 4,611.32 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. Majority of the Group's passenger revenue and cargo revenue is 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, 2024, the Group had 34 customers (March 31, 2023: 45 customers) that owed the Group more than ₹ 10 million each and accounted for approximately 81% (March 31, 2023: 77%) 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 Group uses a simplified approach (lifetime expected credit loss model) for the purpose of computation of expected credit loss for trade receivables. The Group 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.

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.

For more information, see the sections titled "*Our Business"* and "*Risk Factors*" at page 215 and 45, respectively, of this Preliminary Placement Document.

Recent Developments

Except as stated in this Preliminary Placement Document, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Preliminary Placement Document which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

Summary of reservations or qualification or adverse remarks in the auditors' report in the last five Financial Years immediately preceding the year of filing this Preliminary Placement Document and their impact on the financial statements and financial position of our Company, the correct steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remark

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
June 30, 2024	Qualification	The Holding Company and its certain subsidiaries are in non-compliance with various laws and regulations applicable to the Holding Company and the said subsidiaries as detailed in Note 10 to the accompanying consolidated financial results. Pending regularising of these non-compliances under the respective laws and regulations, the management is of the view that the impact of the aforesaid non-compliances on the accompanying consolidated financial results is presently unascertainable. In the absence of necessary assessment of the impact of the aforesaid matter, including fines and penalties that may be levied, we are unable to comment on the adjustments, if any, that may be required to the accompanying consolidated financial results on account of aforesaid matter. The opinion expressed by auditors on in our audit report dated 15 July 2024 on the consolidated financial results for the year ended 31 March 2024 is also qualified in respect of above matter. The auditor draw attention to Note 7 to the accompanying Statement which describes that the Group has earned net profit (after other comprehensive income) of Rs. 1,586.26 million during the quarter ended 30 June 2024 and, as of that date, the Group's accumulated losses amount to Rs.	The Holding Company and these two subsidiaries have made accrual for interest on delays in payment of above-mentioned statutory dues. There are foreign currency trade receivables and trade and other payables that are overdue beyond the timelines, however, the Holding Company is yet to seek extension from AD Bank or Reserve Bank of India ('RBI'), as the case may be, for settlement of such balances under foreign exchange management guidelines. The Group is in process of regularising aforesaid non-compliances under applicable laws and regulations, however, pending such regularization, the impact of some of the above matters, including due to fine/penalties that may be levied is presently unascertainable and accordingly, no adjustments have been made in these consolidated financial results in this respect. 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,

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		77,283.86 million which have resulted in complete erosion of its net worth and the current liabilities have exceeded its current assets by Rs. 64,054.36 million as at 30 June 2024. These conditions together with other matters as described in note 7, indicates the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, 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 raising of additional funds, the management is of the view that the going concern basis of accounting is appropriate for preparation of accompanying Statement. Our conclusion above is not modified in respect of this matter. Auditor draw attention to Notes 4 and 5 which describe the uncertainty relating to the outcome of ongoing litigation with erstwhile promoters which is pending with the Hon'ble High Court of Delhi and certain resultant possible non-compliances of applicable provisions of the Act. During the quarter, the Commercial Appellate Tribunal – Hon'ble High Court, New Delhi vide order dated 17 May 2024, has set aside the judgement dated 31 July 2023 passed by the Single Judge of Hon'ble High Court, New Delhi and has directed the appeal filed by the Holding Company under Section 34 of the Arbitration and Conciliation Act, 1996 to be considered afresh. The management basis their assessment and legal advice obtained, is of the view that no material liability is likely to arise out of the aforesaid matter and accordingly, no adjustment has been made to the accompanying consolidated financial results in this respect. Our conclusion is not modified in respect of this matter. The Statement includes the interim financial information of one subsidiary, which have not been reviewed by their auditor, whose interim financial information reflects total revenues of Rs.	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. These initiatives are heavily dependent upon Group's ability to raise funds. During the year ended 31 March 2024, the Group had received funds aggregating to Rs. 4,498.17 million under Emergency Credit Line Guarantee Scheme ('ECLGS') scheme. The Group has further received Rs. 5,412.96 million under ECLGS scheme during the year ended 31 March 2024. During the year ended 31 March 2024, Group had also issued fresh equity shared and warrants to the promoter group for value aggregating to Rs. 4,940.92 million and also issued equity shares to one of the large lessor against some of its outstanding dues. The Group had also issued fresh equity shares and equity warrants on preferential basis to various investors under non-promoter category aggregating to issue size of Rs.10,600.00 million. The Group is also in ongoing discussions with certain potential investors for raising additional funds (as further explained in Note 3) and is also expecting relief from certain lessors for settlement of their 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 raise funds as necessary and achieve profitable operations, in order to meet its liabilities as they fall due. Accordingly, these consolidated financial results have been prepared on the basis that the Group will continue as a going concern for the foreseeable future. In view of the foregoing and pending outcome of the aforesaid challenges at the Court and legal advice obtained, the

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		Nil, net loss after tax of Rs. 4.78 million, total comprehensive loss of Rs. 4.78 million for the quarter ended 30 June 2024 as considered in the Statement and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.	management is of the view that no material liability is likely to arise from aforesaid matter and accordingly, no further adjustments have been made in this regard, to these consolidated financial results. The Management is of the view that the subsidiary entity has no revenue and no material expenses incurred during the year and hence not audited however consolidated on the basis of management report. These interim financial information are not material to the Group
Fiscal 2024	Qualified Opinion	The Holding Company and its certain subsidiaries are in non-compliance with various laws and regulations applicable to the Holding Company and the said subsidiaries as detailed in Note 47 to the accompanying consolidated financial statements. Pending regularising of these non-compliances under the respective laws and regulations, the management is of the view that the impact of the aforesaid non-compliances on the accompanying consolidated financial statements is presently unascertainable. In the absence of necessary assessment of the impact of the aforesaid matter, including fines and penalties that may be levied, 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.	To the extent ascertained, the Holding Company and these two subsidiaries have made accrual for interest on delays in payment of above-mentioned statutory dues. There are foreign currency trade receivables and trade and other payables that are overdue beyond the timelines, however, the Holding Company is yet to seek extension from AD Bank or Reserve Bank of India ('RBI'), as the case may be, for settlement of such balances under foreign exchange management guidelines. Consequent upon slump sale of cargo business undertaking of the Holding Company to its subsidiary (SpiceXpress and Logistics Private Limited) effective 1 April 2023, SpiceXpress and Logistics Private Limited has become unlisted material subsidiary and the Holding Company is yet to appoint one independent director of the Holding Company on the board of said unlisted material subsidiary. The Group is in process of regularising aforesaid non-compliances under applicable laws and regulations, however, pending such regularization, the impact of some of the above matters, including due to fine/penalties that may be levied is presently unascertainable and accordingly, no

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
			adjustments have been made in these consolidated financial statements in this respect.
Fiscal 2024	Material Uncertainty Related to Going Concern	Auditor draw attention to Note 2A(a)(iii) to the accompanying consolidated financial statement which describes that the Group has incurred a net loss (after other comprehensive income) of Rs. 4,183.79 million for the year ended March 31, 2024, and, as of that date, the Group's accumulated losses amounts to Rs. 78,871.39 million which have resulted in complete erosion of its net worth and the current liabilities have exceeded its current assets by Rs. 65,892.40 million as at March 31, 2024. These conditions together with other matters as described in note 2A(a)(iii), indicates the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, 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 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.	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. These initiatives are heavily dependent upon Group's ability to raise funds The Group is also in ongoing discussions with certain potential investors for raising additional funds and is also expecting relief from certain lessors for settlement of their 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 raise funds as necessary and achieve profitable operations, 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.
Fiscal 2024	Emphasis of Matter	We draw attention to Note 49 which describe the uncertainty relating to the outcome of ongoing litigation with erstwhile promoters which is pending with the Hon'ble High Court of New Delhi and certain resultant possible non-compliances of applicable provisions of the Act. Subsequent to year end, the Commercial Appellate Jurisdiction - Hon'ble High court, New Delhi vide order dated May 17, 2024, has set aside the judgement dated July 31, 2023 passed by the Single Judge of High court, New Delhi and has directed the appeal filed by the Holding Company under Section 34 of the Arbitration and	In view of the foregoing and pending outcome of the aforesaid challenges at the Court and legal advice obtained, the management is of the view that no material liability is likely to arise from aforesaid matter and accordingly, no further adjustments have been made in this regard, to these consolidated financial results.

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		Conciliation Act, 1996 to be considered afresh. The management basis their assessment and legal advice obtained, is of the view that no material liability is likely to arise out of the aforesaid matter and accordingly, no adjustment has been made to the accompanying consolidated financial statements in this respect. Our opinion is not modified in respect of this matter.	
Fiscal 2024	Other Matter	Auditor did not audit the financial information of one subsidiary, whose financial information reflects total assets of Rs. 91.91 million as at 31 March 2024, total revenues of Rs. Nil and net cash flows amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. This financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary, is based solely on such unaudited financial information. In Auditor opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group. Auditor's opinion above on the consolidated financial statements, and auditors report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.	The Management is of the view that the subsidiary entity has no revenue and no material expenses incurred during the year and hence not audited, however consolidated based on management accounts .
Fiscal 2024	IFC	According to the information and explanations given to auditors and based on the audit, the following material weakness has been identified in the operating effectiveness of the Holding Company and its subsidiaries internal financial controls with reference to financial statements as at March 31, 2024: The Holding Company's and its three subsidiaries internal financial controls over estimation of consequences towards non-compliances with laws and regulations as more fully explained in Note 47 to the	The Group is in process of regularising aforesaid non-compliances under applicable laws and regulations, however, pending such regularization, the impact of some of the above matters, including due to fine/penalties that may be levied is presently unascertainable and accordingly, no adjustments have been made in these consolidated financial statements in this respect.

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		consolidated financial statements, were not operating effectively, which could potentially result in an inappropriate assessment of the accuracy and completeness of provision for fines/penalties. This could lead to potential material misstatement in the value of fines/penalties payable, and its consequential impact on the loss after tax, reserve and surplus and related disclosures respect thereof as at and for the year ended March 31, 2024. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.	
Fiscal 2023	Qualified Opinion	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	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. 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

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		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. 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.	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.
Fiscal 2023	Material Uncertainty Related to Going Concern	Auditor 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	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. 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,

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		concern basis of accounting is appropriate for preparation of accompanying consolidated financial statement. Our opinion above is not modified in respect of this matter.	these consolidated financial statements have been prepared on the basis that the Group will continue as a going concern for the foreseeable future
Fiscal 2022	Qualified Opinion	As stated in Note 49 to the accompanying consolidated financial statements, the management of the Holding Company had recognized recoverable of Rs.15,549.03 million over the period up to September 30, 2021 for recovery of rent, maintenance and other expenses incurred on Boeing 737 Max aircrafts, which had been grounded since March 2019. As further explained in the said note, the Holding Company has settled the aforesaid claims with Boeing and 737 Max aircraft lessors during the quarter ended December 31, 2021 and has recognised further amounts as 'other income'. In our assessment, there was no virtual certainty to recognise any recoverable until September 30, 2021, as required under Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets' and accordingly, upon settlement of the said claims, the Holding Company should have restated the comparative periods to reverse the recoverable along with consequent reversal of 'other income' and related 'foreign exchange gain/ (loss)' impact recorded in such earlier periods, and should have recorded the entire settlement amount in the year ended March 31, 2022 in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Had the Holding Company recognised the entire settlement gain during the year ended March 31, 2022 with restatement of earlier periods, the reported loss for the year ended March 31, 2022 would have been lower by `12,419.18 million. Our opinion for the year ended March 31, 2021 was also qualified in respect of this matter.	During the current year, the Group concluded its settlement agreement with the aircraft manufacturer and 737 max aircraft lessors whereby the Group is entitled for certain cash and non-cash accommodations over a period of time including waiver of past due lease rentals on these Boeing 737 Max aircraft, resulting in re-induction of twelve of these aircraft into its fleet. Accordingly, basis the various terms of settlement agreed with the aircraft manufacturer and the 737 Max aircraft lessors, the Group has recognised these amounts under the head 'other income'. Upon execution of the settlement agreement and various accommodations extended, the assessment of the management about the recoverability of its claims for these aircraft stands substantiated
Fiscal 2022	Material Uncertainty Related to Going Concern	Auditor draw attention to Note 2(A)(a)(iii) to the accompanying consolidated financial statement which describes that the Group has incurred a net loss (after other comprehensive income) of Rs. 17,410.13 million during the year ended March 31, 2022 and, as of that date, the Group's accumulated losses amount to Rs.	Domestic and international passenger airline business witness significant improvement in passenger traffic due to relaxation of restrictions in operation consequent to substantial reduction in Covid cases across the country. With the above developments and various measures taken by the Group, the

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		59,592.94 million which have resulted in complete erosion of its net worth of the Group and the current liabilities have exceeded its current assets by Rs. 64,464.98 million as at March 31, 2022. These conditions and other matters set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, based on the factors mentioned in the foresaid note including re-negotiation of payment terms to various parties, management is of the view that the going concern basis of accounting is appropriate.	financial performance is expected to improve substantially in subsequent quarters. The impact of Covid-19 is not specific to the Group but is applicable across the entire aviation industry within and outside India. While there is uncertainty in the revenue operation in the short-term which is expected to normalise in the long-term. It is also to be noted that while generally the passenger business was either suspended or very low demand during the lockdown period and/or restricted operation period, the Group further enhanced its cargo operations which were fulfilled by dedicated fleet of freighter aircraft and passenger converted aircraft. Further, the Group is in negotiations with lessors/lenders regarding deferment of dues and other waivers (including, in particular, contracts with aircraft lessors, as referred in Note 9 below), and also assessed the recoverability and carrying values of its assets while preparing the consolidated financial result for the quarter and year ended 31 March 2022. The management is confident that they have considered all known potential impacts arising from the Covid-19 pandemic on the Group's business, and where relevant, have accounted for the same in these consolidated financial results. However, the Company will continue to closely monitor any material changes to future economic conditions on account of Covid-19 to assess any possible impact on the Company.
Fiscal 2022	Emphasis of Matters	We draw attention to the following notes to the consolidated financial statements: a) Note 48 which describes the uncertainty relating to the outcome of ongoing litigation with erstwhile promoters which is pending with the Hon'ble High Court of Delhi and certain resultant possible non-compliances of applicable provisions of the Act. The final outcome of these litigations is presently unascertainable. Further, based on internal assessment and legal advice obtained, the management is of the view that any possible consequential	The Court vide its order dated 2 September 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 against the aforesaid Order and

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		effects (including penal consequences and any compounding thereof) are not likely to have a material impact on the consolidated financial statements of the Group and accordingly, no adjustment has been made to the consolidated financial statements in respect of aforesaid matters. b) Note 50 which describes the effects of uncertainties relating to the outbreak of Covid-19 pandemic and the management's evaluation of its impact on the Group's operations and the consolidated financial statements of the Group as at March 31, 2022. Our opinion is not modified in respect of this matter.	the Hon'ble Supreme Court of India pursuant to its order dated 6 November 2020, has stayed the deposit of Rs. 2,429.37 million. Accordingly, based on the foregoing and also legal advice obtained by management, no additional amounts have been accounted for in this regard. In view of the foregoing and pending outcome of the aforesaid challenges at the Court, the management is of the view that it is not possible to determine the effects of any such obligations and rights (including any additional/consequential obligations and rights). Accordingly, no further adjustments have been made in this regard, to these consolidated financial results. Domestic passenger airline business witness significant improvement in passenger traffic due to relaxation of restrictions in operation due to substantial reduction in Covid cases across the country. Further the improvement in international passenger traffic has also been witnessed due to certain relaxation and ease of travel. With the above developments and various measures taken by the Group, the financial performance is expected to improve substantially in subsequent quarters. The impact of Covid-19 is not specific to the Group but is applicable across the entire aviation industry within and outside India. While there is uncertainty in the revenue operation in the short-term which is expected to normalise in the long-term. It is also to be noted that while generally the passenger business was either suspended or very low demand during the lockdown period and/or restricted operation period, the Group further enhanced its cargo operations which were fulfilled by dedicated fleet of freighter aircraft and passenger converted aircraft.
Fiscal 2022	IFC	According to the information and explanations given to us and based on our audit, the following material weakness has	During the current year, the Group concluded its settlement agreement with the aircraft manufacturer and 737

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		been identified in the operating effectiveness of the Holding Company's internal financial controls with reference to financial statements as at March 31, 2022: The Holding Company's internal financial control system over recognition of other income as required by Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and restatement of the comparative periods in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', were not operating effectively, which has resulted in material misstatements in other income, other receivables, related foreign exchange gain/loss on restatement and its consequential impact on earnings, equity and related disclosures, as explained in Note 49 to the accompanying consolidated financial statements. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Group's annual or interim financial statements will not be prevented or detected on a timely basis.	max aircraft lessors whereby the Group is entitled for certain cash and non-cash accommodations over a period of time including waiver of past due lease rentals on these Boeing 737 Max aircraft, resulting in re-induction of twelve of these aircraft into its fleet. Accordingly, basis the various terms of settlement agreed with the aircraft manufacturer and the 737 Max aircraft lessors, the Group has recognised these amounts under the head 'other income'. Upon execution of the settlement agreement and various accommodations extended, the assessment of the management about the recoverability of its claims for these aircraft stands substantiated
Fiscal 2021	Qualified Opinion	As described in Note 47 of the consolidated financial statements, the management of the Holding Company has recognised 'other income' of Rs. 5,604.48 million for the year ended March 31, 2021 (Rs. 6,718.04 million for the year ended March 31, 2020) and the related 'foreign exchange loss on restatement' of Rs. 270.61 million for the year ended March 31, 2021 (foreign exchange gain of Rs. 367.05 million for the year ended March 31, 2020) for the amount charged to Boeing for reimbursement of expenses incurred on Boeing 737 Max aircrafts, which has been grounded since March 2019. In our assessment, there is no virtual certainty to recognise such other income and related receivable, as required by Ind AS 37, "Provisions, Contingent Liabilities and Contingent	Following the worldwide grounding during March 2019 of Boeing 737 MAX aircraft due to technical reasons, the Holding Company's fleet of thirteen Boeing 737 MAX aircraft continues to be grounded. Despite its inability to undertake revenue operations, the Holding Company continues to incur various costs with respect to these aircraft. As a result of the above, and the uncertainty in timing of return operations of these aircraft, the Holding Company has initiated the process of claims on the aircraft manufacturer towards cost and losses, which are currently under discussion. Consequently, and without in any manner limiting or prejudicing the legal and the commercial rights of the Holding Company towards its claim in this regard, certain costs (including, inter alia, aircraft and supplemental

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		Assets". Had the Holding Company not recognised such other income (including its related foreign exchange restatement), the reported loss for the year ended March 31, 2021 would have been higher by Rs. 5,333.87 million. The erstwhile auditors have also qualified their audit opinion for the year ended March 31, 2020 in respect of this matter.	lease rentals and certain other identified expenses relating to the Boeing 737 MAX aircraft) aggregating Rs. 5,604.48 million for the year ended March 31, 2021 (Rs. 6,718.04 million for the year ended March 31, 2020) have been recognised as other income. Further, Holding Company has recognised the related foreign exchange loss of Rs. 270.71 million for the year ended March 31, 2021 (foreign exchange gain of Rs. 367.05 million for the year ended March 31, 2020). Based on current advanced stage of discussions with the aircraft manufacturer and considering the interim offer of accommodation received from the aircraft manufacturer, its own assessment and legal advice obtained by the Holding Company, the management is confident of ultimate collection of the income recognized by the Holding Company upon conclusion of discussions with the aircraft manufacturer.
Fiscal 2021	Material Uncertainty Related to Going Concern	Audit draw attention to Note 2A(a)(iii) of the consolidated financial statements, which describes that the Group has incurred a net loss (after other comprehensive income) of Rs. 10,281.87 million during the year ended March 31, 2021 and, as of that date, the Group's accumulated losses amount to Rs. 42,233.80 million which have resulted in complete erosion of its net worth of the Group and the current liabilities have exceeded its current assets by Rs. 51,842.49 million as at March 31, 2021. These conditions, together with uncertainties relating to the impact of the ongoing Covid-19 pandemic on the operations of the Group as described in Note 48 to the consolidated financials statements and other matters set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, based on the factors mentioned in the aforesaid note including re-negotiation of payment terms to various parties,	On account of its operational and financial position, and the impact of the ongoing Covid-19 pandemic, the Group has deferred payments to various parties, including lessors and other vendors and its dues to statutory authorities. Where determinable, the Group has accrued for additional liabilities, if any, on such delays in accordance with contractual terms/applicable laws and regulations and based on necessary estimates and assumptions. However, it is not practically possible to determine the amount of all such costs or any penalties or other similar consequences resulting from contractual or regulatory non-compliances. The management is confident that they will be able to negotiate settlements in order to minimize/avoid any or further penalties. In view of the foregoing, no amounts of such penalties have been recorded in these financial statements. The Group continues to implement various measures such as enhancing customer experience, improving selling

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		management is of the view that the going concern basis of accounting is appropriate.	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. Further, improvements in certain macroeconomics factors relevant to the Group's business and operations, as well as the renegotiation with vendors, and the Group's expectations of the timing of re-introduction of Boeing 737 MAX aircraft into its operations are expected to increase operational efficiency and support cash-profitable operations. The Group is currently in discussion with banks/financial institution to raise additional funds and also seeking its shareholders' approval for raising fresh capital through issue of eligible securities to qualified institutional buyer, in accordance with applicable law. Based on the foregoing and their effect on business plans and cash flow projections, the management is of the view that the Group will be able to achieve profitable operations and raise funds as necessary, in order to meet its liabilities as they fall due. These conditions indicate the existence of uncertainty that may create doubt about the Group's ability to continue as a going concern. However, based on the factors mentioned in this note including re-negotiation of payment terms with various parties, the management is of the view that the going concern basis of accounting is appropriate. The auditors have included 'Material Uncertainty Related to Going Concern' paragraph in their audit report.
Fiscal 2021	Emphasis of Matters	We draw attention to the following notes to the consolidated financial statements: a) Note 46 which describe the uncertainty relating to the outcome of ongoing litigation with erstwhile promoters which is pending with the Hon'ble High Court of Delhi and certain resultant possible non-	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

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		compliances of applicable provisions of the Act. The final outcome of these litigations is presently unascertainable. Further, based on internal assessment and legal advice obtained, the management is of the view that any possible consequential effects (including penal consequences and any compounding thereof) are not likely to have a material impact on the consolidated financial statements of the Group and accordingly, no adjustment has been made to the consolidated financial statements in respect of aforesaid matters. b) Note 48 which describes the effects of uncertainties relating to the outbreak of Covid-19 pandemic and the management's evaluation of its impact on the Group's operations and the consolidated financial statements of the Group as at March 31, 2021, the extent of which is significantly dependent on future developments as they evolve. Our opinion is not modified in respect of the above matters.	Company was required to (a) refund an amount of approximately Rs. 3,082.19 million to the counterparty, (b) explore the possibility of allotting 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 of past interest/servicing charges. During the year ended March 31, 2019, the Court has ordered release of Rs. 2,500.00 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 amount of Rs. 580.00 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.
Fiscal 2021	Other Matter	The consolidated financial statements of the Group for the year ended March 31, 2020 were audited by the predecessor auditor, S.R Batliboi & Associates LLP, who have expressed a qualified opinion on those consolidated financial statements vide their audit report dated July 29, 2020.	The Management was confident about the recoverability of its claim from Boeing since the grounding of the Aircraft, on quarterly basis. On final settlement during Dec 22 , the differential claim amount was adjusted in the financials in Dec, 22 quarter ended.
Fiscal 2021	IFC	The Holding Company's internal financial control system over recognition of other income as required by Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets", were not operating effectively, which has resulted in material misstatements in other income, other receivables, related foreign exchange loss on restatement and its consequential	The Management was confident about the recoverability of its claim from Boeing since the grounding of the Aircraft, on quarterly basis. On final settlement during Dec 22, the differential claim amount was adjusted in the financials in Dec, 22 quarter ended

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		impact on earnings, equity and related disclosures, as explained in Note 47 to the accompanying consolidated financial statements. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Group's annual or interim financial statements will not be prevented or detected on a timely basis.	
Fiscal 2020	Qualified Opinion	We draw attention to Note 48 to the accompanying consolidated Ind AS financial statements, regarding recognition of other income of Rs. 6,718.04 million for the year ended March 31, 2020 and the related foreign exchange gain on restatement of this balance amounting to Rs. 427.30 million. In our view, there is no virtual certainty to recognise such other income and related receivable, as required by paragraph 33 of Ind-AS 37, "Provisions, Contingent Liabilities and Contingent Assets". Had the Group not recognised such other income (including its related foreign exchange restatement), the reported loss for the year ended March 31, 2020 would have been Rs. 16,511.02 million, and accumulated losses as at March 31, 2020 would have been higher by Rs. 7,145.34 million. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is	Following the worldwide grounding during March 2019 of Boeing 737 MAX aircraft due to technical reasons,the Group's fleet of thirteen Boeing 737 MAX aircraft continues to be grounded. Despite its inability to undertake revenue operations, the Group continues to incur various costs with respect to these aircraft. As a result of the above, and the uncertainty in timing of return to operations of these aircraft, the Group has initiated the process of claims on the aircraft manufacturer towards costs and losses, which are currently under discussion. Consequently, and without in any manner limiting or prejudicing the legal and commercial rights of the Group towards its claims in this regard, certain costs (including, inter alia, aircraft and supplemental lease rentals and certain other identified expenses relating to the Boeing 737 Max aircraft) aggregating to Rs 6,718.04 million (including Rs 1,345.34 million recorded in the quarter ended March 31, 2020), have been recognised as other income during the year ended March 31, 2020. Further, the related foreign exchange gain on restatement of these balances for the quarter and year ended March 31, 2020 amount to Rs. 367.04 million and Rs 427.30 million respectively. Based on current stage of discussions with, and considering the interim offer of compensation received from, the aircraft manufacturer, its own assessment and legal advice obtained by the Group, management is confident of collection of the above income

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.	recognised by the Group. The auditors have qualified their report on the financial results in this regard.
Fiscal 2020	Material Uncertainty Related to Going Concern	Audit draw attention to Note 2A(a)(iii) in the consolidated Ind AS financial statements which, indicate that the Group has accumulated losses and its net worth has been fully eroded, the Group has incurred a net loss during the current and previous year and, the Group's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 2A(a)(iii), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Auditor opinion is not qualified in respect of this matter.	The Group continues to implement various measures such as enhancing customer experience, improving selling and distribution, revenue management, fleet rationalisation, optimising aircraft utilization, redeployment of capacity in key focus markets, management and employee compensation revisions, renegotiation of contracts and other cost control measures, to help the Group establish consistent profitable operations and cash flows in the future. Further, improvements in certain macroeconomic factors relevant to the Group's business and operations, the resumption of airline operations (which includes the Group's expectations of the timing of re-introduction of Boeing 737 Max aircraft into its operations), as well as the renegotiations with vendors discussed Based on the foregoing and their effect on business plans and cash flow projections, 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 financial results have been prepared on the basis that the Group will be able to continue as a going concern for the foreseeable future
Fiscal 2020	Emphasis of Matter	We draw attention to the following matters: a. Note 49 of the consolidated Ind AS financial statements, which describes the economic and social disruption the Group is facing as a result of Covid-19 pandemic, and its possible consequential implications, on the Group's operations and financial metrics. b. Note 47 of the consolidated Ind AS financial statements regarding the uncertainties arising from the dispute with erstwhile promoters and certain resultant possible non-compliances of applicable provisions of law. Our opinion is not qualified in respect of these matters.	The COVID-19 pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility, and a significant decrease in economic activity, in global and Indian markets. The Indian government announced a strict lockdown in India to contain the spread of the virus till May 31, 2020, which has been extended by certain states, with varying levels of relaxations. This has led to significant disruptions and dislocations for individuals and businesses and has had consequential impact of grounding the passenger airline operations. The

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
			Group is required to adhere to various regulatory restrictions, which impact its operations and may have their own additional financial implications. As per Government guidelines, the Group had stopped all passenger travel from March 25, 2020 to May 24, 2020. The Group has also renegotiated / is renegotiating various operating contracts (including, in particular, contracts with aircraft lessors), and has reassessed their maintenance provisions (having regard to contractual obligations and current maintenance conditions), based on the anticipated scale of operations in the immediate future, and the Group's expectations of the timing of re-introduction of Boeing 737 Max aircraft into its operations. Further, the Group has assessed its liquidity position for the next one year and of the recoverability and carrying values of its assets as at the balance sheet date. Management is confident that they have considered all anticipated impacts arising from the Covid-19 pandemic on the Group's business, and where relevant, have accounted for the same in these results. However, the full extent of impact of the COVID-19 pandemic on the Group's operations, and financial metrics will depend on future developments across the geographies that the Company operates in, and the governmental, regulatory and the Group's responses thereto, which are highly uncertain and incapable of estimation at this time. The impact of the COVID 19 pandemic on the financial position and its financial performance might be different from that estimated as at the date of approval of these results
Fiscal 2020	Other Matter	Auditor did not audit the financial statements and other financial information, in respect of 3 subsidiaries, whose Ind AS financial statements include total assets of Rs. 0.30 million as at March 31, 2020, and total revenues of Rs. Nil and net cash inflows of Rs. 0.3 million for the year ended on that date. These Ind AS financial	The financials of subsequent period for these subsidiaries where audited by statutory auditors

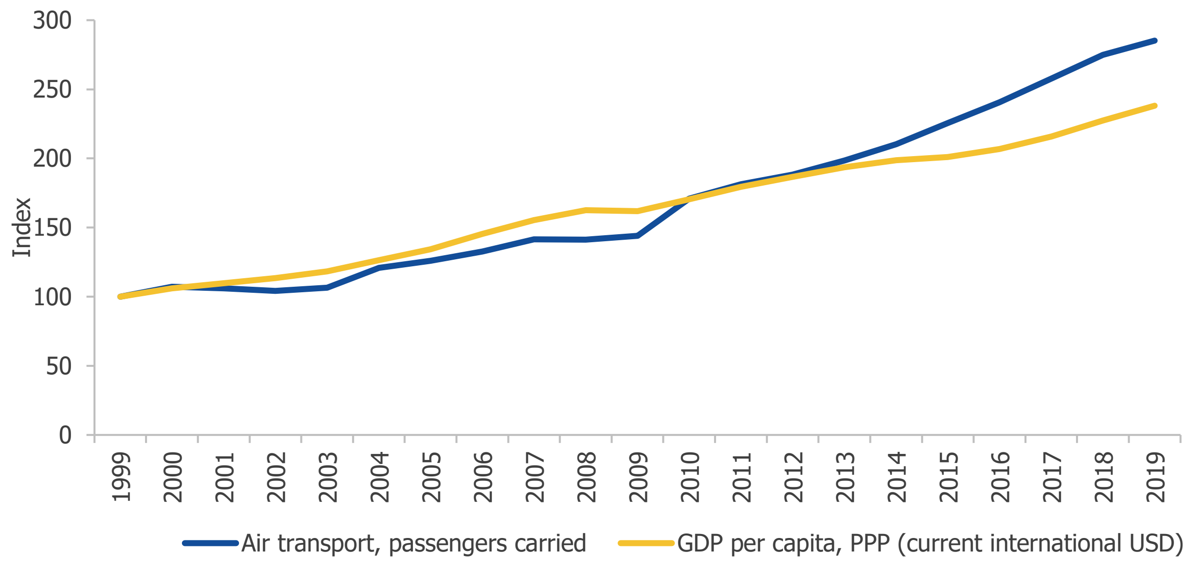
Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.	
Fiscal 2020	IFC	According to the information and explanations given to auditor and based on our audit and the reports issued by other auditors on internal financial controls over financial reporting with reference to these consolidated financial statements read with the matter stated in Note 48 to the financial statements, the following material weakness has been identified as at March 31, 2020: • The Group's internal controls over financial reporting relating to recognition of income were not operating effectively, in respect of other income of Rs. 6,718.04 million. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, 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. In our opinion, the Group has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these consolidated financial statements as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these consolidated	Following the worldwide grounding during March 2019 of Boeing 737 MAX aircraft due to technical reasons, the Group's fleet of thirteen Boeing 737 MAX aircraft continues to be grounded. Despite its inability to undertake revenue operations, the Group continues to incur various costs with respect to these aircraft. As a result of the above, and the uncertainty in timing of return to operations of these aircraft, the Group has initiated the process of claims on the aircraft manufacturer towards costs and losses, which are currently under discussion. Consequently, and without in any manner limiting or prejudicing the legal and commercial rights of the Group towards its claims in this regard, certain costs (including, inter alia, aircraft and supplemental lease rentals and certain other identified expenses relating to the Boeing 737 Max aircraft) aggregating to Rs 6,718.04 million (including Rs 1,345.34 million recorded in the quarter ended March 31, 2020), have been recognised as other income during the year ended March 31, 2020. Further, the related foreign exchange gain on restatement of these balances for the quarter and year ended March 31, 2020 amount to Rs. 367.04 million and Rs 427.30 million respectively. Based on current stage of discussions with, and considering the interim offer of compensation received from, the aircraft manufacturer, its own assessment and legal advice obtained by the Group, management is confident of collection of the above income

Financial Period/ Period	Reservation, qualification, EOM or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		financial statements were operating effectively as of March 31, 2020.	recognised by the Group. The auditors have qualified their report on the financial results in this regard.

Global aviation industry scenario

Global passenger air traffic increased closely in line with GDP per capita (PPP at current international dollars) over the period 1999 – 2019[1], with the former seeing a CAGR of 5.4% and the latter achieving a CAGR of 4.4% during this period. Traffic and GDP demonstrated a correlation factor of 0.97 during these two decades.

Figure 1: Index of global current GDP per capita at PPP and passengers carried by air transport, 1999 – 2019



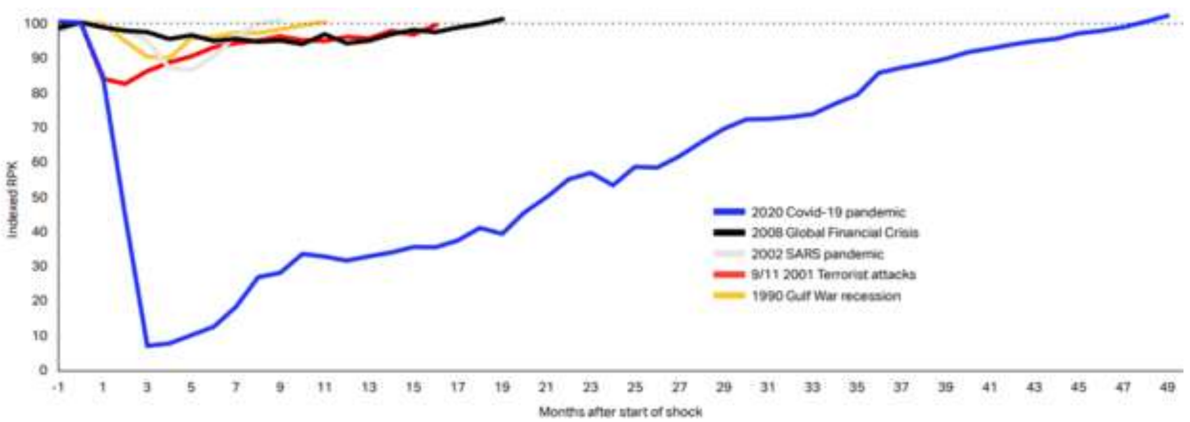
Note: 1) Values have been indexed with 1999 = 100

Source: CAPA Advisory research and analysis; World Bank

Global aviation industry to recover from COVID-19 pandemic in 2024

Among the major shocks witnessed by the global aviation industry in the past three decades, the recent COVID-19 pandemic has been the most devastating. Nonetheless, based on the recovery trend of global revenue passenger kilometres (RPKs), the global aviation industry will recover to the pre-pandemic level (i.e. 2019 traffic) in 2024. The International Air Transport Association's forecast of 9.1 trillion RPKs in 2024 will represent around 105% of the pre-COVID-19 level.

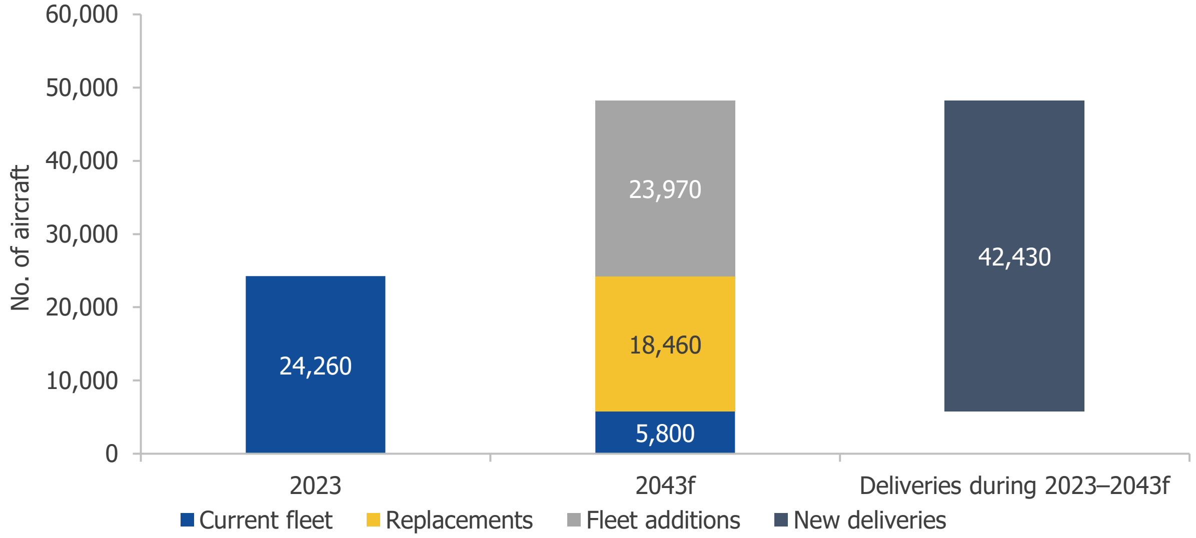
Figure 2: Recovery of global RPKs after industry shocks since 1990



Source: CAPA Advisory research and analysis; IATA

[1] Information until 2019 has been shown here as the COVID-19 pandemic hit 2020 onwards

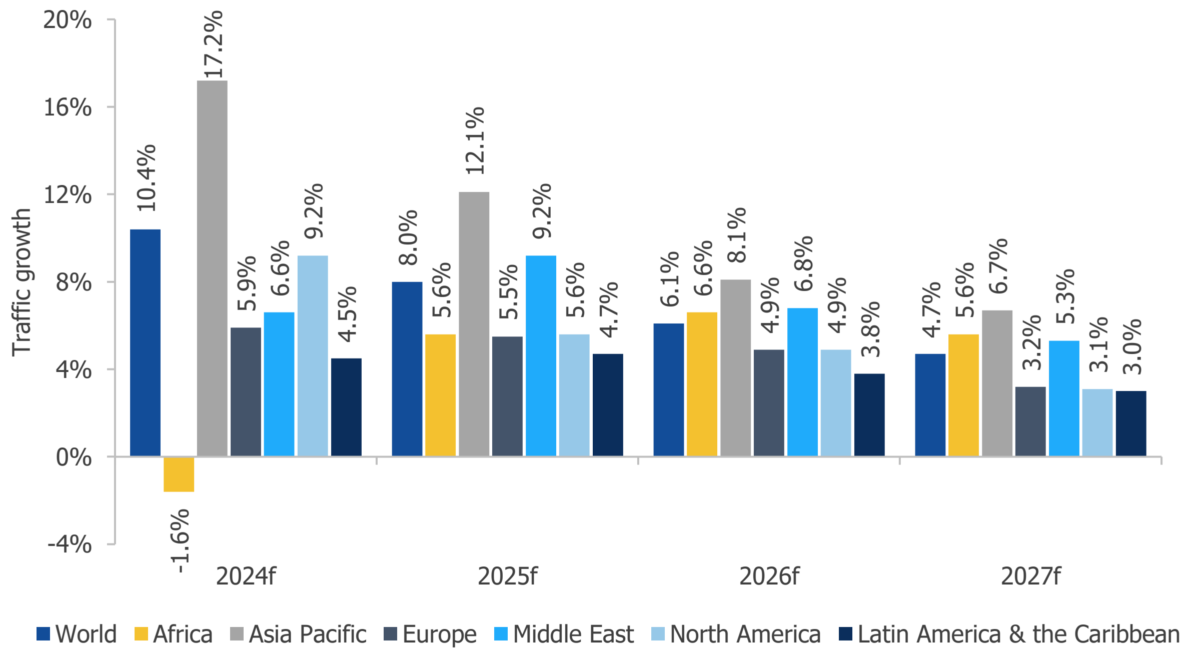
Meanwhile, the number of departures is expected to recover to 38.7 million in 2024, or 99.5% of the pre-COVID level[2].



Asia Pacific to lead growth

Asia Pacific is projected to see traffic increase 17.2%[3] y-o-y in 2024 and contribute the most to global traffic recovery. Moreover, the region would continue to lead the world in terms of traffic growth in the coming years.

Figure 3: Growth forecast for regional air traffic, 2024f – 2027f



Note: 1) f stands for forecast

Source: CAPA Advisory research and analysis; IATA

Global RPKs are expected to more than double to cross 20 trillion[4] in 2043. Among the markets with the highest traffic flows, India's domestic market is expected to witness the highest growth[5] at 6.9% over 2027 – 2043.

[2] IATA Jun-2024 Global Outlook for Air Transport
[3] IATA Jun-2024 Global Outlook for Air Transport
[4] Airbus Global Market Forecast Jul-2024
[5] Airbus Global Market Forecast Jul-2024

More than 42,000 new aircraft, of which 79.0% are expected to be narrowbody equipment, would be needed to meet these global RPK forecasts. These aircraft would be required to replace older equipment and to support net additions of close to 24,000 aircraft.

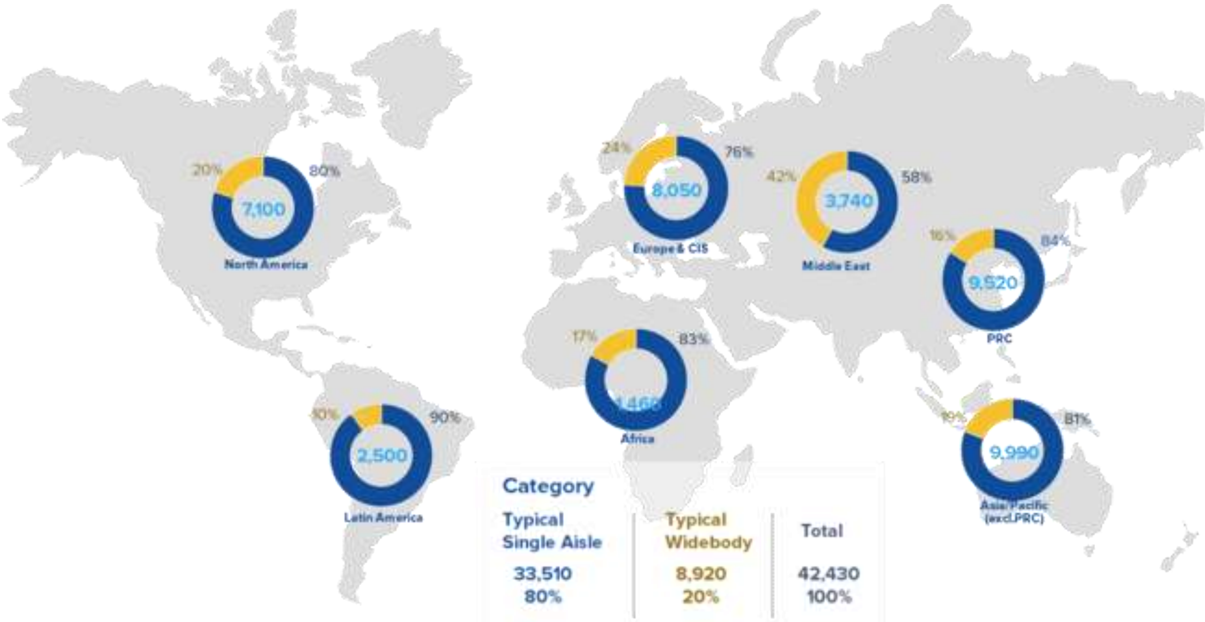
Figure 4: Global airline fleet, 2023 – 2043f

Note: 1) f stands for forecast

Source: CAPA Advisory research and analysis; Airbus

Asia Pacific is again likely to lead in aircraft deliveries with an expected share of around 46%.

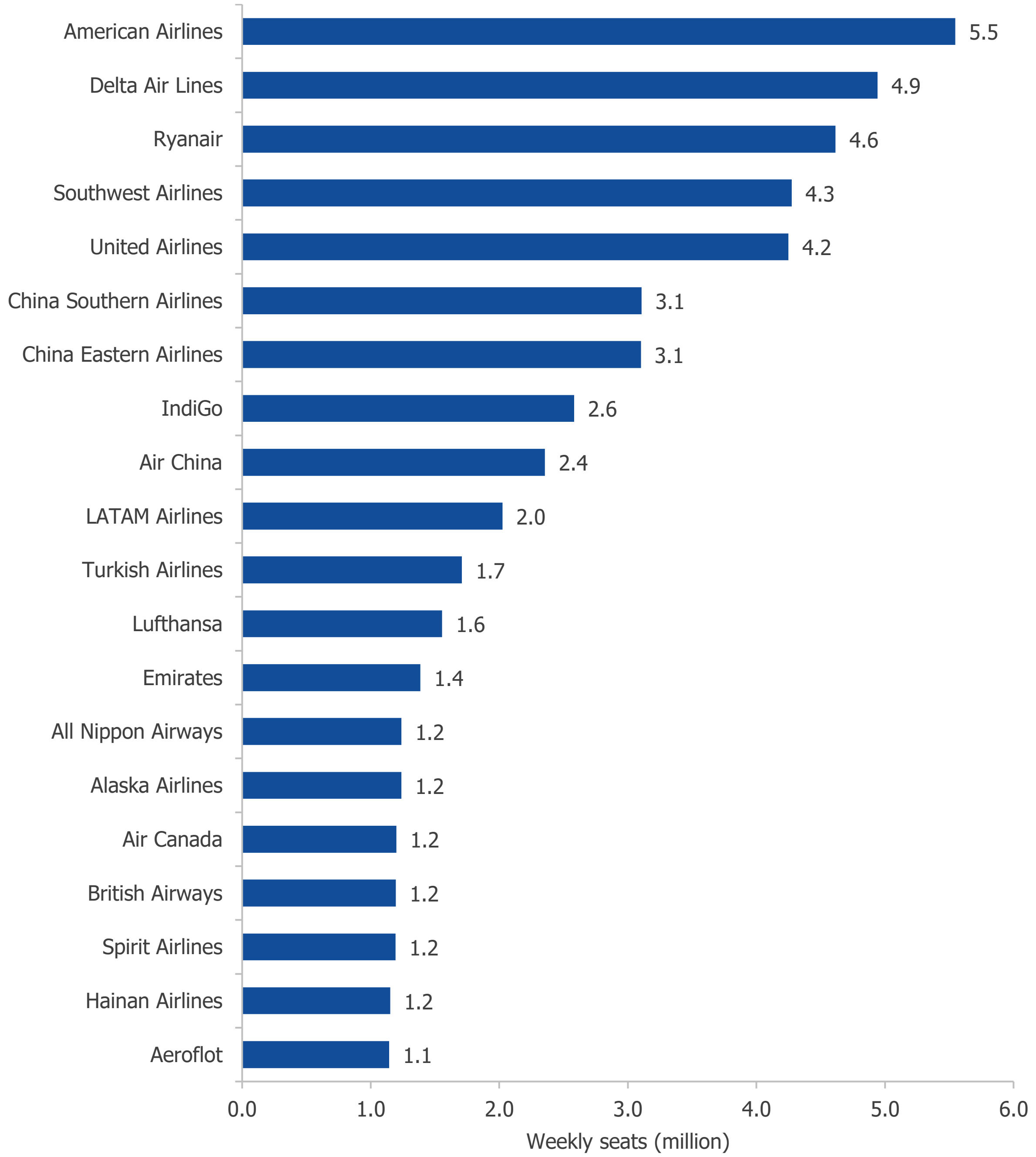
Figure 5: Regional split of aircraft deliveries, 2023 – 2043



Source: CAPA Advisory research and analysis; Airbus

Among the top 20 airlines by seat capacity and fleet, carriers from the US, China and Europe dominate the list. In addition, airports from these countries/regions dominate the list of the top 20 global airports.

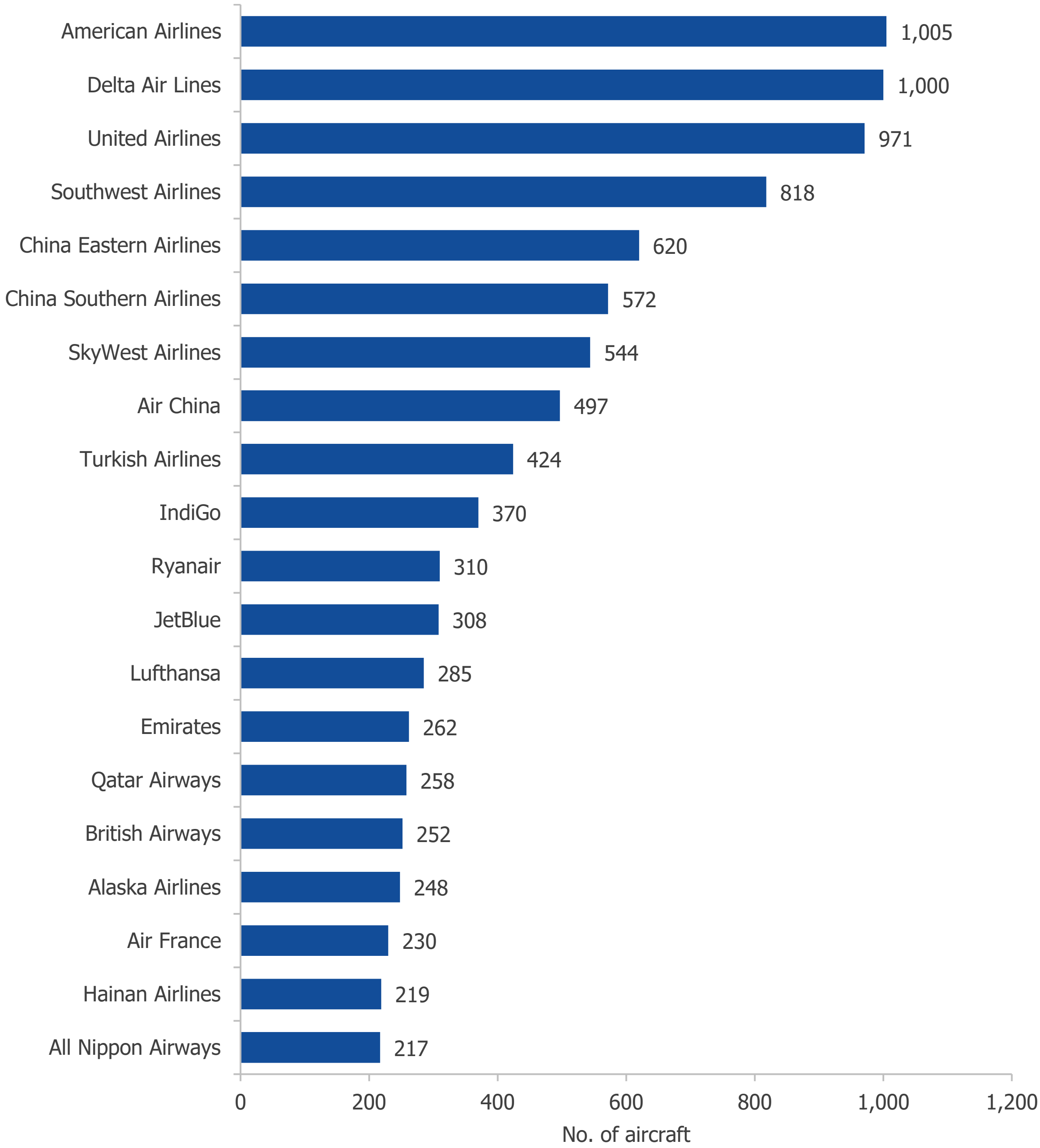
Figure 6: Top 20 global airlines by weekly seat capacity (million seats)



Note: 1) Seat capacity is for the week commencing 5-Aug-2024

Source: CAPA Advisory research and analysis

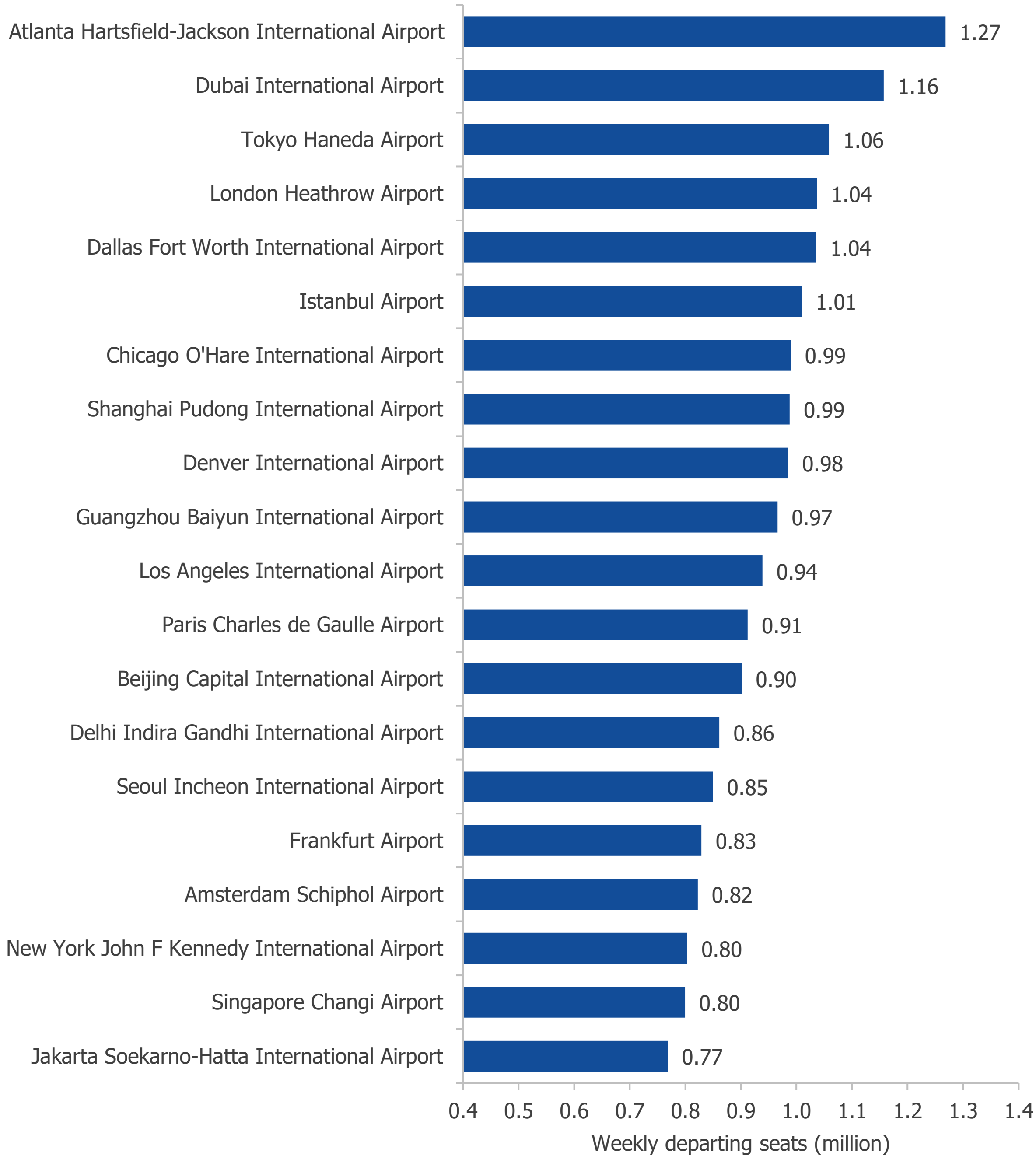
Figure 7: Top 20 airlines by operating fleet size



Note: 1) Operating fleet size as on 12-Aug-2024

Source: CAPA Advisory research and analysis

Figure 8: Top 20 global airports by weekly departing seat capacity (million seats)



Note: 1) Seat capacity is for the week commencing 5-Aug-2024

Source: CAPA Advisory research and analysis

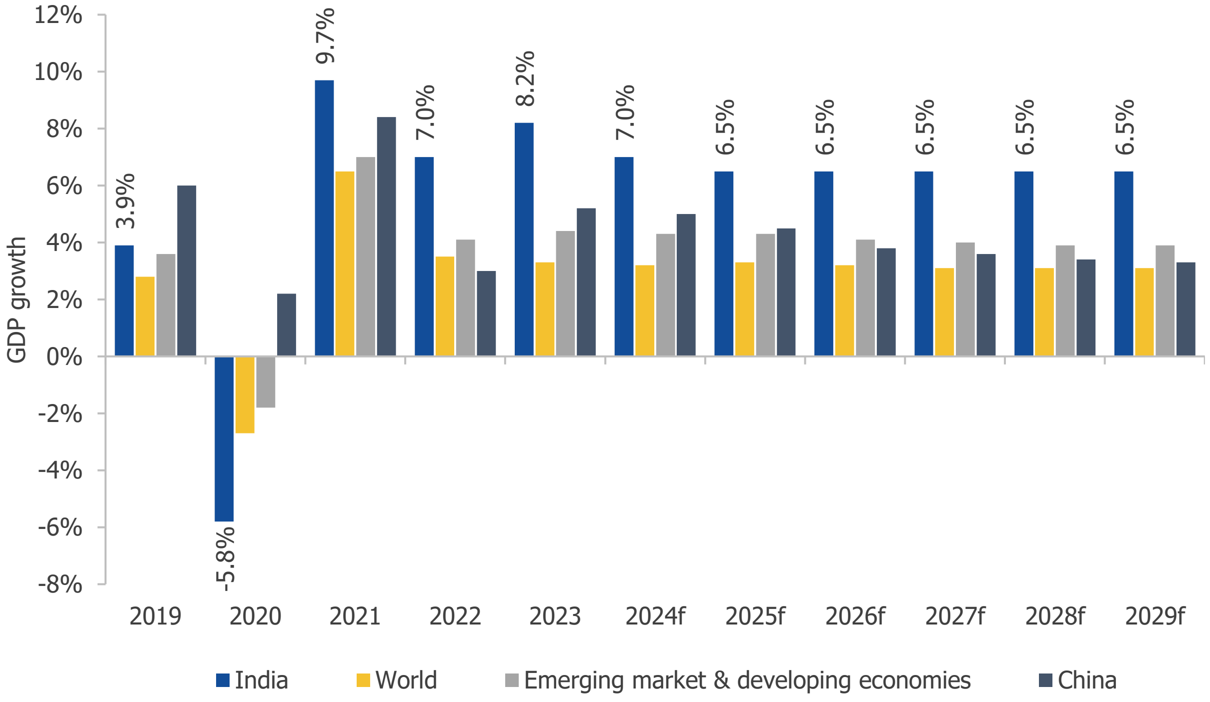
Indian economy overview

Strong economic growth likely to continue following brief pause in 2020

India emerged as one of the world's fastest-growing economies between 2001 and 2019 but slipped into recession following the onset of the COVID-19 pandemic in 2020, in common with most countries around the world. Nonetheless, the Indian economy rebounded strongly in 2021 and continued to grow at 7.0% or more in both 2022 and 2023.

The IMF expects India to sustain this GDP growth momentum, with an anticipated annual growth rate of around 6.5% through 2029. Also, the IMF forecasts that India's GDP growth will be nearly double the global average and will also outpace China's GDP growth during 2024–2029.

Figure 9: Benchmarking of GDP growth at constant prices of India against others, 2019–2029f



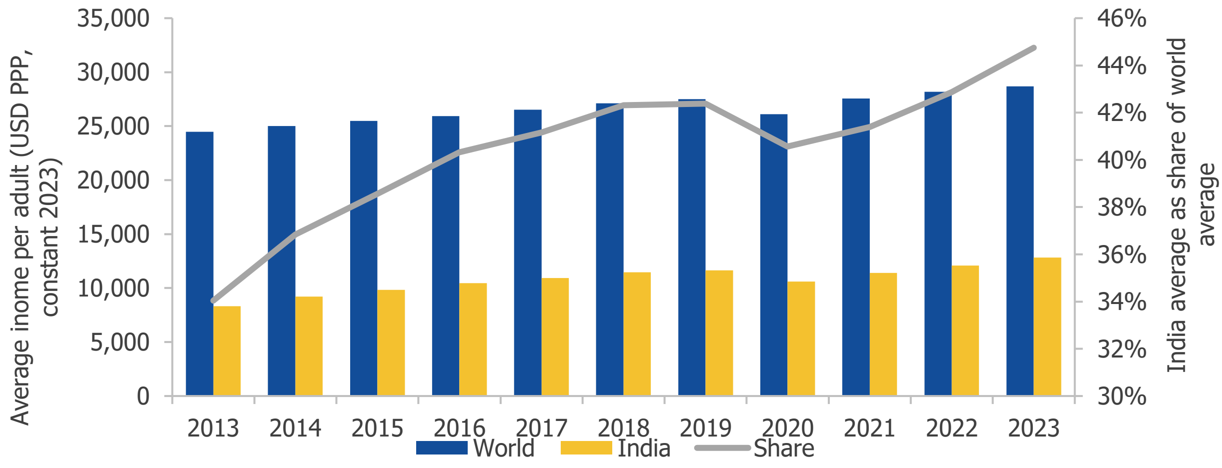
Note: 1) f stands for forecast; 2) For the purpose of comparison, the IMF has adjusted GDP data to calendar year; 3) GDP data is based on the IMF Apr-2024 World Economic Outlook, adjustments to 2023-2025 values were made on the Jul-2024 update.

Source: CAPA Advisory research and analysis; IMF

Income & consumption to rise as economy grows

According to the World Inequality Database, India experienced a significant increase in average income per adult vis-à-vis the global average during 2013–2023, driven by robust GDP growth. The average income per adult in India (in USD PPP dollars) expanded at a CAGR of 4.42% to USD12,838 in 2023. Furthermore, India's average PPP income improved to 44.7% of the global average in 2023, up from 34.04% in 2013.

Figure 10: Average income per adult in India & world, 2014–2023



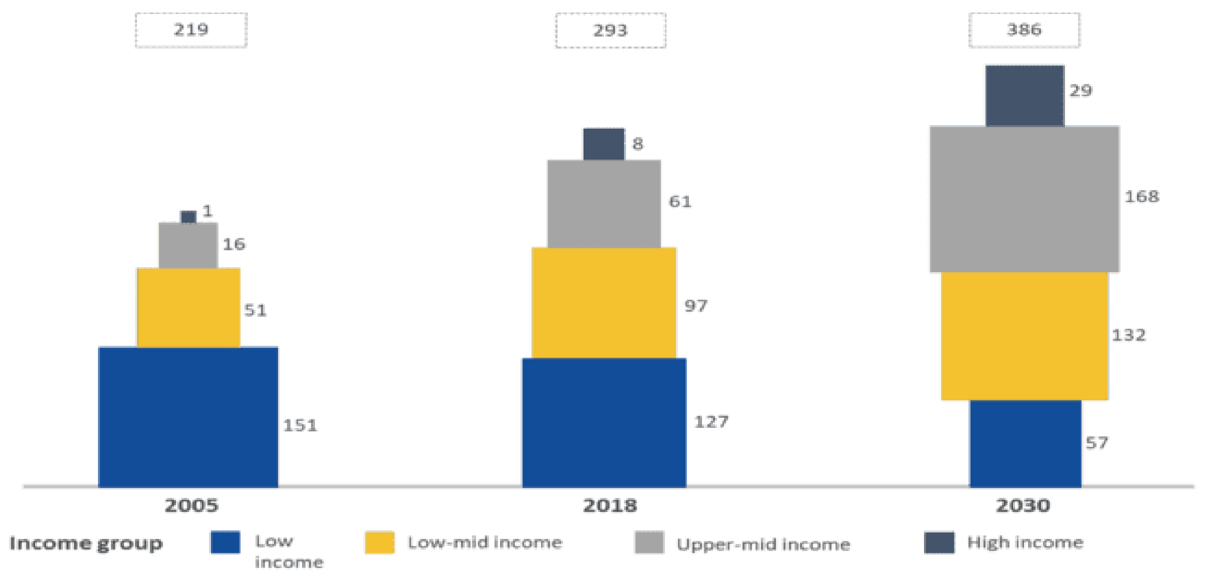
Source: CAPA Advisory research and analysis; World Inequality Database

The World Economic Forum anticipates a significant transformation in India's economic structure, shifting from a pyramid-shaped distribution of income, dominated by low-income households, to one increasingly comprised of middle-income earners. In particular, the proportion of the population classified as low-income is expected to decrease substantially, from 43.3% in 2018 to 14.8% by 2030. In contrast, the number of high-income households is projected to experience rapid growth at a CAGR of 11.3% during this period. This represents the fastest growth rate among all household categories, followed closely by high–mid-income households, which are expected to expand at a CAGR of 8.8%.

The middle-income segment, encompassing high–mid and low–mid-income households, is likely to almost double in size to 300 million by 2030, up from 158 million in 2018. This growth will establish middle-income households as the largest income category in India.

The resulting structural shift is expected to lead to increased disposable income levels, providing a substantial stimulus to discretionary consumption in areas such as travel.

Figure 11: Households across income groups in India (million), 2005–2030



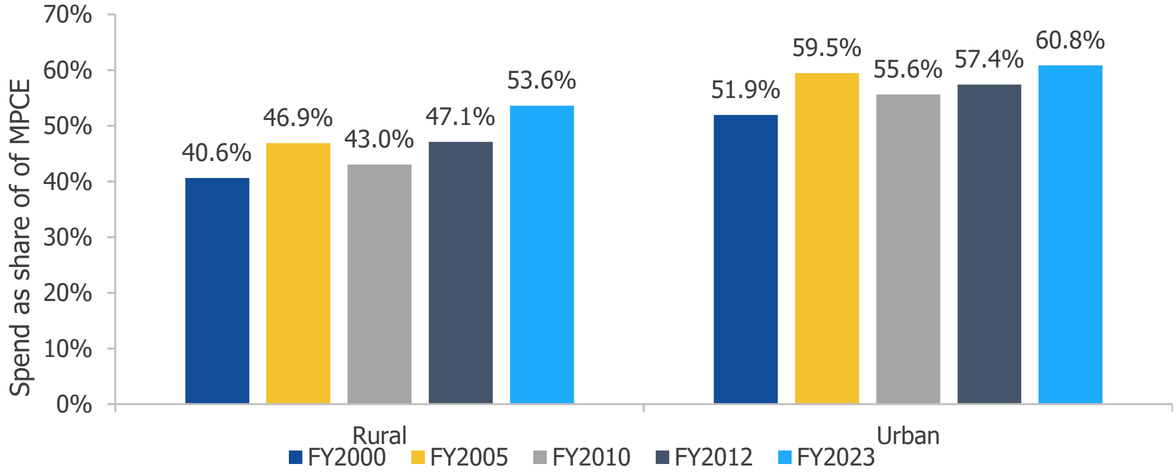
Note: 1) Low-income, low–mid-income, upper–mid-income and high-income households refer to those that earn less than USD4,000, between USD4,000 and USD8,500, between USD8,500 and USD40,000, and more than USD40,000 in real terms annually

Source: CAPA Advisory research and analysis; World Economic Forum

This shift is also evident in the changing spending patterns of the Indian population. Since FY2000, the percentage of monthly per capita expenditure on non-food-related items has increased in both rural and urban areas[6]. This trend reflects a growing tendency among Indians to allocate more resources towards discretionary items such as entertainment, durable goods, clothing, conveyance and consumer services.

[6] Ministry of Statistics and Programme Implementation; Survey on Household Consumption Expenditure

Figure 12: Percentage composition of non-food expenditure of MPCE, FY2000 – FY2023

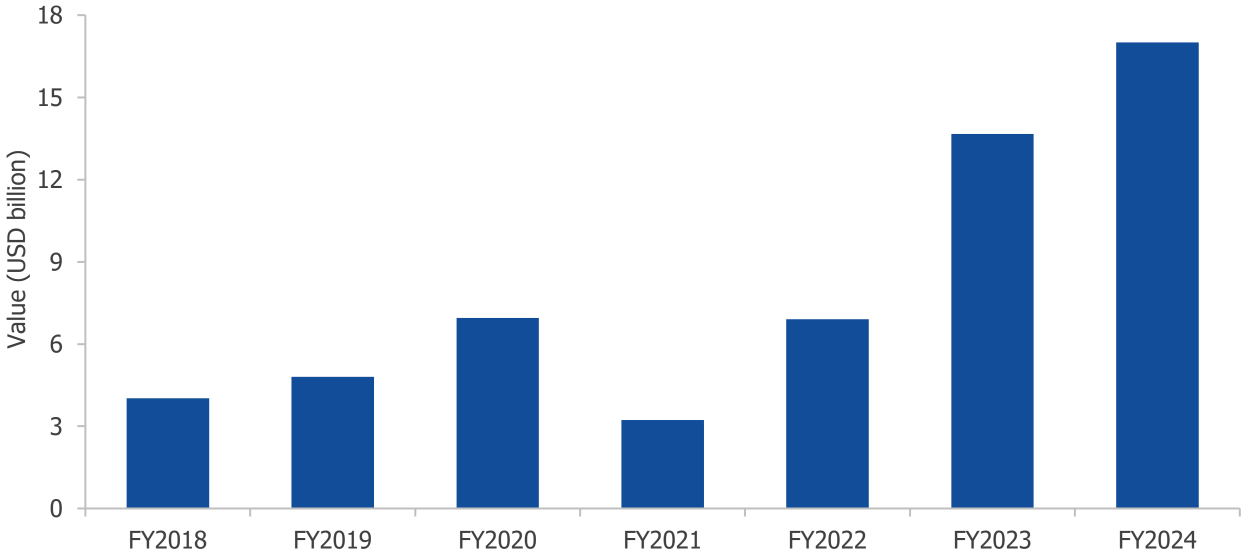


Note: 1) MPCE here refers to monthly per capita expenditure

Source: CAPA Advisory research and analysis; Survey on Household Consumption Expenditure 2023

The increase in expenditure on international travel is visible in Reserve Bank of India data which shows that under the Liberalised Remittance Scheme, Indians spent close to USD7.0 billion on international travel in FY 2020[7]. By FY2024, this figure had more than doubled to USD 17.0 billion[8]. Domestic tourism expenditure has also surged, with total spending rising to USD170.0 billion (INR14.2 trillion) in 2023, up almost 15.0% from the 2019 level[9].

Figure 13: Total outward remittances by Indian residents for international travel, FY2018–FY2024



Source: Reserve Bank of India

Besides the uptrend in income levels, another favourable factor contributing to growth prospects is the expanding market, driven by India's increasing population. Furthermore, India benefits from a demographic dividend, boasting an exceptionally young population with a median age of under 30 years.

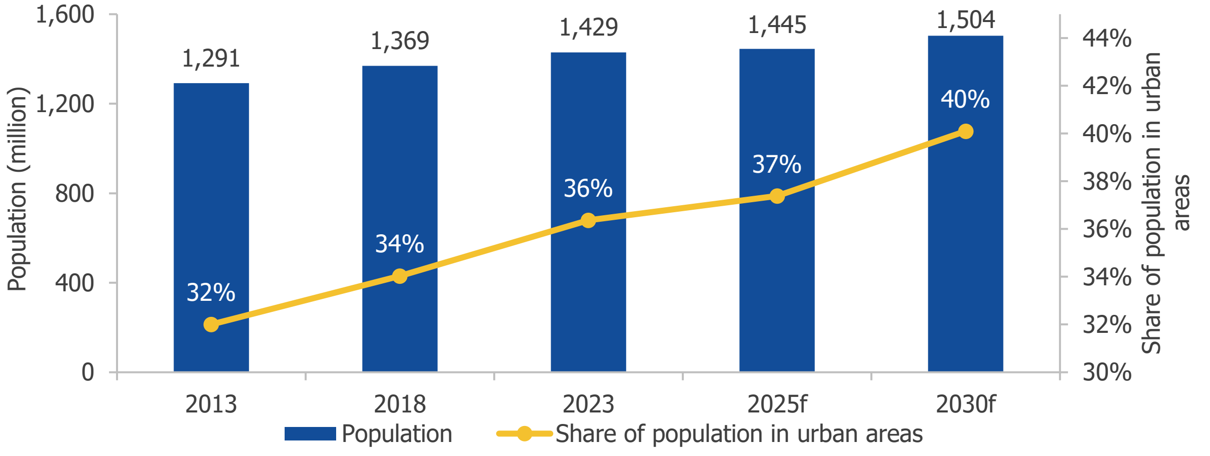
Notably, in 2020, a significant portion of the population, 42.1%, fell within the 15–39 age bracket, which encompasses 'millennial cohorts'. This demographic is characterised as having strong travel aspirations, making

[7] RBI
[8] RBI
[9] WTTC

them a promising segment for the travel industry. The presence of this sizeable segment is expected to drive demand for travel and tourism, further bolstering the market's growth potential.

Moreover, urbanisation directly contributes to rising income levels. The percentage of Indians living in cities rose from 32.0% in 2010 to 36.4% in 2023 and is expected to reach 40.1% by 2030.

Figure 14: Share of urban areas of population in India, 2013–2030f

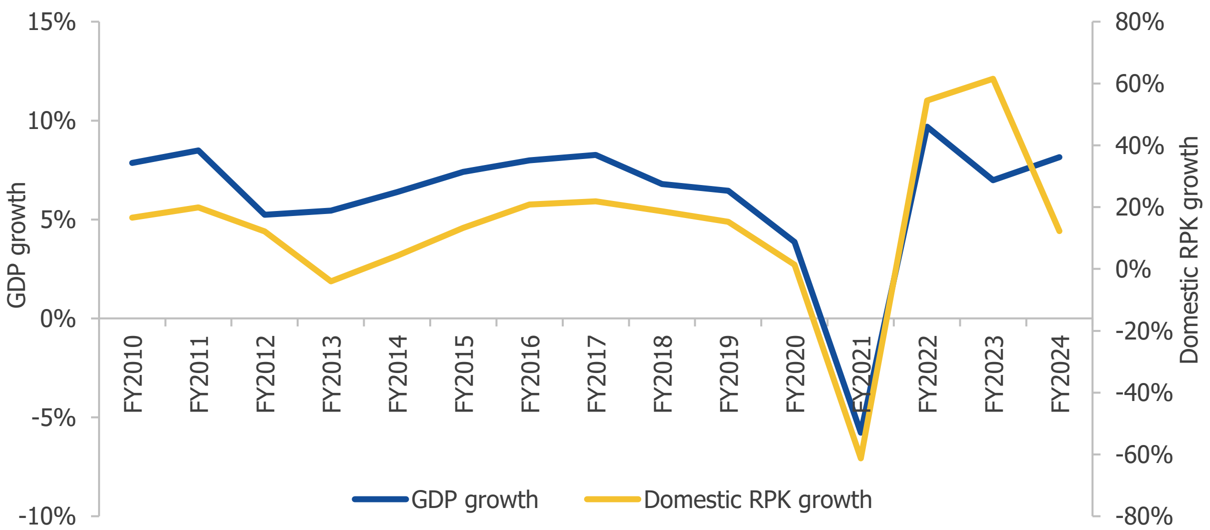


Note: 1) f stands for forecast
Source: CAPA Advisory research and analysis; World Bank

Strong corelation between air traffic & GDP in long run

A strong positive correlation was observed between GDP growth and domestic RPKs in India during FY2010–FY2024, reflecting a similar trend to that seen globally over several decades.

Figure 15: GDP growth at constant prices & domestic RPK growth, FY2010–FY2024



Source: CAPA Advisory research and analysis; Ministry of Statistics and Programme Implementation; Directorate General of Civil Aviation (DGCA)

Fuel prices, supply-side challenges & others possess potential to cause short-term disruption

Supply-side issues, such as airline capacity, can have a short-term impact on traffic. Some examples are given below.

The exit of Kingfisher Airlines resulted in negative growth in FY2013.

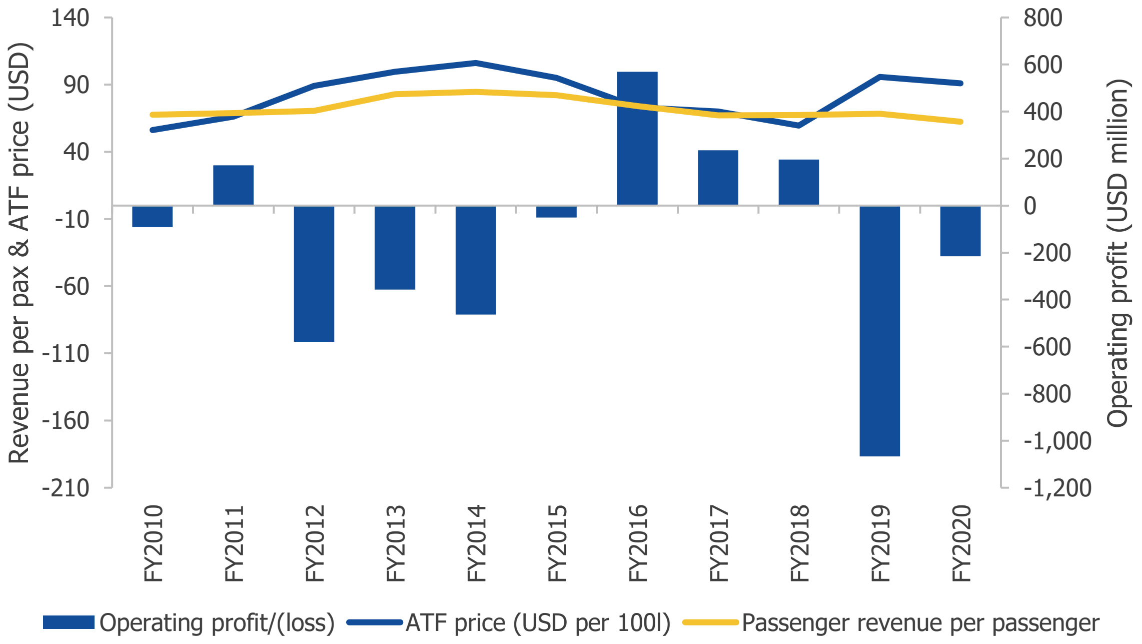
The closure of Jet Airways in Apr-2019 led to subdued domestic growth and a stagnation in international traffic in the first 11 months of FY2020. The impact of the pandemic in Mar-2020 led to both segments declining slightly in the full year.

The closure of Go First (formerly GoAir) in May-2023 amplified capacity shortage in FY2024.

Given that fuel is the single-largest operating expense for airlines, the price of aviation turbine fuel (ATF) can have a major impact on demand and airline profitability. The ability to pass on a significant part of higher fuel prices is limited and inadequately addressed, largely due to competitive pressures.

Conversely, any reduction in fuel price can stimulate traffic and increase profitability. '**Figure 16: Impact of crude oil price movement operating profit of Indian airlines, FY2010–FY2020**' illustrates the inverse correlation between airline profitability and fuel prices.

Figure 16: Impact of crude oil price movement operating profit of Indian airlines, FY2010–FY2020



Note: 1) Indian airlines included are IndiGo, SpiceJet, Go First, AirAsia India, Vistara, Jet Airways and Kingfisher Airlines, unless mentioned otherwise; 2) The Air India Group airlines (Air India and Air India Express) have been excluded as they were run by the government during the review period; 3) The INR/USD exchange rate considered is as of 31-Dec-2019 (71.36)

Source: CAPA Advisory research and analysis; airline financial filings

On 6-Aug-2024, the US Energy Information Administration forecast that the Brent crude oil price would average USD84.0 per barrel in 2024 and USD86.0 per barrel in 2025 vis-à-vis USD64.3 per barrel in 2019, the year before COVID-19.

The COVID-19 pandemic is another example of an external factor capable of disrupting long-term trends. However, once traffic rebounded to pre-pandemic levels, the historical relationship between traffic and economic growth was re-established.

Indian aviation overview

Fastest-growing domestic aviation market globally in recent years

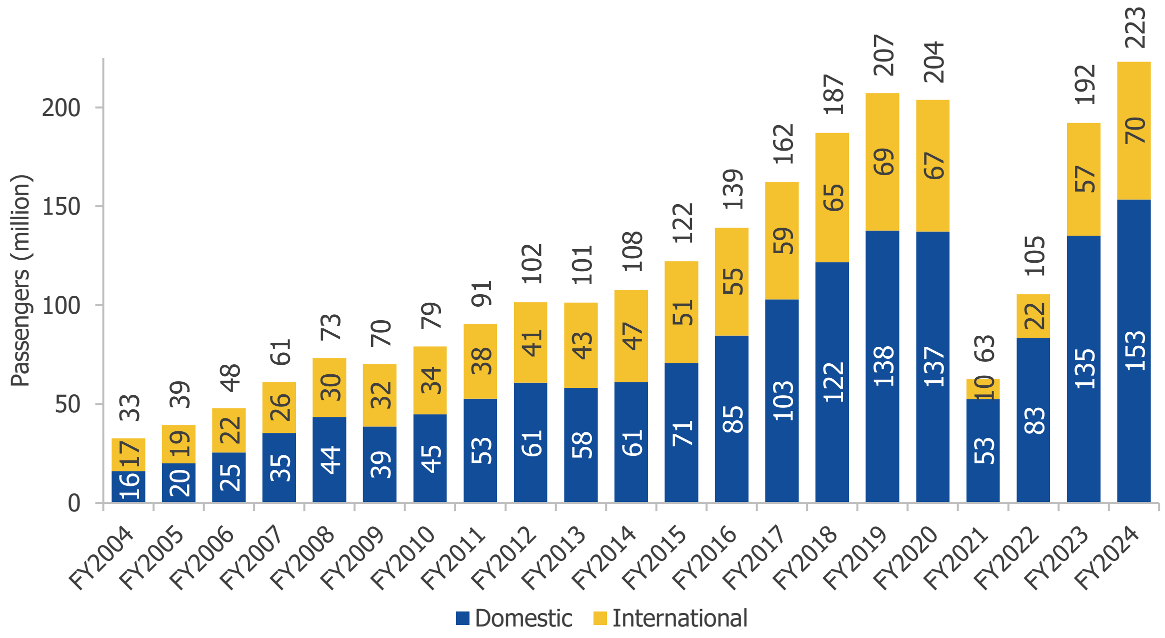
India is the third-largest domestic market in the world based on seat capacity, behind the US and China. Among the 10 largest domestic markets at present, India was the fastest-growing before COVID-19 until FY2020, witnessing a 12% CAGR during FY2010–FY2020. In FY2024, India's traffic had fully recovered and was in fact higher than in FY2020.

Size & shape of aviation in India transformed after second wave of industry deregulation

After a series of market reforms, the aviation industry realised its potential starting FY2004. These reforms led to the introduction of LCCs in India for the first time. The low-cost airline business model is well-suited to India's price-sensitive market.

LCCs began offering lower airfares, attracting first-time flyers and stimulating traffic. Over the period FY2004 – FY2020, domestic and international traffic increased at a CAGR of 14.3% and 9.0%, respectively. Between FY2014 and FY2024, the total number of domestic and international passengers more than doubled. In FY2024, there were 153.4 million domestic airline passengers, twice the number of international airline passengers (69.6 million)[10].

Figure 17: Domestic & international airline passenger volumes in India, FY2010–FY2024



Note: 1) Domestic airline passengers are considered to be half of the airport passengers reported by the Airports Authority of India (AAI), as each domestic airline passenger generates two airport movements, once on departure and again on arrival

Source: CAPA Advisory research and analysis; AAI

Historically, traffic on routes connecting the six metro cities[11] to each other accounted for 42.0% of domestic passengers. However, as airlines increased capacity and expanded the route networks to more cities, the proportion of metro–metro traffic declined to 25.1% in FY2024.

During FY2017–FY2024, traffic on metro–non-metro[12] routes expanded at a CAGR of 6.5%, nearly 4x the 1.7% CAGR seen on metro–metro routes, indicating a significant opportunity. During this period, non-metro–non-metro routes experienced a robust CAGR of 19.1%, albeit from a smaller base[13].

Table 1: Traffic growth across route categories, FY2017–FY2024

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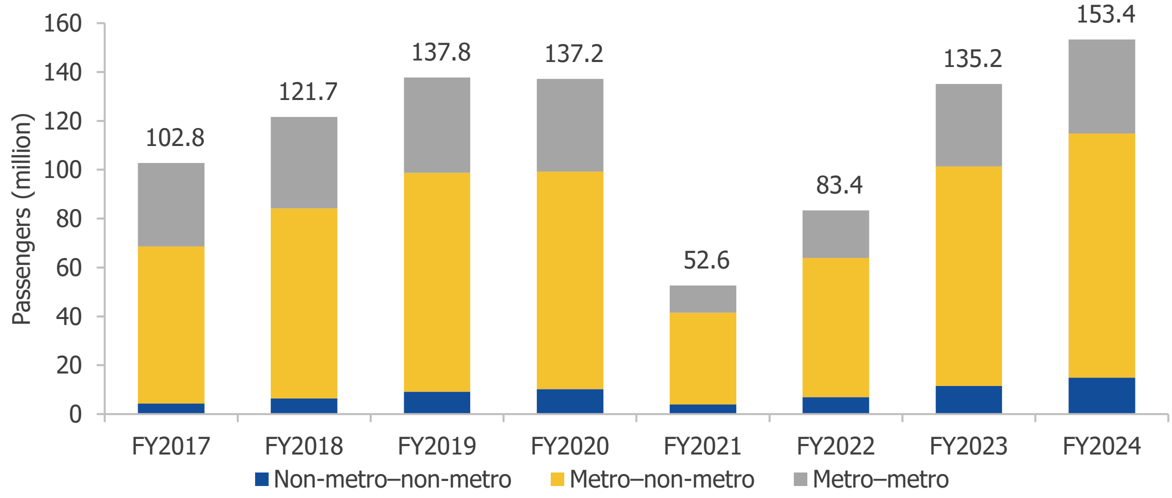
[10] AAI
[11] Metro cities are Delhi, Mumbai, Bengaluru, Hyderabad, Chennai and Kolkata
[12] Non-metro cities are all other cities in India
[13] DGCA

Metro–metro	1.7
Metro–non-metro	6.5
Non-metro–non-metro	19.1

Note: 1) Growth is based on segment-level not origin–destination (OD) traffic
Source: CAPA Advisory research and analysis; DGCA

Figure 18: Domestic traffic by route category, FY2017–FY2024



Note: 1) Growth is based on segment-level not OD traffic; 2) Values for scheduled passengers may vary slightly as DGCA-reported numbers includes non-scheduled passengers
Source: CAPA Advisory research and analysis; DGCA

Industry growth drivers

CAPA Advisory expects air travel growth to continue to be driven by several key factors.

Rising per capita incomes, urbanisation and industrialisation

Burgeoning middle class with higher disposable incomes and greater propensity to travel, influenced by changing social attitudes towards consumption and the impact of internet and media

Relatively young population, resulting in a large cohort of economically active individuals over the next two decades and beyond

Under-penetration of air travel in India

Modal substitution of travel from rail to air

Increasing domestic and international tourism

Boost to India's outbound travel through liberalisation of visa policies for Indian travellers

Growth in India's inbound tourism due to strengthening of brand India for all travel segments

Growing community of expat Indians will boost VFR travel for both inbound and outbound travel

Expanding networks of Indian carriers to cover more cities

Traffic stimulation by nonstop services by Indian carriers

Augmentation of airport capacity to support this growth

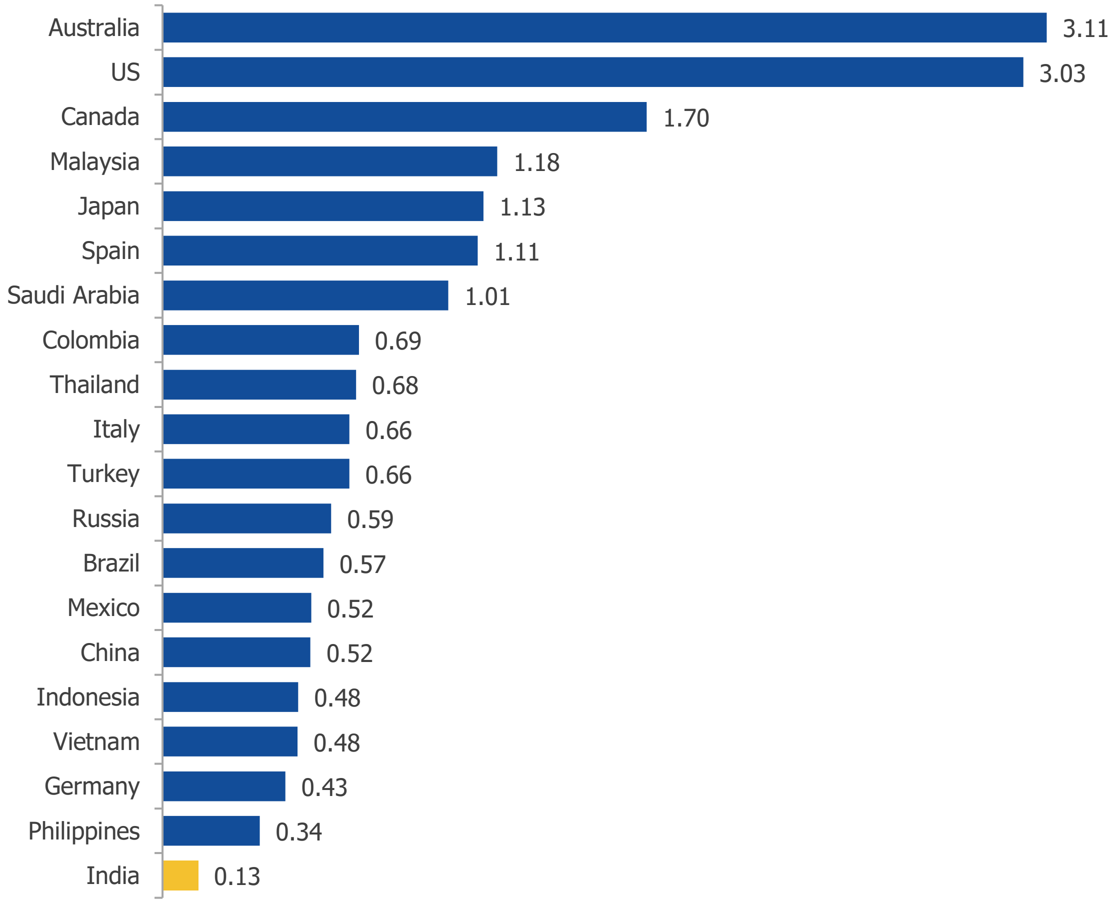
Rapid expansion of capacity, especially by LCCs, resulted in lower fares, which stimulated growth

Liberalisation of bilateral traffic rights for Indian and foreign carriers

Under-penetration signals significant growth potential

Despite rapid growth since FY2004, the Indian aviation market remains significantly under-penetrated. Among the world's 20 largest domestic aviation markets, India has the lowest domestic air travel penetration even when compared to other emerging markets. For instance, in FY2020, India had 0.13 domestic seats per capita, compared to 0.52 in China, 0.48 in Indonesia and Vietnam, 0.52 in Mexico, 0.57 in Brazil and 1.18 in Malaysia.[14, 15]

Figure 19: Domestic seats per capita in 20 largest domestic markets worldwide, 2019



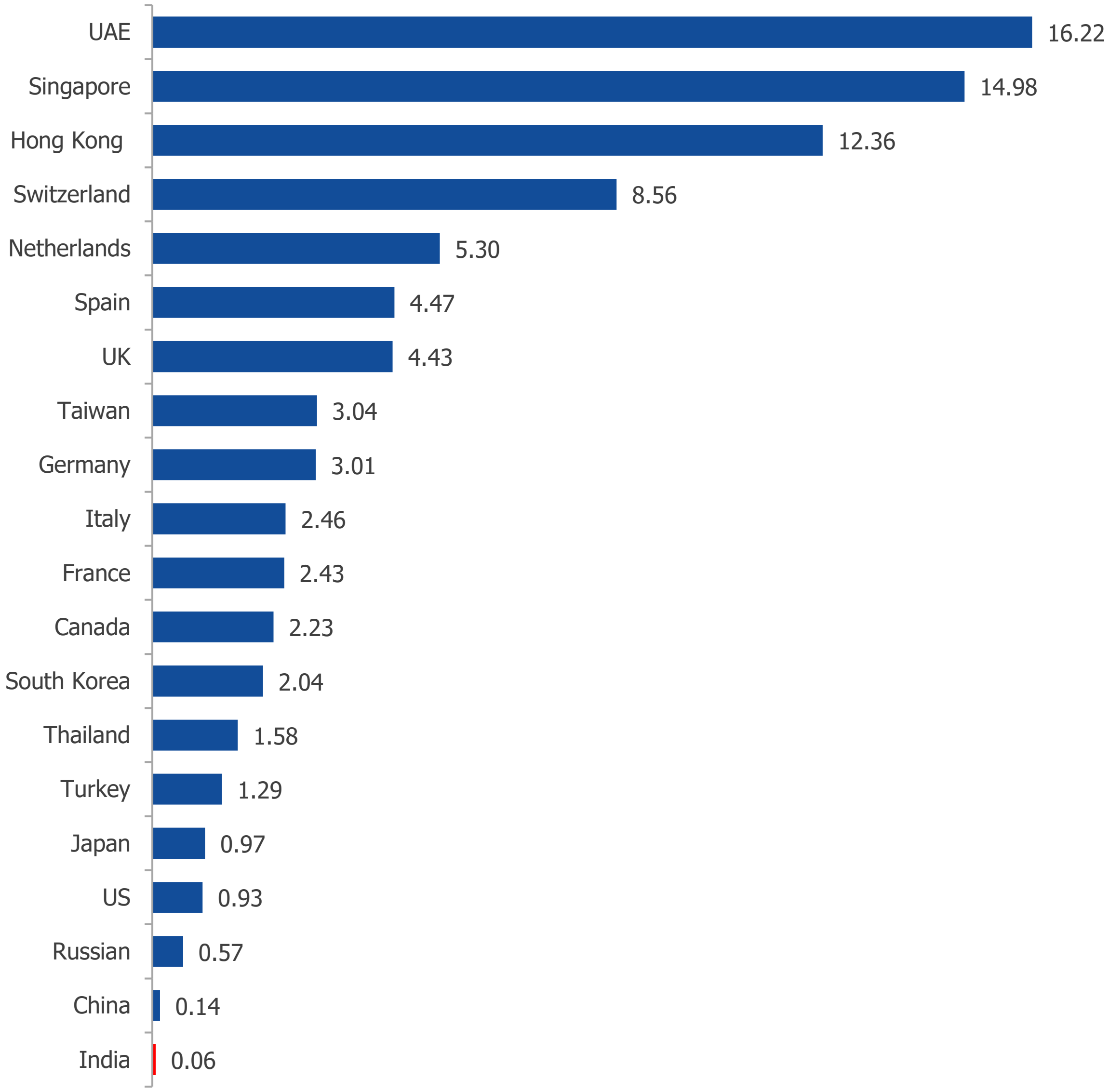
Source: CAPA Advisory research and analysis; OAG; IMF

It is evident that the number of seats per capita increases with economic prosperity, indicating that the projected growth of GDP per capita in India will continue to drive air travel.

India saw international traffic increase at a CAGR of 6.6% over FY2010–FY2020. Despite this growth, India had the lowest number of international seats per capita among the world's 20 largest international aviation markets, with 0.06 seats per capita, less than half of China's[16].

Figure 20: International seats per capita in 20 largest international aviation markets, FY2020

[14] OAG; IMF
[15] Information for 2019 has been depicted as all markets have not experienced same level of recovery in traffic after COVID-19
[16] Information for 2019 has been depicted as all the markets have not experienced same level of recovery in traffic post the COVID-19 pandemic



Source: CAPA Advisory research and analysis; OAG; IMF

The potential of aviation development in India is apparent from the fact that the total number of aircraft operated by all Indian carriers combined is comparable to the fleet of Southwest Airlines alone and is fewer than each of the three leading US major carriers.

Table 2: Size of mainline commercial aircraft fleet of all Indian carriers vs. 10 largest airlines

American Airlines	1,005
Delta Air Lines	999
United Airlines	969
Total number of aircraft in India	**822**
Southwest Airlines	819
China Southern Airlines	656

China Eastern Airlines	646
Ryanair	583
SkyWest	544
Air China	520
Turkish Airlines	428

Note: 1) The fleets in the table include in-service, inactive and wet-leased aircraft; 2) The data is as on 1-Aug-2024

Source: CAPA Advisory research and analysis

Some global airlines individually carry more passengers than the entire Indian domestic market.

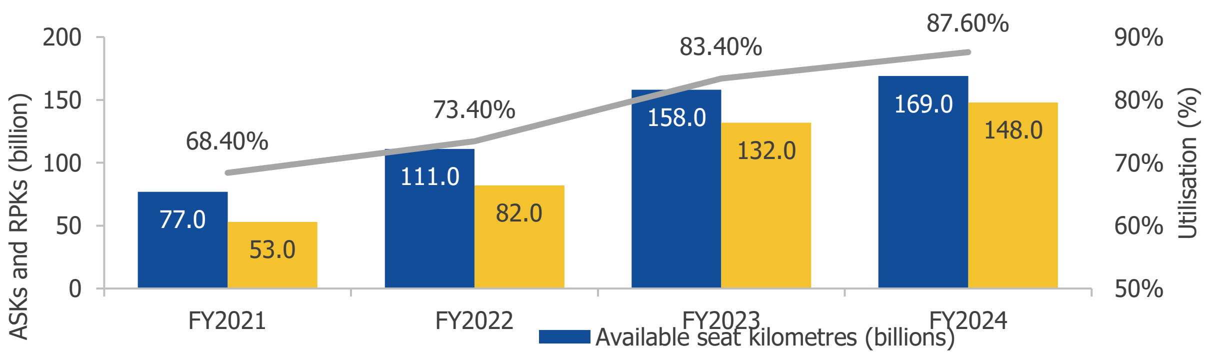
Table 3: Passengers carried by 10 largest airlines in 2023 relative to domestic & total passengers carried by all Indian carriers combined

American Airlines	211.0
Delta Air Lines	190.0
Total scheduled passengers carried by Indian airlines	**180.0**
Southwest Airlines	171.8
Ryanair	168.6
United Airlines	164.9
Domestic scheduled passengers carried by Indian airlines	**152.0**
China Southern Airlines	141.2
Air China	125.5
China Eastern Airlines	115.6
IndiGo	106.7
Turkish Airlines	83.7

Source: CAPA Advisory research and analysis

The growth of India's domestic traffic has outpaced supply, thereby leading to higher utilisation.

Figure 21: India's domestic traffic and capacity, FY2021–FY2024



Note: 1) Foreign tourist arrivals exclude non-resident Indians; 2) Indian national departures include non-resident Indians

Source: CAPA Advisory research and analysis; Ministry of Tourism

Airlines offer a competitive, convenient alternative to railways on domestic routes

In FY2023, the average airfare across all booking classes and fare types was the equivalent of INR6.0/km. However, passengers who book in advance are often able to secure airfares that are comparable with or close to the average unit fare for AC rail travel. Even AC rail travel has to be booked in advance to secure reservations due to high load factors. Indian Railways has not significantly increased AC capacity in recent years, especially on AC1 and AC2 carriages.

Table 4: Average fare per kilometre of air & AC rail, FY2023

Indian carriers	6.00
Rail AC1	3.33
Rail AC2	1.82
Rail AC3	1.35

Source: CAPA Advisory research and analysis; Indian Railways

Air travel offers significant convenience for only a limited fare premium relative to AC2 rail travel, i.e. the flight time between metro cities is 80–90% shorter than the railway journey.

Table 5: Comparison of fares of air & railway & journey time on five busiest domestic air corridors for bookings made 15 & 30 days before departure

Route	Lowest airfare (INR)		Rail fare (INR)		Airfare vs. rail AC2 fare (%)		Travel time comparison	
	D-15	D-30	AC1	AC2	D-15	D-30	Flight	Rail
Delhi–Mumbai	3,617	3,659	5,275	4,245	(14.8%)	(13.8%)	1h55	15h40
Delhi–Bengaluru	5,799	5,589	7,300	5,840	(0.7%)	(4.3%)	2h40	33h30
Mumbai–Bengaluru	3,069	3,670	3,465	2,050	49.7%	79.0%	1h40	21h50
Delhi–Kolkata	4,909	4,676	5,155	4,140	18.6%	13.0%	2h0	17h05
Delhi–Hyderabad	4,299	4,299	5,865	4,690	(8.3%)	(8.3%)	2h0	21h20

Note: 1) Flight data is based on one-way fare searches on 6-Aug-2024; 2) Railway fares are for travel dates on 21-Aug-2024; 3) One-way fares have been shown; 4) All searches are for nonstop flights and direct trains; 5) All fares do not include convenience fees

Source: CAPA Advisory research and analysis; Google Flights; IRCTC

Increasing domestic & international tourism

Strong upside potential for international traffic, especially outbound from India

In the 10 years to 2023, the number of international departures by Indian nationals increased at a CAGR of 5.1% to 27.3 million. Meanwhile, foreign tourist arrivals in India increased at a CAGR of 2.8% to 9.2 million[17]. The distribution between inbound and outbound travel was relatively balanced, as a significant portion of international departures by Indian nationals includes non-resident Indians. The COVID-19 pandemic had a devastating impact on the travel industry, causing a significant drop in tourist numbers for both Indian nationals and foreigners. In 2022, domestic tourism had recovered to around 80.3% of the 2019 (pre-COVID-19) level. At 9.23 million, foreign tourist arrivals were 84.4% of the 2019 figure in 2023. However, both domestic and international travel have rebounded and even surpassed pre-COVID-19 levels.

International travel will continue to be driven by various segments.

[17] Ministry of Tourism

Business travel is growing in both directions, driven by India’s growing economy and increasing integration with global trade and investment flows.

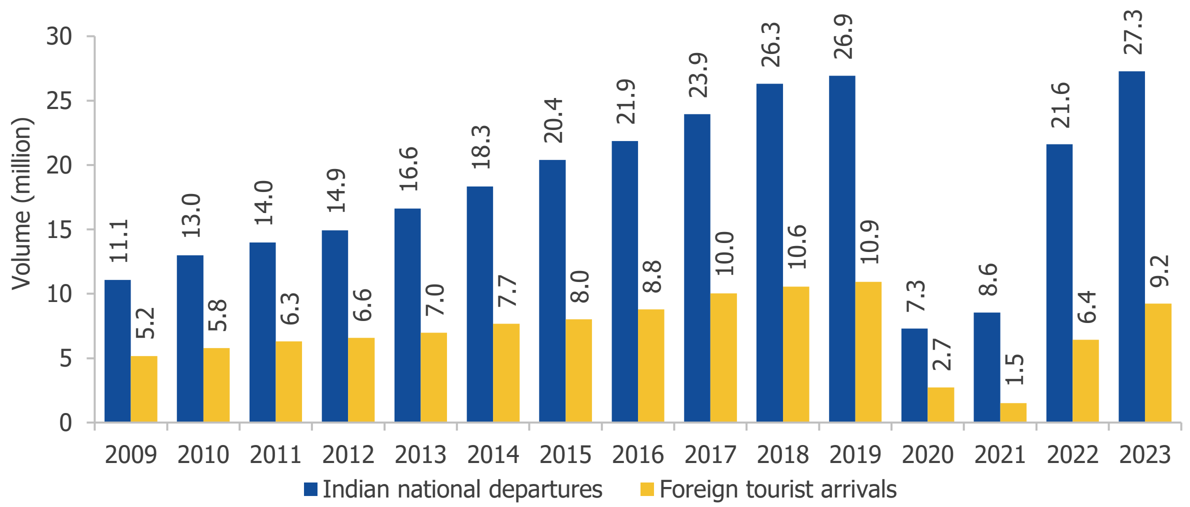
Inbound leisure travel is on the rise as India enhances its tourism offerings and boosts the destination’s profile and awareness.

Higher income levels and aspirations are fuelling significant growth in outbound leisure travel, with simplified visa requirements making travel more convenient in both directions.

VFR travel is being driven by India’s substantial and growing diaspora of over 35 million, including many expatriate workers, especially in the Gulf region.

Other travel segments, such as students, medical tourism and pilgrimage, also significantly contribute to traffic flows.

Figure 22: Indian national departures from India & foreign tourist arrivals, 2009–2023



Note: 1) Foreign tourist arrivals exclude non-resident Indians; 2) Indian national departures include non-resident Indians

Source: CAPA Advisory research and analysis; Ministry of Tourism

Rising incomes are enabling more people to travel, and to travel more frequently. Domestic and international destinations are becoming increasingly aware of the potential of Indian travellers and are taking steps to capture a growing share of their wallet. Their activities range from working more closely with the travel trade in terms of roadshows, seminars and familiarisations to making greater investments in above-the-line consumer marketing.

Going direct to the consumer is being further enabled by the impact of social media. Platforms such as Instagram, Facebook and YouTube are increasingly becoming the primary sources of travel inspiration. This is a global trend, but in India it is amplified by the relatively young profile of the population, which tends to be more active on social media. India has the largest number of Instagram and Facebook users in the world, at over 350 million people for each platform.

Not only are destinations and travel companies actively investing in social media marketing, collaborations and brand ambassadors, but this is complemented and indeed dwarfed by the volume of informal travel content shared by individual travellers.

The combination of inspiration and aspiration is being converted into more trips per capita as a result of rising incomes, a greater choice of flights and destinations, as well as the increasing availability of more affordable fares due to the expansion of LCCs. India’s increasing wealth is driving societal and behavioural changes with regard to consumption, with the younger generation being more willing to spend on discretionary consumption, especially for experiences such as travel, compared with their parents who prioritised saving.

Global destinations are also taking steps to make it easier for Indian travellers to visit by easing certain points of friction, such as visas. Although the majority of countries still require Indian nationals to hold a visa, a number of them have attempted to simplify the process by permitting applications to be submitted online (e.g. Japan) or introducing a visa-on-arrival facility. Both of these initiatives are particularly beneficial for residents of non-metro cities who may not have convenient access to a country’s diplomatic mission to be able to lodge a physical application or to attend an interview. Other destinations, such as Dubai and the Schengen Zone in Europe, have recently made it easier for certain categories of travellers to obtain visas with longer term validity to enable repeat travel. While some countries, such as Thailand and Malaysia, have temporarily removed the requirement for Indian visitors to hold a visa, on a trial basis. Similar initiatives are supporting inbound travel as well. The Indian e-Visa system, which has been progressively expanded since 2014, has made it much easier and faster for foreign nationals from most countries to obtain a visa to travel to India. Nationals of Japan, South Korea and the UAE are also eligible for visa on arrival, a scheme which may be extended to other countries in due course. Visa fees have also been reduced in certain cases. For example, in the case of Malaysian citizens, e-Visa charges have recently been waived entirely for a 12-month period. The combination of more direct flights, lower fares, greater awareness and easier visa processing allow for more frequent and more spontaneous travel. Several destinations have seen dramatic increases in visitor arrivals from India as a result. For example, in 2018, Vietnam had no direct connectivity with India but received around 130,000 Indian visitors. In 2023, there were up to 60 weekly flights in each direction between the two countries, and the number of visitors almost tripled to 390,000. Destinations such as Malaysia, the Maldives, Kazakhstan and Azerbaijan have all seen dramatic growth in traffic from India as a result of increasing air connectivity. This phenomenon of rising international travel is not just restricted to short-haul routes. Indian arrivals in the US in the first six months of 2024 were up more than 35% relative to the pre-COVID-19 level, and India has become the second-largest overseas source market (which excludes the neighbouring countries of Canada and Mexico). While in the case of Australia, India is one of only two key source markets that have exceeded the pre-COVID-19 levels. These trends highlight the underlying strength of demand for international travel.

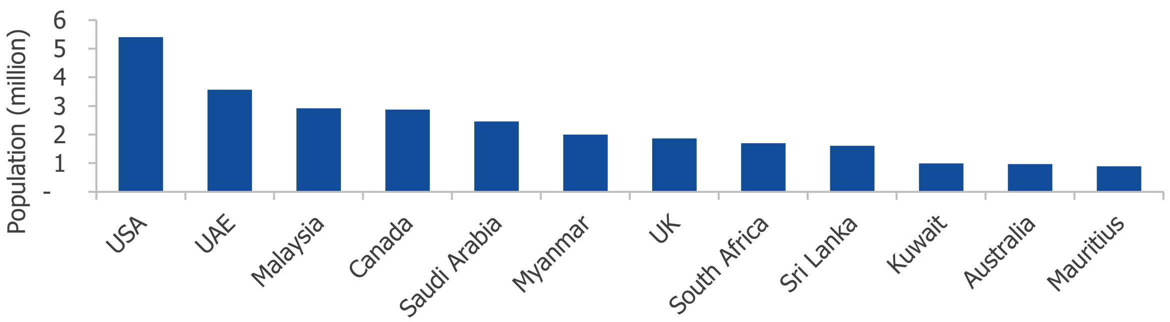
Continued Indian diaspora growth to drive VFR travel

Within international travel, leisure accounts for around 48% of trips and will be a key growth area given rising incomes and aspirations. VFR traffic is the next largest segment with a share of 34%, driven by India's large and growing diaspora.

There are estimated to be more than 35 million non-resident Indians and people of Indian origin living outside India, representing the world's largest diaspora. In many of these countries, such as the US, Canada and Australia, the Indian community is either the fastest growing or among the fastest.

In 2014, the Indian diaspora was estimated to be nearly 25 million strong. It has since grown by 40% to cross 35 million people. The recency of this growth means that familial and social ties remain strong, providing a growing foundation for VFR travel.

Figure 23: Countries with largest Indian diaspora communities, 2024



Source: Ministry of External Affairs

MICE traffic to expand due to economic growth & world-class infrastructure development

As the Indian economy grows, so will the demand for meeting, incentives, conventions and exhibition (MICE), a growing proportion of which attracts international delegates.

MICE traffic is not only an important segment in its own right, but it can also strengthen demand during low season. It has the potential to strengthen commercial activity and trade, thereby creating future demand for business travel. Participants at MICE events are also often attracted to return to the destination as a leisure traveller with friends and family.

The MICE segment has seen strong growth, but it remains under-penetrated at an absolute level. According to the Ministry of Tourism, India has a share of just 1% of the global MICE market, and as per the most recent International Congress and Convention Association rankings, India ranked 30th in terms of the number of meetings held in 2023.

The ministry has established a National MICE Strategy, with the target of doubling India's global share by 2027 and improving its International Congress and Convention Association ranking to a top 20 level. To support this objective, the government plans to invest in institutional support, marketing and skills development, and to take measures to rationalise costs.

With the footprint of branded hotels expanding in the country, the quality and capacity of facilities and meetings has been improving. This is expected to continue to accelerate, especially in second- and third-tier cities. While hotels can support events for several hundred participants, India has historically had a shortage of world-class, large-scale convention and exhibition facilities that can handle thousands of visitors. But this is being addressed.

In the last couple of years, a number of state-of-the-art facilities have opened, e.g. the Jio World Convention Centre in Mumbai, and the India International Convention & Expo Centre and Bharat Mandapam in the National Capital Region. These facilities, together with other such projects, will enable India to attract some of the world's largest trade fairs and events, which will drive a significant flow of MICE traffic by air.

Religious & spiritual tourism under-pinned by investment in accommodation & infrastructure

Several cities are benefiting from the growth of religious tourism across various faiths, including the likes of Varanasi, Tirupati, Haridwar, Ajmer, Dwarka, Puri, Shirdi, Gaya and most recently Ayodhya. This is supplemented by both domestic and international visitors seeking spiritual experiences associated with yoga, meditation and mindfulness, for which centres can be found across the country.

The Ministry of Tourism projects that the religious and spiritual tourism market in India will reach a value of USD59 billion by 2030, more than double the size in 2019.

Several leading hotel groups such as the Indian Hotels Company, Wyndham and Marriott plan to open properties in popular pilgrimage locations, while accommodation aggregator Oyo expects to add 400 properties in spiritual locations in 2024 alone.

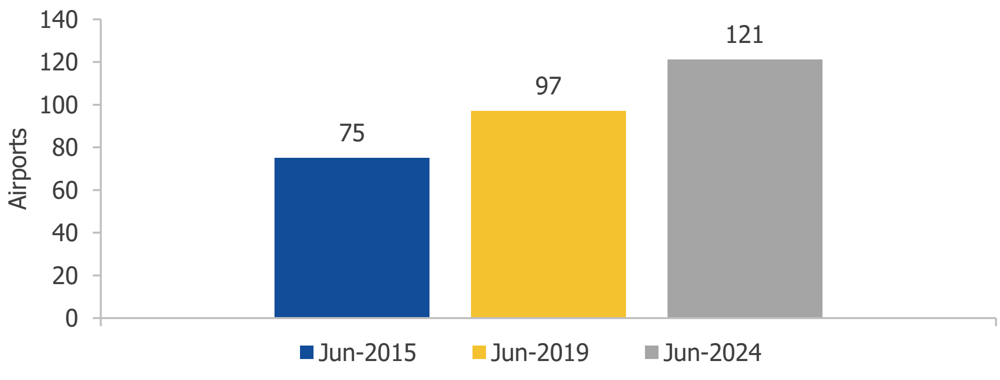
This trend is being supported by the development and expansion of airport infrastructure, as reflected in the opening of the new airport at Ayodhya in late 2023, shortly prior to the opening of the Ram temple. It is estimated that the temple could attract 30–50 million devotees per year. There are also plans under discussion to build greenfield airports in Puri and Dwarka.

An increasing interest in religious and spiritual tourism, along with improved civic facilities and a wider choice of accommodation for different budgets, will support increased air traffic to a diverse range of destinations across the country.

Expanding networks of Indian carriers to cover more cities

As of Mar-2024, India had 179 airports, heliports and water aerodromes. Airlines operated scheduled services to 121 airports in Jun-2024. The number of airports in India offering scheduled services has grown steadily in the past decade. In Jun-2019, there were such 97 such airports, up from 75 in Jun-2015. The number of airports with scheduled services increased by just over 60% in the nine years to Jun-2015.

Figure 24: No. of airports with scheduled services in India, 2015 – 2024



Source: CAPA Advisory research and analysis; DGCA

A key driver of this steady growth in the number of airports in India offering scheduled services has been the Regional Connectivity Scheme launched in 2016, which has significantly enhanced air connectivity to second- and third-tier cities. As part of the scheme, major airlines have expanded their networks by introducing regular services to emerging second- and third-tier destinations.

In 2023, the incumbent Minister of Civil Aviation had announced that an expected 200-220 new airports, heliports and waterdromes would be constructed by 2028. And more recently, the Honourable Minister of Civil Aviation Mr. Naidu, stated that there are plans to increase the number of airports in India to 350–400 by 2047[18].

Augmentation of airport capacity to support growth of Indian aviation

Historically, all airports in India were operated by the AAI, an entity under the Ministry of Civil Aviation. This changed in 1999 with the development of the first private airport, a greenfield project in Cochin. The significance of private airport operators increased from 2006 when the airports in Delhi and Mumbai, the two largest gateways in India, were awarded to public-private partnership (PPP) parties. Subsequently, PPP greenfield airports opened in Bengaluru and Hyderabad in 2008. These developments have resulted in private airports handling more than 60% of the overall airport traffic.

Private airports have since opened in Kannur, Kerala; Durgapur, West Bengal; and Mopa, Goa. Greenfield PPP airports are under construction at Navi Mumbai, Maharashtra; Noida, Uttar Pradesh; and Bhogapuram, Andhra Pradesh. The new airports at Navi Mumbai and Noida are expected to open by Apr-2025.

In terms of non-metro airports, six such airports have been transferred to PPP parties. The government remains committed to airport privatisation, with most of the 30 largest airports in India likely to be privatised within the next few years. In parallel, the Airports Authority of India in the process of investing INR25,000 crores over five years in the airports under its control.

Based on projected traffic and planned airport infrastructure development, India may have sufficient airport capacity for the next 10 years or so. This is the first time that the sector will have capacity ahead of demand.

Table 6: Estimated capacity of Indian airports in next 10 years

Delhi & Jewar	190–200	73.7
Mumbai & Navi Mumbai	145–150	52.8
Bengaluru	80	37.5
Hyderabad	80	25.0
Goa (Dabolim & Mopa)	45–48	11.3
Cochin	35	10.4
Chennai (current)	40	21.2
Kolkata	50	19.8
Other private airports	191	39.7
Other AAI airports	75 (to significantly increase as more airports are privatised)	85.0
Total	**931–949**	**376.4**

Note: 1) The Delhi airport's structural capacity is estimated at 110 million; 2) The Bengaluru airport's capacity can go up to 80 million if the third runway is developed, which is subject to land availability; 3) The estimate for 'other AAI airports' considers capacity enhancements at various AAI airports

Source: CAPA Advisory research and analysis

Transfer traffic potential of Indian airlines

India's favourable geographic location means that its airlines are well-positioned to be able to take advantage of opportunities to carry transfer passengers on intercontinental corridors via Asia via India, or between China and

[18] Press Information Bureau 11-Sep-2024

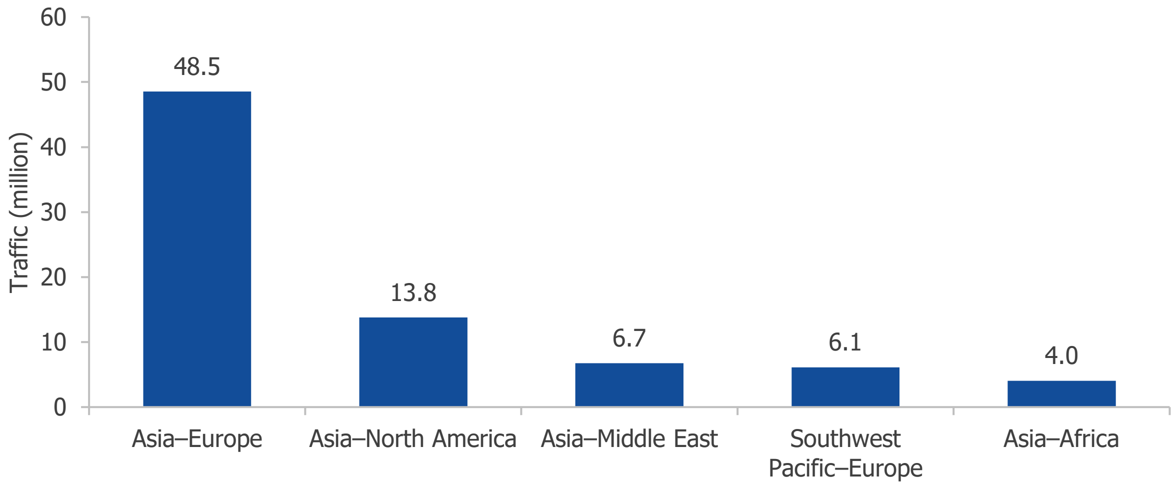
South Asia. This expands the addressable market available to Indian airlines beyond those passengers that are travelling to/from India. The same dynamics that have led to the success to several Asian and Gulf airlines are applicable in India.

As of 2019, the potential international-to-international (I – I) market for Indian carriers on intercontinental corridors that can be reasonably connected via India was around 80 million annual passengers (Figure 25: Key traffic opportunities for developing connecting traffic in India, 2019). This market is likely to reach 100 million by FY2030.

Although the I – I market may not have been the primary focus for Indian carriers due to the presence of strong home demand, it definitely is an opportunity for supplementary traffic flows during seasonal dips on core routes.

I – I traffic can significantly enhance the viability of leisure routes, which may experience more seasonal fluctuations in demand.

Figure 25: Key traffic opportunities for developing connecting traffic in India, 2019



Source: CAPA Advisory research and analysis; OAG

Traffic has been stimulated by decline in real airfares but recent increases are driving improved financials

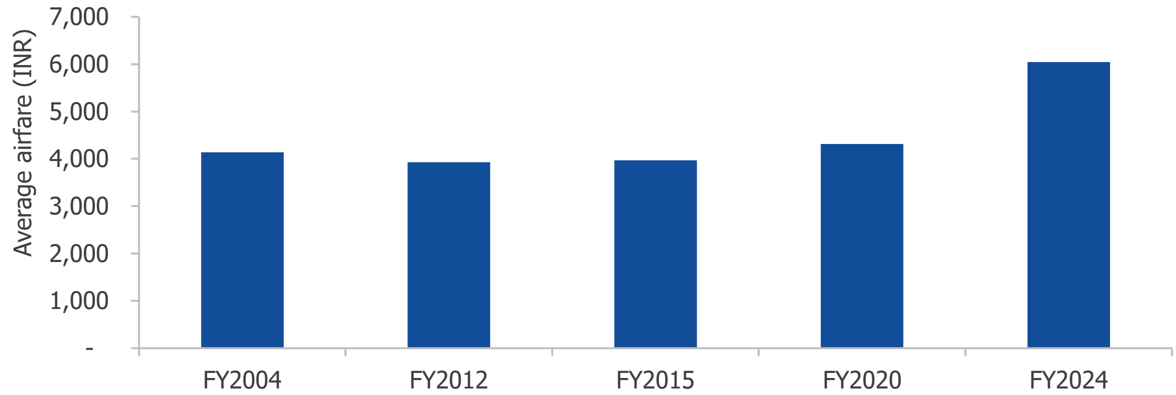
Low airfares historically been stimulating air traffic growth in India

In the early 2000s, airlines in India broke even despite less efficient seat and aircraft utilisation because airfares were significantly high in real terms. For instance, the average airfare of INR4,989 in FY2004 is comparable to nominal airfares as they stood in FY2020.

For nearly two decades, the average airfares on the top 20 domestic routes remained relatively stable in nominal terms, which, when adjusted for inflation, reflects a decline in real terms of more than 50%, and has stimulated traffic.

However, in the last six quarters until Q1FY2025, fares increased by around 40% due to capacity shortages linked to supply chain constraints. This recent price correction has resulted in improved airline financials. Yields may decline once capacity growth accelerates.

Figure 26: Average airfares on top 20 domestic routes, FY2004 – FY2024



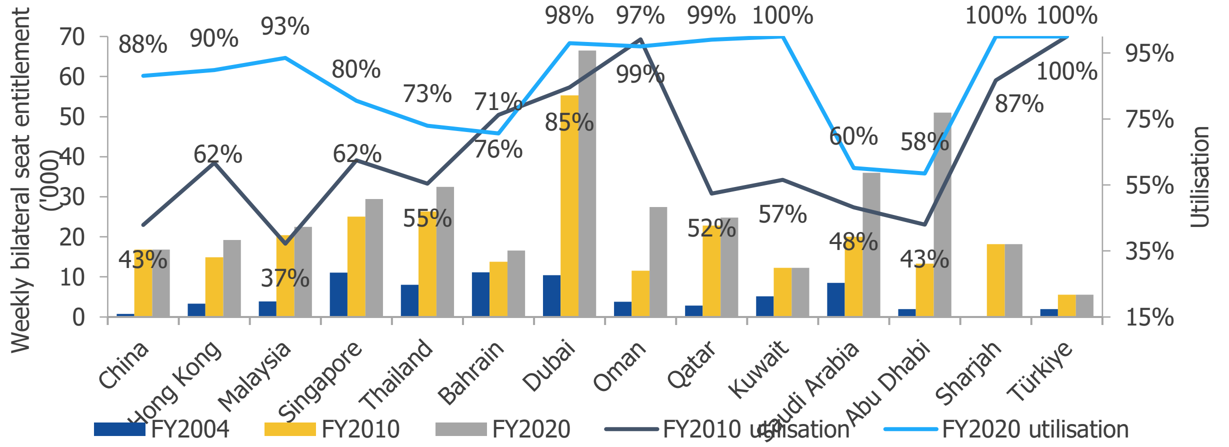
Source: CAPA Advisory research and analysis

Liberalisation of bilateral traffic rights for Indian & foreign carriers

The National Civil Aviation Policy (NCAP) 2016 empowers the Ministry of Civil Aviation to negotiate open skies agreements with SAARC nations and countries situated beyond 5,000km from Delhi. For countries within this 5,000km range, new bilateral agreements can only be negotiated when Indian carriers have utilised at least 80% of their existing bilateral entitlements.

This policy has resulted in slower growth for several Middle Eastern and Asian carriers that have exhausted their available seat entitlements. Some airlines have not been able to increase their capacity into India for a decade or more. However, it is possible that gradual liberalisation of market access for foreign carriers may resume in the near term. With the exception of some selected markets e.g. Dubai, Sharjah and Kuwait, Indian carriers have entitlements available to expand to almost all international destinations that they may wish to.

Figure 27: Weekly bilateral seat entitlement & utilisation by designated carriers of selected countries



Weekly seat entitlements

- Percentage increase in FY2004–FY2010: 278.2%
- Percentage increase in FY2010–FY2020: 38.0%

Weekly seat capacity

- Percentage increase in FY2010–FY2020: 83.1%

Country	Years of frozen bilaterals
China	18
Kuwait	17
Qatar	15
Turkey	15
Abu Dhabi	11
Dubai	10

Note: 1) To calculate the utilisation of bilateral seat entitlements for Singapore, Malaysia and Thailand, seat capacity deployed for metro airports has been considered; 2) The metro airports are Indira Gandhi International Airport, Delhi (DEL); Chhatrapati Shivaji International Airport, Mumbai (BOM); Kempegowda International Airport, Bengaluru (BLR); Rajiv Gandhi International Airport, Hyderabad (HYD); Netaji Subhash Chandra Bose International Airport, Kolkata (CCU); and Chennai International Airport (MAA)

Source: CAPA Advisory research and analysis; OAG

Policy initiatives by Government of India

Government initiatives to boost aviation

The Government of India took a significant step towards revitalising the aviation sector with the introduction of the NCAP in 2016, marking the beginning of a series of policy initiatives to stimulate aviation growth. The government has implemented various tax incentives and benefits, including measures related to MRO services, aircraft leasing and financing, as well as customs duty exemptions. These initiatives have been made with an aim to create a more conducive business environment and encourage investment in aviation.

For an extended period before FY2004, the aviation industry was largely overlooked from a policy standpoint as it was perceived to cater to a relatively small segment of the population. In recent years, the government has come to recognise the aviation industry as a crucial economic driver, essential for facilitating trade and tourism. Various initiatives have been introduced or proposed to enhance competitiveness in the aviation industry.

A particularly noteworthy development is the privatisation of Air India in 2022. This significant step has yielded several benefits, including more rational market pricing and more objective, impartial policy and regulatory decisions.

Table 7: Key government initiatives

NCAP, 2016	■ NCAP seeks to make air travel affordable for the masses and enable 500 million domestic passengers, 200 million international passengers and 10 million tonnes of cargo by the end of 2027. ■ NCAP aims to build a unified ecosystem that accelerates civil aviation growth, boosts tourism, generates jobs, and fosters regional development. It prioritises safety, security, and sustainability through technology, enhances regional connectivity, streamlines business processes, and promotes the entire aviation value chain, including cargo, MRO, aerospace manufacturing, and skill development.
The regional connectivity scheme (UDAN)	■ Launched in 2016, the UDAN scheme envisions making air travel accessible to every citizen in India. ■ Under the UDAN scheme, airfares are capped, and the government compensates airlines for any losses from these lower fares through Viability Gap Funding (VGF). ■ The scheme focuses on ensuring long-term sustainability of operations after the initial government support, with the Ministry of Civil Aviation and state governments managing initial goals and VGF allocation. ■ As of August 2024, 583 routes connecting 83 airports have been launched under the scheme, with a total of 2,80,578 flights operated carrying over 14.3 million passengers. ■ To date, more than INR37.1 billion in viability gap funding has been provided to operators under the scheme.
Ground handling regulations (2018)	■ The government has revised the ground handling policy to allow both Indian and foreign carriers to perform self-handling at all airports (excluding security functions for foreign carriers), except civil enclaves or joint user defence airfields. ■ Airports with a traffic of more than 10mppa should be served by at least 3 handlers and airports with a traffic of less than 10mppa can be served by a maximum of 3 handlers.

National air cargo policy, 2019	▪ In January 2019, the government launched the "National Air Cargo Policy Outline 2019," aiming to make Indian air cargo and logistics globally efficient, seamless, and cost-effective. ▪ The policy addresses all aspects of air cargo: domestic cargo for smooth goods movement within India; international cargo to support exports and imports; and transit cargo to position India as a global transit hub. ▪ It seeks to improve domestic connectivity by fostering partnerships between national carriers and integrators, encouraging agreements between national and international airlines to access key global cargo hubs. ▪ The policy promotes last-mile/first-mile connectivity at international and regional gateways. ▪ To reduce delays, costs, and dwell times, the policy envisages a fully automated, paperless trade system with minimal face-to-face interactions.
Infrastructure improvement	▪ To become a USD5 trillion economy, the government has proposed to ramp up infrastructure investment. Capex in airports and aviation is projected to be INR1.4 trillion (USD16.9 billion) on a cumulative basis during FY2020–FY2025. ▪ The NextGen Airports for Bharat Nirman initiative (launched in 2018) aims to increase airport capacity in India by 5x to enable 1 billion trips each year. The initiative is likely to lead to the development of 100 new airports. ▪ For greenfield airports, 100% FDI is permitted through the automatic route, subject to regulations set by the Ministry of Civil Aviation. For existing projects, 100% FDI is also allowed, but investments beyond 74% require FIPB approval, along with adherence to sector-specific regulations issued by the Ministry.
National Monetisation Pipeline, 2021	▪ 25 AAI airports have been identified for monetisation. The indicative monetisation value is INR207.8 billion (USD2.5 billion). ▪ As part of the monetisation pipeline, the government is considering the divestment of the AAI's residual stakes in four airport JVs. This would account for INR100.0 billion (USD1.2 billion) of the total amount.
MRO regulations (2021)	▪ In 2021, a new MRO policy was launched with an aim to attract more investment and make India a 'global MRO hub'. As part of the policy, the AAI has abolished royalties (revenue share payments to the AAI) and liberalised land leasing. ▪ The GST rate on MRO services has been reduced from 18% to 5% for domestic MRO services. Land allotment for entities setting up MRO facilities will be done for 30 years instead of the current short-term period of 3–5 years. ▪ In the Jul-2024 Union Budget, the government extended the period for the export of goods imported for repairs from six months to one year. Also, the time limit for re-import of goods for repairs under warranty was extended from three to five years. ▪ A 5% IGST rate now applies to all aircraft and engine parts, including imports. This change simplifies the tax structure, eliminates disparities and significantly boosts the MRO sector.
Amrit Kaal civil aviation master plan	▪ The government is developing the Amrit Kaal Civil Aviation Master Plan to elevate India's airports into regional international hubs, offering seamless global connectivity. ▪ With a vision to establish India as South Asia's premier aviation hub, the plan will focus on strengthening the Indian aviation ecosystem by promoting Maintenance, Repair, and Overhaul (MRO) services, along with aircraft financing and leasing. ▪ These initiatives will be backed by robust government support under the 'Make in India' program.

Note: 1) The USD/INR exchange rate considered for the conversion of annual capital expenditure is 82.86

Source CAPA Advisory research and analysis; Ministry of Civil Aviation; Department of Economic Affairs; FICCI; NITI Aayog

Snapshot of Indian carriers

The India aviation market has five LCCs – IndiGo, SpiceJet, Akasa Air, Air India Express and AIX Connect (formerly AirAsia India) – and two FSCs – Air India and Vistara. A number of smaller carriers operate on regional and Regional Connectivity Scheme routes. Air India Express and AIX are in the process of merging with each other, as are Air India and Vistara. Once the integration process is completed, India will be left with four LCCs and one FSC.

Table 8: Overview of Indian carriers

				Aircraft type	Current fleet
Air India	1932	9.7	44	777	27
				787	27
				A320 family	83
				A350	6
Air India Express	2005	0.9	38	737	46
				A320 family	6
SpiceJet	2005	5.1	41	737	32
				Q400	24
Go First	2005	0.6	-	-	-
IndiGo	2006	61.6	88	A320 family	313
				ATR 72	45
AIX Connect	2014	6.8	21	A320 family	23
Vistara	2015	9.4	32	787	7
				A320 family	63
Akasa Air	2021	4.5	22	737	24
Alliance Air	1996	1.1	59	ATR 72	18
				ATR 42	2
				Dornier 228	1
IndiaOne	2020	0.0	8	Cessna	3
Star Air	2017	0.3	21	Embraer	9
flybig	2020	0.1	23	DHC	3
Fly91	2023	0.0	6	ATR 72	2

Note: 1) Current fleet includes in-service and inactive aircraft, but excludes wet leased aircraft 2) The order book of Air India includes orders for Air India Express, Vistara and AIX Connect as a part of their group strategy; 3) The order book contains orders for all aircraft variants combined as on 1-Aug-2024

Source: CAPA Advisory research and analysis; CAPA Fleet Database; DGCA

Brief history of Indian carriers

IndiGo

Established in 2006, IndiGo has grown to become India's largest airline. The airline had a domestic market share of around 62% as of Mar-2024 and a fleet of 358 aircraft (excluding wet leased aircraft) as of Jun-2024. Although primarily an LCC, the carrier recently unveiled plans to introduce business-class services on select routes.

IndiGo's fleet comprises A320 family and ATR-72 aircraft, supporting a strong focus on domestic operations (88 destinations) and short-haul international routes to points in the Gulf, Central Asia, South Asia, Southeast Asia and North Asia.

The carrier has announced plans to acquire A350 to support its expansion into long-haul and ultra-long-haul routes, complementing A321XLRs on medium-haul sectors.

Air India Group

The Air India Group comprises Air India, Vistara, Air India Express and AIX Connect (formerly AirAsia India). In 2022, Air India and Air India Express were privatised, with the Tata Group acquiring both airlines. Vistara is set to merge with Air India to create India's sole FSC. Air India Express and AIX Connect will merge to form a larger LCC. Both mergers are in progress.

The Air India Group has placed orders for 470 aircraft, both narrowbody and widebody, along with 370 options.

SpiceJet

SpiceJet operated its first flight on 23-May-2005 between Delhi and Ahmedabad, and now has 19 years of experience. By Jun-2014, it had emerged as the second-largest airline based on domestic market share.

As of FY2024, the airline operated a fleet of 56 aircraft and had a 5.1% share of the domestic market. In the same year, SpiceJet recorded the highest domestic passenger load factor in India at 92.3%.

The carrier has seat entitlements to a number of high volume international destinations such as Dubai, Jeddah and Bangkok.

Akasa Air

Launched in 2022, Akasa Air is India's newest LCC headquartered in Mumbai, Maharashtra. As of FY2024, the airline had a fleet of 24 737 MAX aircraft, with an additional 200+ aircraft on order to support its growth plans.

Akasa Air had a 4.5% share of the domestic market in FY2024. In Mar-2024, the airline commenced its first international service, connecting Mumbai with Doha, marking a significant milestone in its expansion strategy, and has since expanded to other points in the Gulf.

Benchmarking performance of Indian carriers

Indian carriers have been benchmarked across various financial and operating metrics to provide a competitive assessment. These metrics include the following:

Net margin

Passenger yield (RRPK)

Revenue per available seat kilometres (RASK)

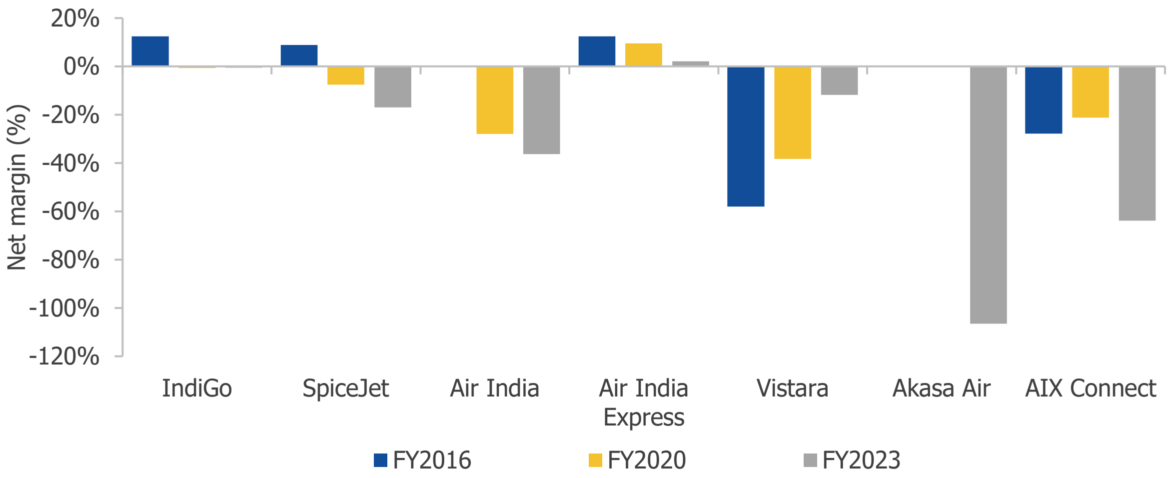
Cost per available seat kilometres (CASK)

CASK, excluding fuel cost (CASK ex-fuel)

Net margin

Within the Tata Group, Air India Express is the only airline with a consistently positive net margin. Over the years, Vistara has managed to reduce losses and significantly improve its net margin.

Figure 28: Net margins of Indian carriers, FY2016–FY2023

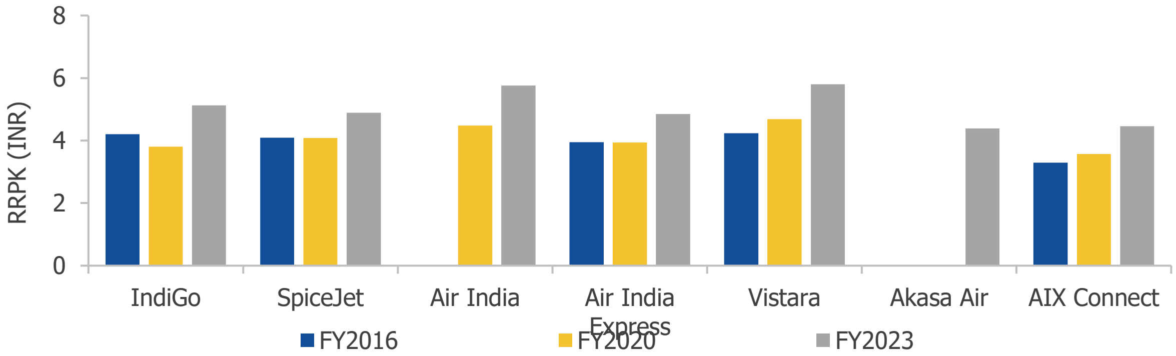


Source: CAPA Advisory research and analysis; airlines' financials

Average passenger yield

All airlines saw an increase in their average passenger yield during FY2020 – FY2023. The rise was particularly high in FY2023 following the removal of fare caps and the strong recovery of air travel after the pandemic.

Figure 29: RRPK of Indian carriers, FY2016 – FY2023



Source: CAPA Advisory research and analysis; DGCA

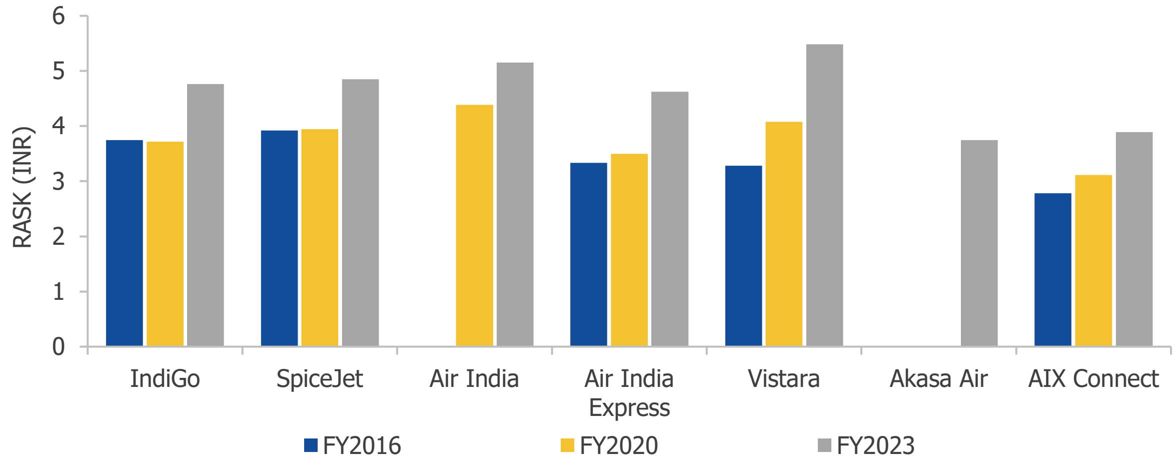
RASK

The RASK of all airlines saw a substantial increase in FY2023, primarily driven by the removal of fare caps and a robust recovery following the COVID-19 pandemic. This growth was further bolstered by the privatisation of Air India, resulting in the emergence of two principal carriers, IndiGo and Air India, which contributed to airfare rationalisation.

Meanwhile, global supply chain constraints have led to delays in anticipated capacity expansion, further increasing airfares.

SpiceJet, IndiGo and AIX Connect saw a rise of around 25% in RASK after the pandemic. SpiceJet had the highest RASK among the budget Indian carriers in FY2023.

Figure 30: RASK of Indian carriers, FY2016–FY2023

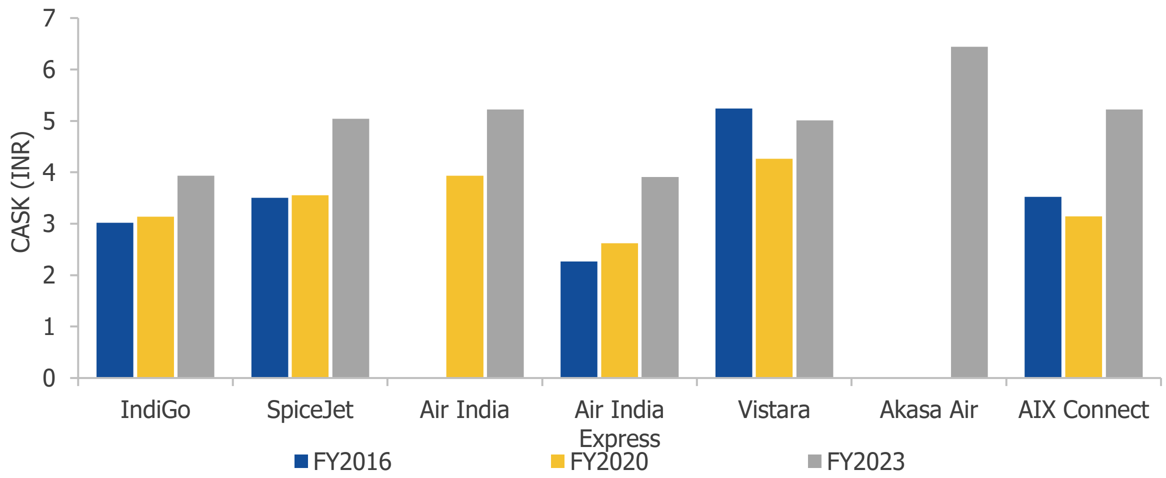


Source: CAPA Advisory research and analysis; DGCA

CASK & CASK ex-fuel

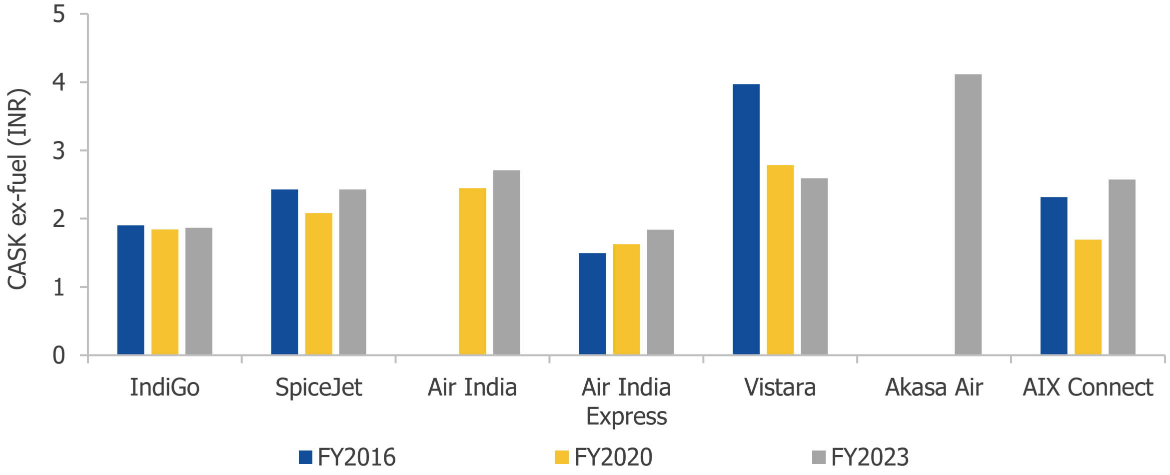
All carriers saw an increase in their CASK following the COVID-19 pandemic. Their CASK ex-fuel largely remained stable. SpiceJet witnessed a significant rise in CASK but saw CASK ex-fuel stay below INR2.50. The grounding of 737 MAX forced SpiceJet to use older, less efficient aircraft, leading to higher costs.

Figure 31: CASK of Indian carriers, FY2016–FY2023



Source: CAPA Advisory research and analysis; DGCA

Figure 32: CASK ex-fuel of Indian carriers, FY2016–FY2023



Source: CAPA Advisory research and analysis; DGCA

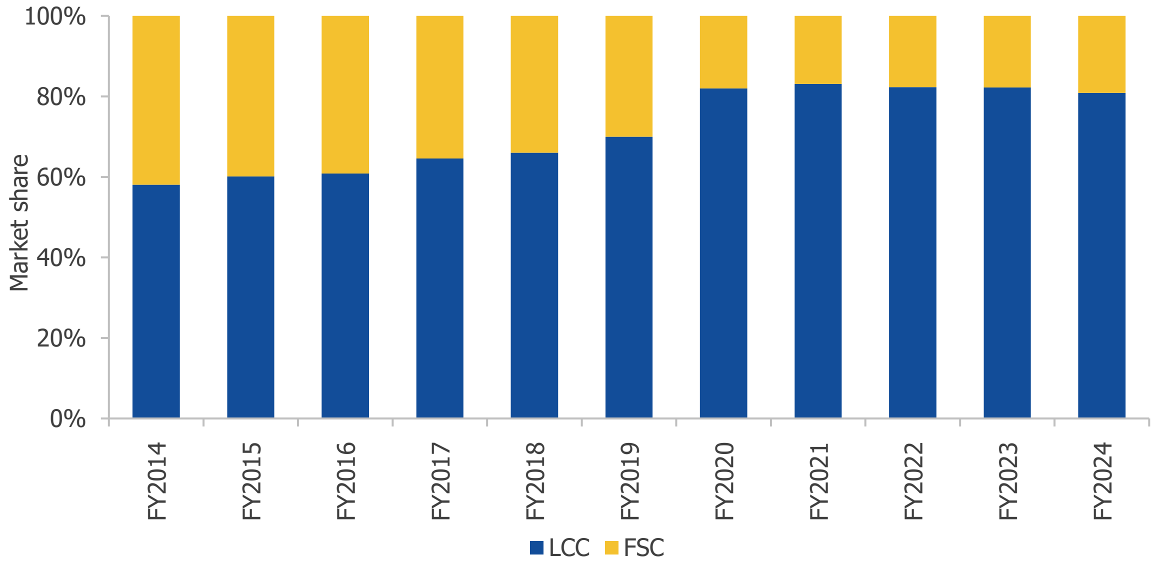
Indian aviation growth driven by home LCCs

LCCs dominant in domestic market & capturing ever-increasing international market share

Growth in the domestic market has largely been driven by LCCs. Two leading FSCs, Kingfisher Airlines and Jet Airways, exited the market in the past decade, largely due to competition from LCCs. The largest remaining FSC, Air India, has since been privatised and Vistara is in the process of merging with Air India.

Over FY2015–FY2024, domestic traffic carried by LCCs expanded at a CAGR of 12.7% and that carried by FSCs increased at a CAGR of just 0.7%. The market share of LCCs rose to 80.9% in FY2024 from 58.0% in FY2014.[19]

Figure 33: Domestic market share of FSCs & LCCs, FY2014–FY2024

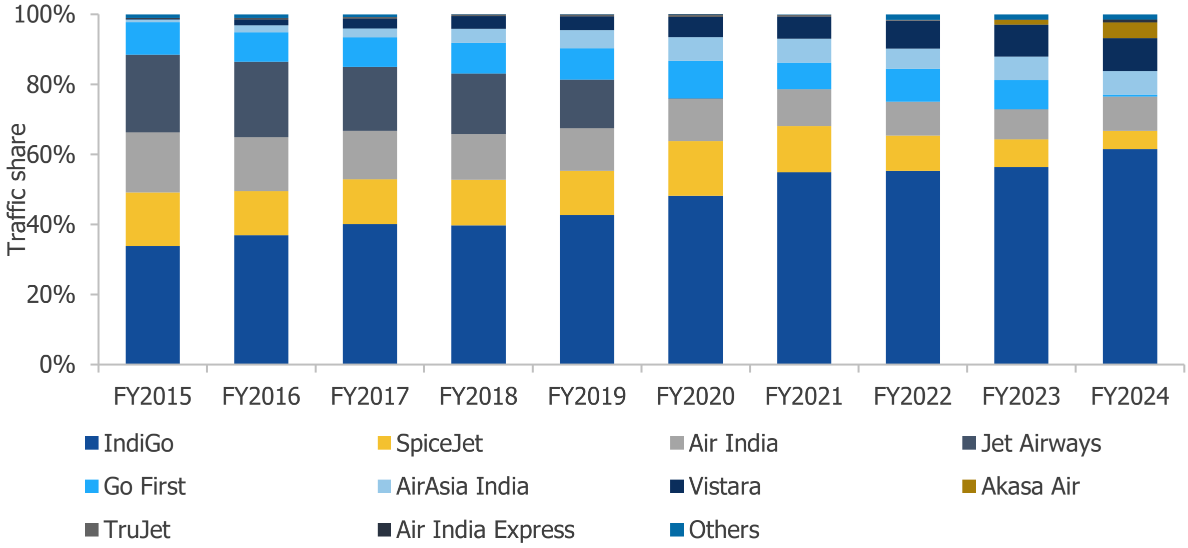


Note: 1) The Feb–Jun-2021 data for Air India Express and Star Air is not reported

Source: CAPA Advisory research and analysis; DGCA

Figure 34: Domestic traffic share of airlines in India, FY2015–FY2024

[19] DGCA



Note: 1) Alliance Air's traffic included in Air India's traffic before the privatisation of Air India and thereafter in others; 2) Others include small regional carriers; 3) The Feb–Jun-2021 data for Air India Express and Star Air is not reported

Source: CAPA Advisory research and analysis; DGCA

LCC model fares well in India in view of price-sensitive consumers

The LCC model features several cost reduction strategies that enable lower airfares and increased traffic. The key characteristics and benefits include:

Using a young aircraft fleet for better fuel efficiency, lower maintenance costs, superior reliability and stronger customer proposition

Using high-density, all-economy configurations to reduce cost per average seat kilometre

Implementing faster turnaround time to increase aircraft utilisation

Avoiding GDS to cut distribution costs

Employing more efficient processes than FSCs, resulting in higher employee productivity

Maintaining lower overheads by not offering frequent flyer programmes or lounges

Selling F&B on board, unlike FSCs that include F&B in airfares, which reduces costs and creates ancillary revenue opportunities

Air cargo industry in India

Overview & outlook

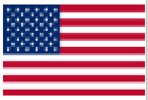
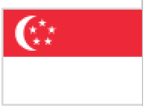
In FY2024, India's international air cargo trade was worth USD266.1 billion, marking a significant 73.1% increase from USD155.3 billion in FY2020. This substantial growth underscores the robust expansion of India's air cargo industry, driven by a rise in global trade demand and strategic efforts by the Indian government to enhance air logistics infrastructure.

Nonetheless, India's air cargo penetration based on total trade value, including petroleum products, is notably lower (23.9% in FY2024) than the global average of around 35.0%[20]. This gap highlights potential for further development. Improving logistics, reducing bottlenecks and enhancing connectivity could play a crucial role in closing the gap.

Furthermore, the wide distribution of trade in key high-potential air cargo commodities, e.g. gems and jewellery, electrical machinery, chemicals, and pharmaceutical products, across multiple countries highlights the diversity and robustness of India's export portfolio, which remains a significant driver of growth in the air cargo industry.

[20] IATA

Table 9: Snapshot of India's international air cargo, FY2024

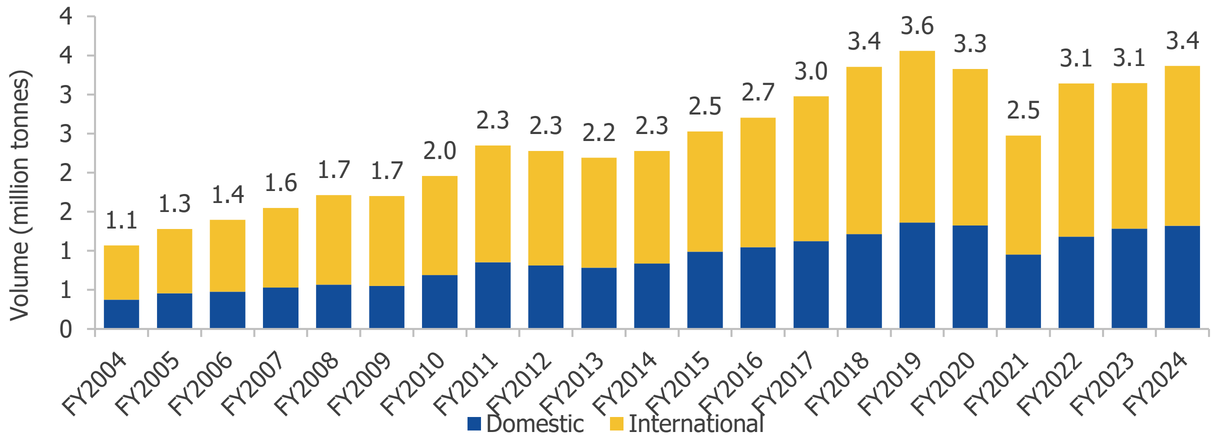
Trading partner	Trade value (USD billion) Share of global trade (%)	Air cargo trade value (USD billion)	Volume share of air cargo (%)	Share of key commodities by trade partner, FY2024 (%)			
				Gems & gold jewellery	Electrical machinery & electronic components	Pharmaceutical products	Chemicals
	116.9 **Share:** 13.7%	31.2	1.6	0.5	66.4	0.5	32.5
	106.1 **Share:** 12.4	41.4	1.4	34.3	30.6	19.2	15.9
	59.7 **Share:** 7.0	25.7	9.4	83.0	11.4	0.7	4.9
	28.7 **Share:** 3.4	21.1	19.8	51.2	42.7	0.2	5.9
	28.4 **Share:** 3.3	1.6	5.5	22.0	12.8	5.9	59.3
	27.6 **Share:** 3.2	9.5	1.0	14.4	48.9	1.0	35.7

Note: 1) The volume share encompasses direct transportation without any transshipment through a third country; 2) The total trade value excludes the values of crude oil and petroleum products

Source: CAPA Advisory research and analysis; DGCIS; DGCA.

Indian airports have seen steady growth in the volume of total cargo handled, registering a CAGR of 5.9% for FY2004–FY2024, with domestic cargo rising at a 6.5% CAGR and international cargo increasing at a 5.6% CAGR.

Figure 35: Cargo traffic handled at Indian airports, FY2004–FY2024



Note: 1) Cargo weight reported by the DGCA and the AAI may vary due to volumetric weight adjustments; 2) Domestic cargo handled at airports is counted twice, once at the departing airport and again at the arrival airport

Source: CAPA Advisory research and analysis; AAI

By FY2034, Indian airports are expected to handle double the total cargo handled in FY2024, with domestic cargo reaching 2.7 million tonnes and international cargo projected to reach 3.8 million tonnes.

Despite this expansion, India is significantly under-penetrated vis-à-vis other countries, highlighting the significant growth potential of its domestic air cargo market. For instance, Indian airlines carried around 0.8 million tonnes of domestic air cargo during the 12 months ended Mar-2024, while US airlines carried around 13.5 million tonnes[21] of domestic air cargo during the 12 months ended Dec-2023.

As global supply chains become increasingly reliant on air freight for timely and efficient delivery, India's strategic position and continued investment in this area could propel its air cargo trade to even greater heights in the next few years. Demand is on the rise for efficient cold chain logistics, particularly for perishable goods such as pharmaceuticals, food and agricultural products. This would not only support the growth of sectors such as agriculture and pharmaceutical but also attract more international trade, particularly in high-value, temperature-sensitive goods.

Clearly, there are clear opportunities for stakeholders to optimise operations, expand market reach and enhance competitiveness on the global stage.

Key success factors for Indian air cargo industry

Demand for air cargo arises when a need for fast, efficient transportation between locations exists. Air cargo is relatively more expensive than other options, but businesses choose it over other methods such as trucking, rail or maritime shipping based on several key considerations. These include the cost of transportation, the level of service promised to the customer or end user, the value of the goods being shipped and how time-sensitive the delivery is.

The key success factors for players in the air cargo industry cover several strategic and operational aspects. Some of these are as follows.

Network and connectivity: Strong alliances with other carriers, hub-and-spoke models and access to major global markets enable more extensive reach and better service offerings.

Intermodal connectivity: Efficient integration with other modes of transport (e.g. road, rail and sea) is essential for seamless door-to-door delivery services.

Operational efficiencies: Effective fleet management, cost control, and speed and reliability in deliveries are key to maintaining profitability and customer satisfaction.

Customer-centric approach: Flexible solutions customised to the needs of different customers, such as special handling for perishable goods or oversized cargo, ensure that diverse logistical challenges are met with precision and efficiency.

Technology and digitalisation: The use of technology for real-time tracking, automation and integration with e-commerce platforms is essential for improving transparency, reducing errors and meeting market demand.

[21] Bureau of Transportation Statistics, US

Key Indian air cargo industry players

According to the DGCA Handbook for FY2024, Blue Dart Aviation and Quikjet Cargo Airlines are the only scheduled dedicated cargo carriers in India. IndiGo and SpiceJet have cargo subsidiaries operating a relatively small freighter fleet.

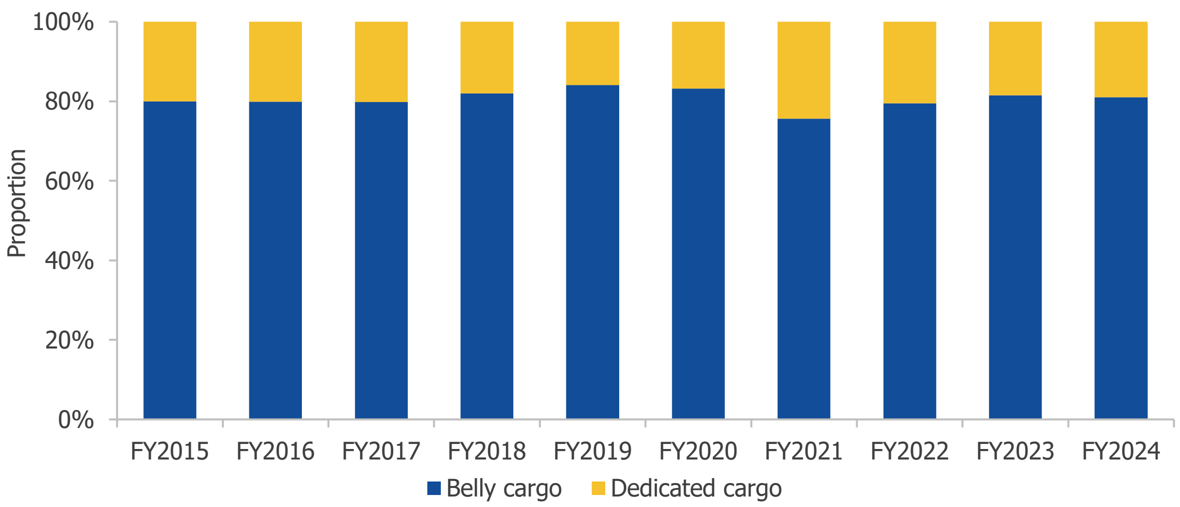
Indian airlines are capitalising on the growth in domestic and international air cargo by expanding their freight operations to meet rising demand from key sectors such as e-commerce, pharmaceuticals, manufacturing, electronics and agriculture. Over the period FY2014–FY2024, domestic and international cargo volume carried by scheduled airlines increased at a CAGR of 4.0% and 2.5%, respectively.

However, in FY2024, Indian carriers accounted for just 13.7% (0.22 million tonnes) of the total 1.61 million tonnes of volume of international freight to and from India, indicating significant under-penetration of Indian carriers, and potential upside. By expanding service offerings, leveraging India's geographic location and expanding global partnerships, this share could be increased.

The induction of widebody aircraft will enable Indian companies to compete on a more equal footing with major cargo carriers and international integrators such as FedEx and DHL. Capturing a larger portion of this market will boost the revenues of Indian carriers. In addition, it will also strengthen India's overall position in global logistics.

In India, around 80% of domestic air cargo traffic is still transported via belly cargo, while dedicated cargo airlines account for just 20%.

Figure 36: Proportion of domestic cargo carried as belly cargo & in dedicated freighters, FY2015–FY2024



Source: CAPA Advisory research and analysis; DGCA

The air cargo policy in India is aimed at positioning the country as a global leader in air freight. The government's ambitious plan to establish air transport shipment hubs at all major airports in coming years will be crucial in driving the growth of the air cargo industry. Government initiatives such as Make in India, UDAN 5.0 and Krishi UDAN 2.0, along with expansion of services in second- and third-tier cities, offer significant opportunities.

In addition, growth can be accelerated by developing advanced air cargo terminals, expanding belly cargo capacity, increasing the number of dedicated freighters, enhancing collaborations with logistics and e-commerce companies, and leveraging technology to optimise operations.

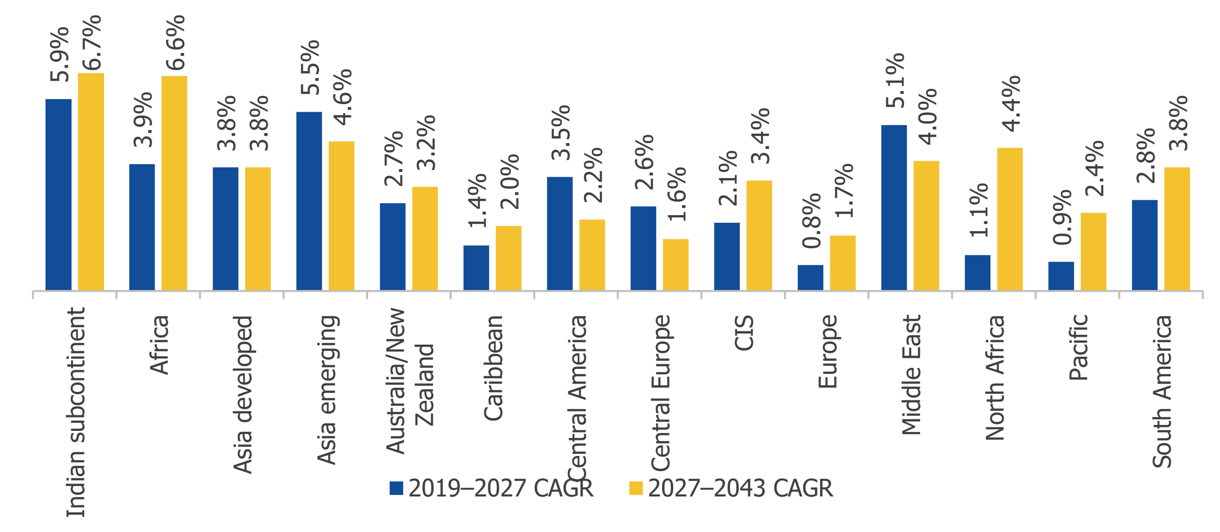
Outlook for aviation in India

India likely to remain among fastest-growing aviation markets worldwide

The positive outlook for Indian aviation is reflected in the fact that it is projected to expand faster than any other large intra-regional market in the world in the next 20 years. Intra-Indian subcontinent traffic (which is driven primarily by India) is projected to rise at a CAGR of 5.9% over 2019–2027 and 6.7% over 2027–2043[22].

[22] Airbus

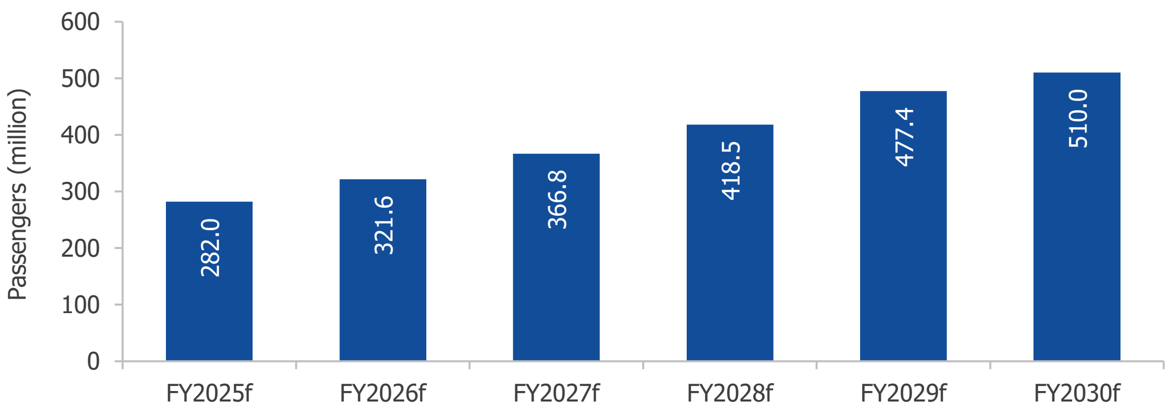
Figure 37: CAGR forecasts for passenger traffic in key intra-regional markets, 2019–2043



Source: CAPA Advisory research and analysis; Airbus Global Market Forecast 2019-43

Building on the robust growth witnessed over the past decade, the Indian aviation sector is poised for continued expansion in the coming years. We project the total passenger traffic, including both domestic and international, in India to increase from 223 million in FY2024 to over 500 million by FY2030, registering a CAGR of 12.6%.

Figure 38: Airline passenger volumes in India, 2025f–2030f



Note: 1) f stands for forecast

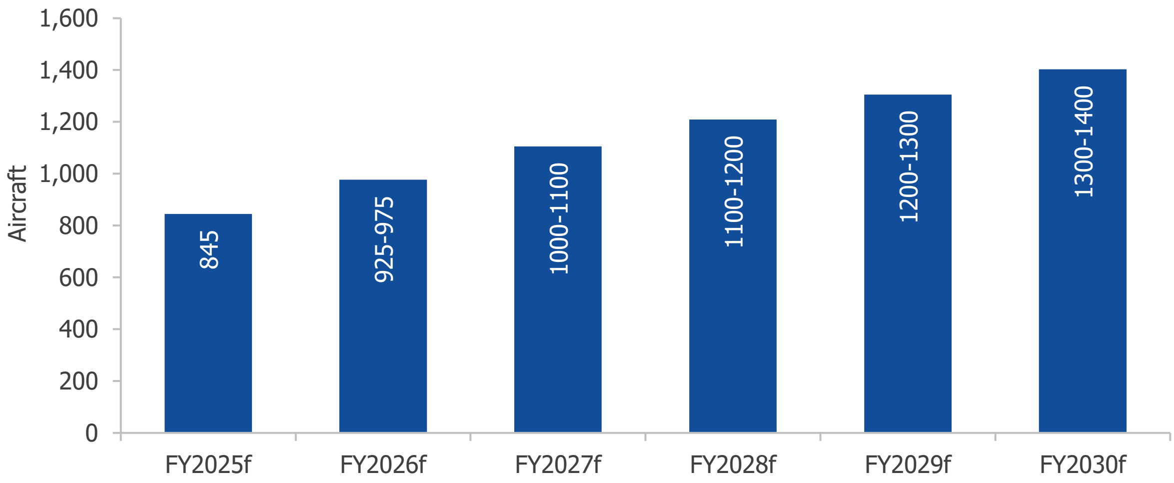
Source: CAPA Advisory research and analysis

This projected growth is likely to be largely driven by the domestic sector, i.e. traffic from non-metro cities across India. At present, both metro–non-metro and non-metro–non-metro routes are underserved and, thus, present substantial opportunities for airlines.

As the middle class continues to expand and the country experiences a demographic shift towards a younger population, a corresponding increase in discretionary spending on travel and tourism is likely. This trend, along with a shift in transportation preferences towards air travel, is set to further fuel the rising demand for air travel countrywide.

Also, international travel from India is poised for significant growth in view of rising disposable incomes, an increasing number of countries offering visa-on-arrival facilities to Indian citizens and the expanding global presence of Indian carriers, both in terms of destination offerings and flight frequency.

Figure 39: No. of commercial aircraft in India, 2025f–2030f



Note: 1) f stands for forecast

Source: CAPA Advisory research and analysis

To accommodate this growth, the Indian fleet is projected to expand significantly over the coming decade. By 2030, the number of aircraft is anticipated to reach 1,300-1,400, reflecting a CAGR of about 11% from FY2025 to FY2030.

Global supply chain issues in aviation

Supply chains in the civil aviation sector are global and inherently complex. Disruptions can arise from various sources. Supply chains are highly optimised, leaving minimal room for flexibility when issues or errors occur.

Since the pandemic, supply chain disruptions have intensified. Layoffs of skilled labour during the pandemic have led to a significant skill shortage and reduced productivity. The scarcity of raw materials has exacerbated the situation.

The Indian aviation sector is grappling with two significant supply chain issues that are causing operational disruptions for carriers.

Pratt & Whitney engine issues for A320 family aircraft: Since Jun-2016, the A320 aircraft operated by multiple Indian carriers, have had recurring engine-related problems, causing groundings. Most recently, contamination in powder metal materials affected 3,000 engines globally, including 136 aircraft of IndiGo. As a result, 75–90 aircraft of IndiGo (20–25% share) have been grounded, with resolution expected by 2026.

737 MAX: 737 MAX has encountered multiple challenges that has affected production, delivery schedules and order backlog. These challenges have necessitated extensive measures to address safety concerns and production quality issues. In FY2019, **t**wo fatal accidents led to the grounding of 387 737 MAX aircraft worldwide. This grounding continued for almost 2.5 years in India. Production quality concerns surrounding the 737 MAX are expected to be resolved progressively. Boeing is actively addressing these issues to ensure the long-term safety and reliability of the aircraft.

Outlook for industry structure

In the past few years, a few key developments have had a significant impact on the competitive structure of the aviation industry in India.

IndiGo's domestic market share has continued to increase and now exceeds 60%.

Privatisation of Air India wherein the Tata Group has 4 airlines that are being restructured and merged into 2 entities, one FSC and one LCC.

Closure of Jet Airways and Go First.

This has resulted in greater pricing discipline which has been positive for industry financials. With the emergence of two principal players, and scope for the emergence of strong third and possibly fourth airlines, the outlook is for a more stable industry structure. In the United States, the last decade has been amongst the most profitable since deregulation, as a result of a process of consolidation which resulted in the emerge of four major carriers.

Benchmarking of SpiceJet's performance

From FY2015 to FY2020, SpiceJet's domestic traffic increased at a CAGR of 15.5% and international traffic rose at a CAGR of 23.3%. This is despite the fact that 737 MAX equipment was grounded from Mar-2019 and deliveries of such new aircraft were suspended.

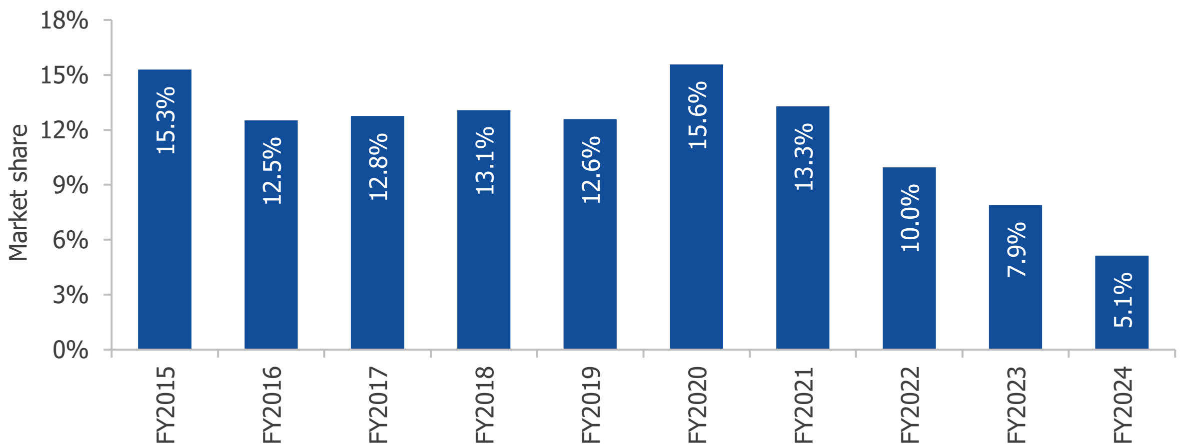
Due to the smaller size of the SpiceJet fleet after the pandemic, the carrier's traffic and market share declined. However, it has the potential to resume growth with the induction of more aircraft.

Table 10: Scheduled passenger traffic of SpiceJet, FY2015–FY2024

	Domestic	International	Total
FY2015	10.71	0.98	11.69
FY2016	10.67	1.24	11.91
FY2017	13.26	1.67	14.93
FY2018	16.13	1.95	18.08
FY2019	17.65	2.23	19.88
FY2020	21.98	2.79	24.77
FY2021	7.08	0.64	7.72
FY2022	8.38	0.01	8.39
FY2023	10.74	1.91	12.65
FY2024	7.89	1.80	9.69

Source: CAPA Advisory research and analysis; DGCA

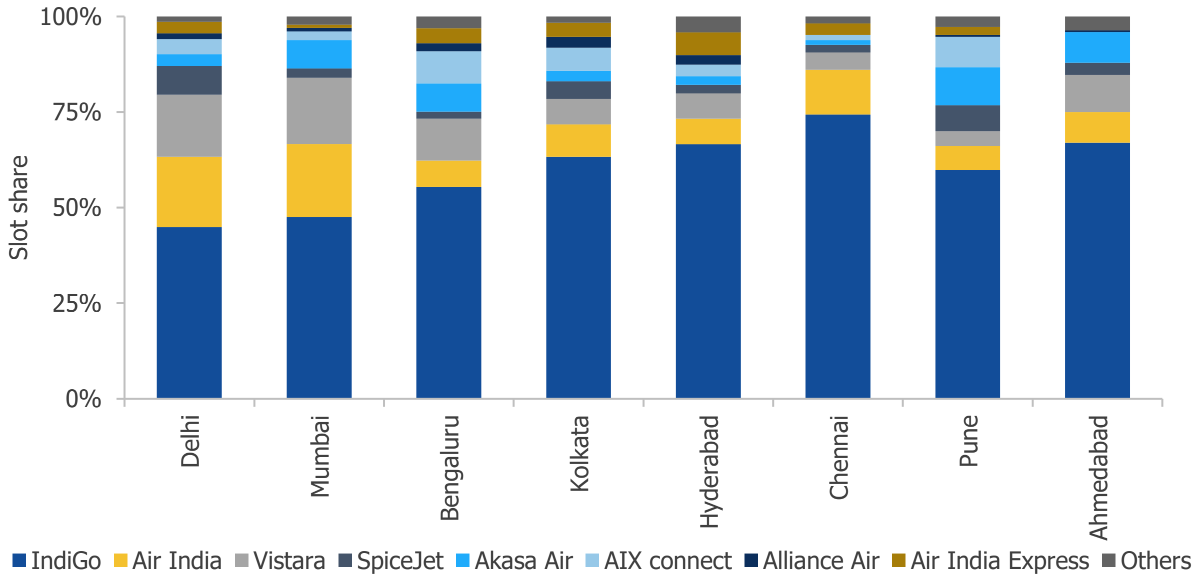
Figure 40: Scheduled domestic traffic share of SpiceJet, FY2015–FY2024



Source: CAPA Advisory research and analysis; DGCA

In FY2024, SpiceJet's share of domestic traffic was 5.1%, down from 15.6% in FY2020. Its seat share stood at 5.5%. SpiceJet has a reasonable share of slots at the airports in Delhi, Kolkata, Pune, among others.

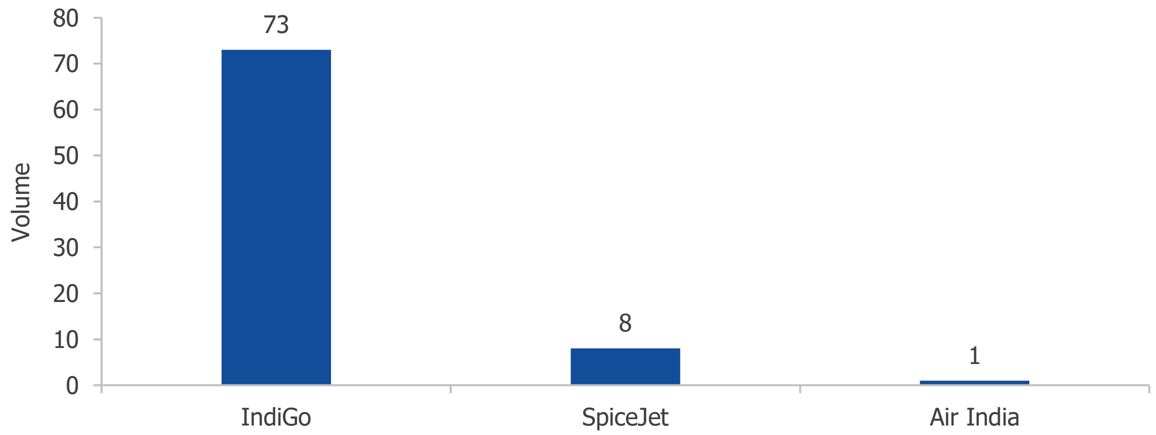
Figure 41: Domestic slot share of Indian carriers across 8 largest domestic airports, week commencing 12-August-2024



Source: CAPA Advisory research and analysis

In FY2024, SpiceJet had the second-largest number of fortress airports, i.e. airports where an airline has a domestic seat capacity share of more than 50%, among scheduled mainline operators after IndiGo.

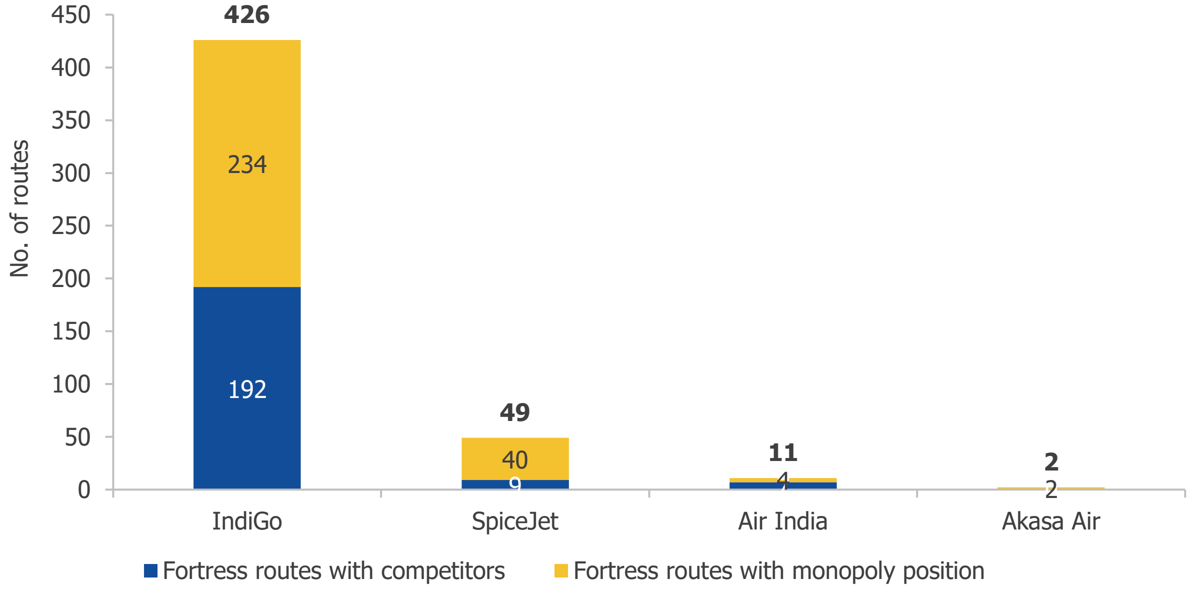
Figure 42: No. of fortress airports of airlines in India, FY2024



Source: CAPA Advisory research and analysis

As of FY2024, SpiceJet had the second-largest largest number of fortress routes after IndiGo among scheduled mainline operators in India. Among SpiceJet's 49 fortress routes, it had a monopoly in 40 of these.

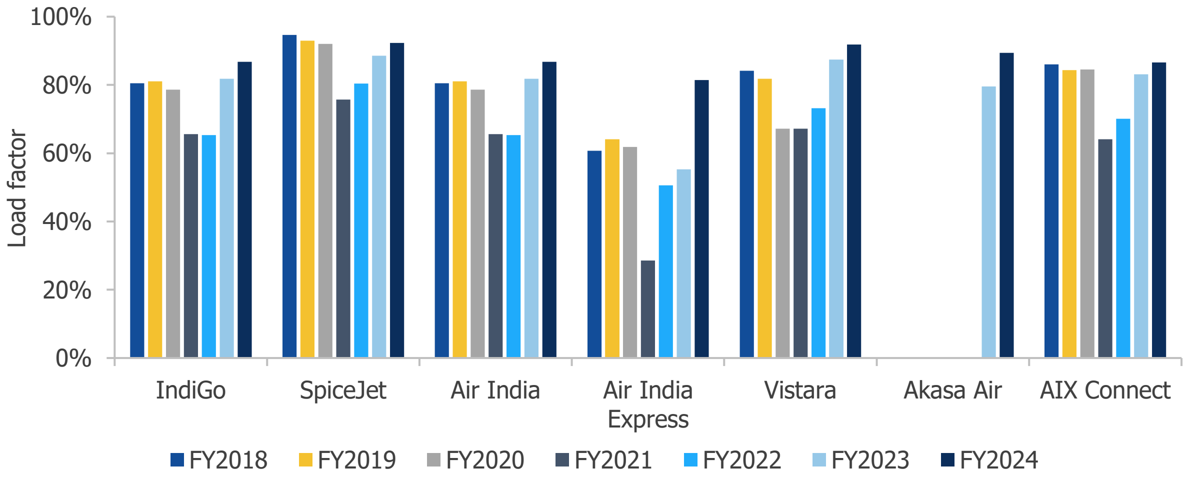
Figure 43: No. of fortress & monopoly routes of Indian carriers, FY2024



Source: CAPA Advisory research and analysis

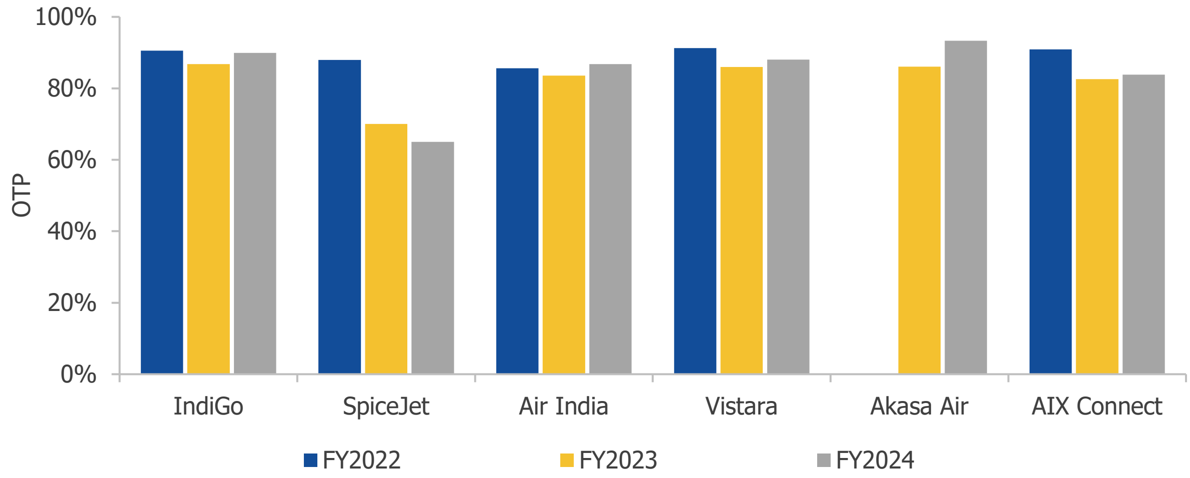
Among major Indian carriers, SpiceJet had the highest load factor between FY2018 and FY2024 for scheduled domestic operations. This was partly due to the capacity constraints that the airline faced because of the grounding of the 737 MAX equipment, as well as revenue management practices designed to maximise the number of seats sold.

Figure 44: Domestic load factors of carriers in India, FY2018–FY2024



Source: CAPA Advisory research and analysis; DGCA

Figure 45: Domestic OTP of Indian carriers, FY2022–FY2024



Note: 1) Data for Air India Express not available

Source: CAPA Advisory research and analysis; DGCA

For most airlines, on-time performance during the last couple of years has been below the levels achieved in FY2020.

SpiceJet to be able to enhance fuel efficiency as new aircraft induction occurs

Around 10 years ago, Airbus and Boeing announced plans to develop re-engined versions of their popular narrowbody equipment, A320 and 737, respectively, with the primary objective of delivering improved fuel efficiency.

However, SpiceJet could not proceed with its fleet renewal as planned due to the suspension of the 737 MAX programme between 2019 and 2021. As and when deliveries of the 737 MAX equipment that SpiceJet has on order resume, the carrier will be able to recommence the fleet renewal programme.

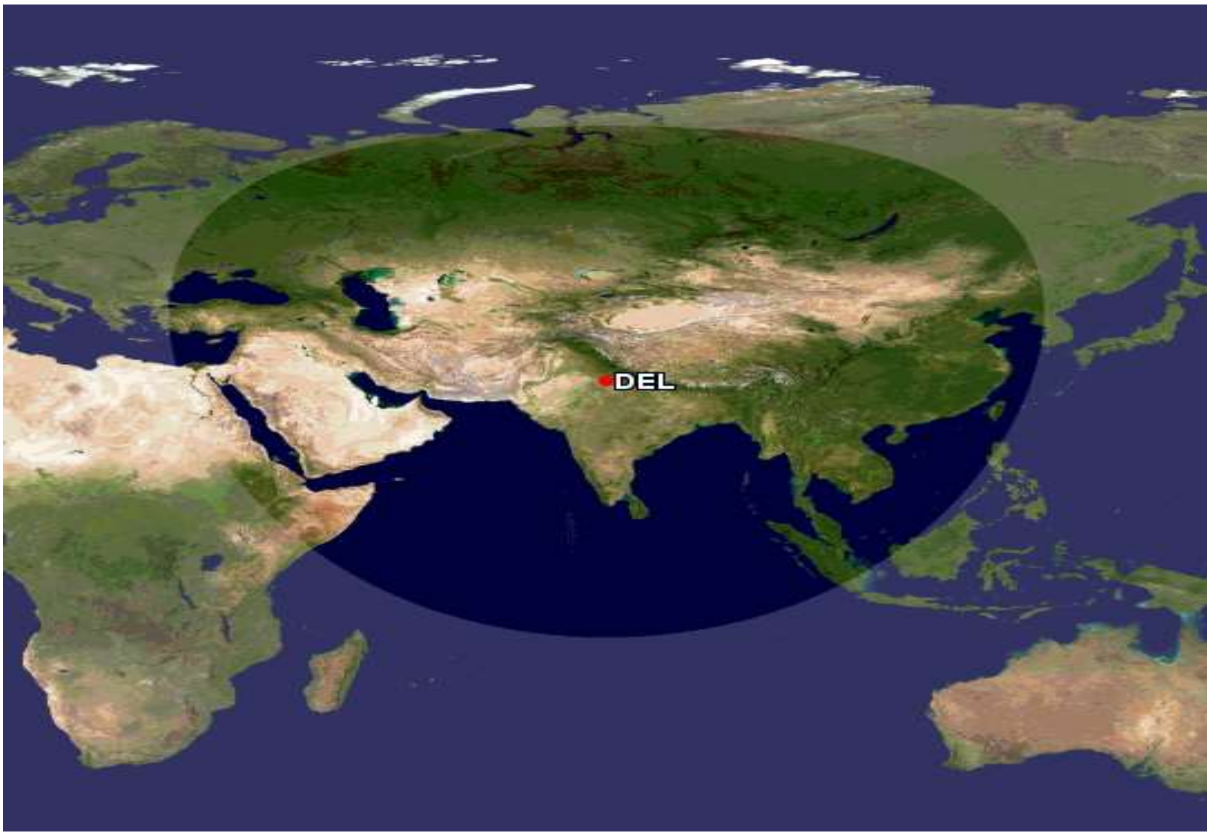
Table 11: Re-engined aircraft as proportion of narrowbody fleet of Indian airlines as on 1-Aug-2024

IndiGo	300	92.3
Akasa Air	24	100.0
Vistara	63	100.0
Air India	52	61.9
SpiceJet	13	21.9
AIX Connect	1	4.2
Air India Express	29	55.0

Source: CAPA Advisory research and analysis

Re-engined 737 MAX aircraft offer an extended range of up to 2,500nm with maximum payload. For instance, from Delhi, these aircraft would be able to fly to all of the Middle East, most of Asia, parts of Africa and Eastern Europe/CIS.

Figure 46: Indicative range map for 737 MAX family aircraft operating from Delhi



Note: 1) The circle indicates the 2,500nm range from the airport in Delhi at maximum payload. This is the range published by Boeing for 737 MAX but is indicative only. The viability of any individual route is subject to payload, winds, airport elevations, temperatures, runway length, among others

Source: CAPA Advisory research and analysis; Boeing; Great Circle Mapper

Ancillary revenue expansion opportunity

A significant opportunity exists for Indian LCCs to expand ancillary revenue to increase profitability, considering their ancillary revenue as a proportion of operating revenue is relatively low when compared with foreign LCCs.

SpiceJet's ancillary revenue per passenger (USD7.5) was higher than that of the market leader, IndiGo, (USD5.3) in FY2020. SpiceJet had a higher ancillary revenue contribution to operating revenue than IndiGo's 7.4% share in FY2020.

Table 12: Ancillary revenues of IndiGo & SpiceJet, FY2017–FY2020

IndiGo	Ancillary revenue as share of operating revenue (%)	5.9	6.5	7.1	7.4
	Ancillary revenue per passenger (USD)	3.9	4.6	4.8	5.3
SpiceJet	Ancillary revenue as share of operating revenue (%)	10.3	6.7	6.3	7.8
	Ancillary revenue per passenger (USD)	7.8	4.6	4.3	7.5

Source: CAPA Advisory research and analysis; annual reports of IndiGo and SpiceJet

However, Indian LCCs have considerable upside potential with regard to ancillary revenue per passenger vis-à-vis leading airlines worldwide. A major obstacle that Indian carriers used to face is that they were not permitted to offer airfares with zero baggage allowance. Foreign LCCs generate a significant proportion of their ancillary revenue from baggage charges.

Table 13: Ancillary revenue per passenger of select foreign LCCs, FY2023

Wizz Air	38.1
Ryanair	23.7
easyJet	33.8
Southwest Airlines	46.9

Note: 1) easyJet's and Southwest's data is for FY2022; 2) Ancillary revenue per passenger is based on the classification of ancillary revenues disclosed by carriers

Source: CAPA Advisory research and analysis; annual reports of carriers

In recent years, easyJet has grown its non-seat revenue through various non-baggage and baggage initiatives. Its non-seat revenue per passenger increased 2.8x to USD11.90 in FY2020 from USD4.2 in FY2017. easyJet took the following initiatives to increase non-seat revenue per passenger.[23]

Launched new insurance partnerships and expanded existing partnerships with car hire companies, OTAs and hotels

Improved pricing for allocated seating

Revised speed boarding fees

Made website improvements to ease addition of ancillaries for customers

Introduced new baggage options such as 15kg and 23kg

Launched baggage pick-up services in collaboration with a partner

Reinvented baggage pricing algorithms

SpiceJet: History, key strengths, SpiceXpress & key personnel[24]

About

Founded in 2005 by Mr. Ajay Singh, SpiceJet commenced operations in May-2005 and thereafter rapidly established itself as a significant player in the Indian aviation space. It operates as an LCC based in Delhi. The airline focuses on offering no-frills, budget travel, catering primarily to the growing middle-class population.

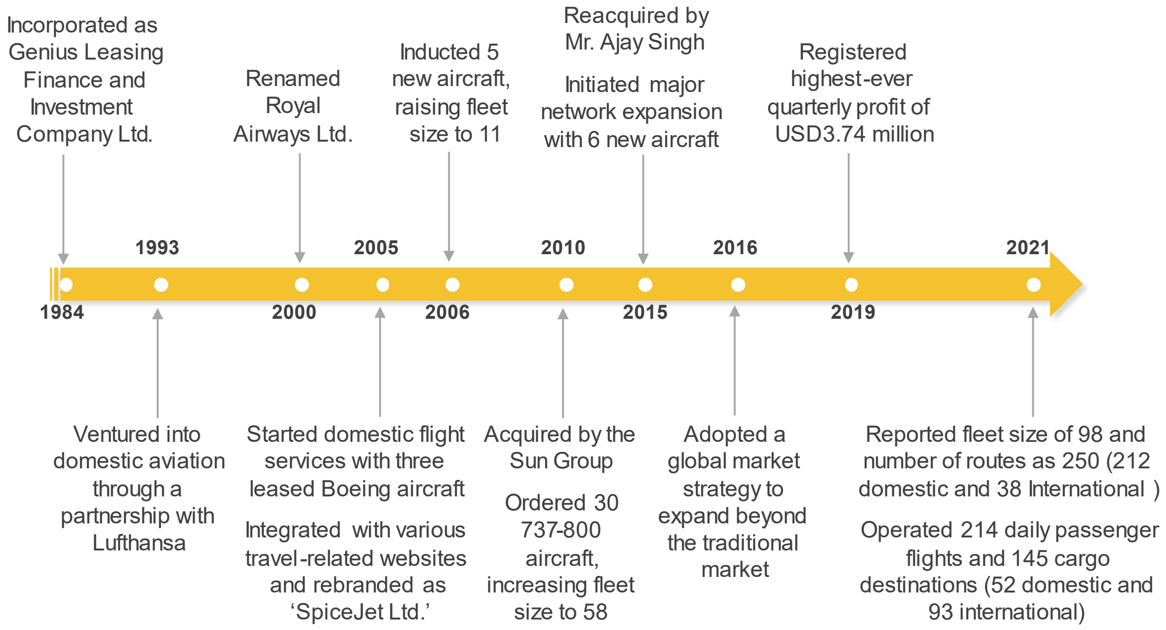
As of FY2024, the airline operated a fleet of 56 aircraft including the 737 family and the Bombardier Q400 series, capturing a 5.1% share of the domestic market.

SpiceJet maintains presence in international markets as well, primarily serving destinations in the Gulf and Southeast Asia. In addition to passenger services, SpiceJet has diversified its operations with the launch of SpiceXpress, its dedicated cargo division.

Today, SpiceJet has a network spanning over 34 domestic and 4 international destinations.

Figure 47: Timeline

[23] Annual airline financial filings



Key strengths

Extensive network: SpiceJet has an extensive domestic network across India. Under the Regional Connectivity scheme the airline holds rights to operate to 27 domestic and two international destinations.

Strong presence in Middle East: SpiceJet commands a significant share of the India–Middle East market, holding significant allocations of weekly seat entitlements, including around 14,297 for Dubai, 3,969 for Abu Dhabi and 5,481 for Jeddah.

Slot availability: The carrier benefits from extensive slot availability and access to premium slots across major airports in India.

Recent challenges

737 MAX grounding: The grounding of 737 MAX worldwide in 2019 caused significant operational disruptions. Delayed delivery of these aircraft forced SpiceJet to continue operating older models, resulting in higher fuel costs and a less optimal customer experience. The airline also missed out on gains from sale and leaseback transactions.

COVID-19 impact: The complete suspension of passenger traffic in 2020, along with severe travel restrictions extending through 2022, had a profound adverse effect on SpiceJet's revenue. The pandemic also led to the grounding of aircraft due to the airline's inability to meet lease payment obligations.

Rising fuel prices: In 2022, Brent crude oil price surged to around USD120 per barrel, with ATF prices reaching all-time highs. These increases significantly escalated operating costs and eroded profit margins of all airlines, including SpiceJet.

Overview of SpiceXpress

SpiceJet is the first passenger airline in India to have launched a dedicated freighter service provider, SpiceXpress, which has a strong position in the Indian cargo space. Launched in Sep-2018, SpiceXpress has an integrated network that encompasses air cargo, ground transport and warehousing.

With the growth of e-commerce and trade opportunities in India, SpiceXpress has an opportunity to leverage its position as a leading player in the cargo industry.

Overview of Spice Technic

The Spice Technic subsidiary provides maintenance, repair and overhaul services and spare parts, supported by CAR 145-compliant infrastructure for 737 and Q400 aircraft.

Key personnel profiles

Ajay Singh, Chairman & Managing Director: Mr. Singh has been Chairman and Managing Director of SpiceJet for 14 out of its 19 years of operations. Overall, he has more than 34 years of experience. He has a B. Tech (IIT Delhi) and an MBA.

Arun Bansal, Head of Engineering & Maintenance: Before joining SpiceJet, Mr. Bansal was the CEO of Air India Engineering Services Limited. He has 38 years of experience in total and holds an Aircraft Maintenance Engineering Diploma, a B.Sc. and an MBA.

Ashish Vikram, Chief Technology & Innovation Officer: Mr. Vikram has 35 years of experience, of which the last 5 years have been with SpiceJet. He holds a B.Tech. (IIT) and an M.Sc.

Chandan Sand, Head - Legal, Aircraft Acquisition & Leasing and Company Secretary: Mr. Sand has 22 years of experience, all of which have been at SpiceJet. He is a qualified company secretary and holds an LLB, PGCBM (XLRI) and a B.Com.

Debojo Maharshi, Chief Business Officer: Mr. Maharshi has 23 years of experience, including 10 years with SpiceJet. He is a graduate in integrated physics.

G.P. Gupta, Chief Strategy Officer: Mr. Gupta is a qualified accountant. He has 38 years of experience, including two decades at SpiceJet.

Joyakesh Podder, Deputy Chief Financial Officer: Mr. Podder is a Chartered Accountant with 32 years of experience, of which 4 years have been with SpiceJet.

Kamal Hingorani, Chief Customer Service Officer: Mr. Hingorani has been with SpiceJet for the last 17 years. He has 40 years of experience in total. He holds a B.Sc. and an Executive MBA (IIM-B).

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 45, 299 and 110, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

We prepared our annual financial statements in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other applicable statutory and/ or regulatory requirement. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the and the reconciliation of the financial information to other accounting principles has not been provided. Unless otherwise indicated or the context otherwise requires, the financial information included in this Preliminary Placement Document for Fiscal 2024, Fiscal 2023 and Fiscal 2022 have been derived from our Audited Consolidated Financial Statements included in this Preliminary Placement Document and the financial information included in this Preliminary Placement Document for the three months period ended June 30, 2024 have been derived from our Unaudited Consolidated Financial Results included in this Preliminary Placement Document on page 299. For further information please also see the section titled "Presentation of Financial and Other Financial Information" page 13.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Indian Aviation Market Overview" dated September 13, 2024 (the "**CAPA Report**"), prepared and issued by CAPA Advisory. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CAPA Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by CAPA Advisory, exclusively commissioned and paid for by us for such purpose." on page 76 . Also see section titled, "Industry and Market Data" on page 16.*

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to SpiceJet Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to SpiceJet Limited on a consolidated basis.

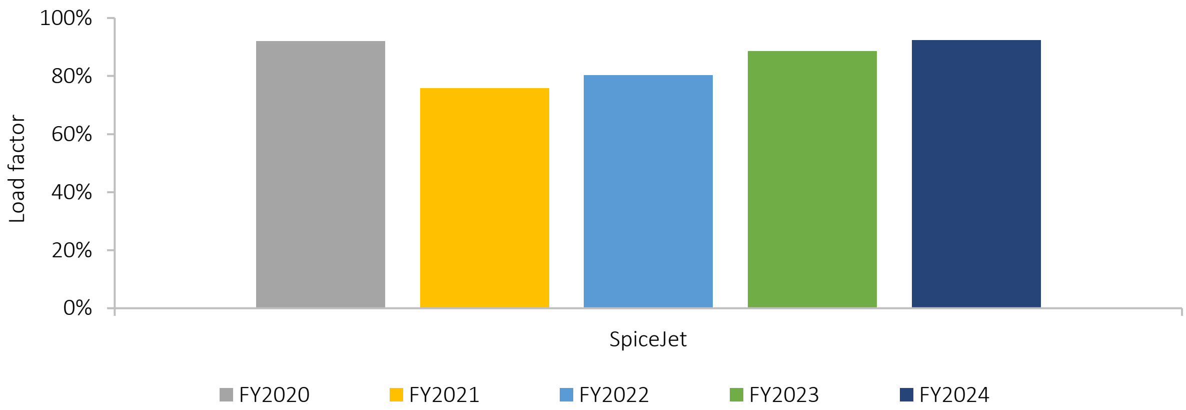
OVERVIEW

We are a scheduled commercial airline engaged in providing domestic and international airline services. We are a low cost carrier (**LCC**) with a focus on maintaining low unit costs and delivering value to our customers. Our differentiated offerings comprising of SpiceMax, a premium service equivalent to premium economy; SpiceCafe, our inflight catering offering hot meals; SpiceScreen, mobile based in-flight entertainment; SpiceClub, being one of the first LCC in India to launch a loyalty programme and co-branded credit card; and SpiceXpress our dedicated cargo and logistics arm. Our ancillary products and services has enabled us in achieving the highest ancillary revenue as a share of operational revenue at 7.80 % in Fiscal 2020 in the Indian aviation market *(Source: CAPA Report)*. Our target customers are the growing middle-class passengers, and we believe our product and service offerings are attractive to these large and growing segments of the travellers in India.

In Fiscal 2024, we had 8 fortress airports, being the second largest among scheduled mainline operators in India. Fortress airports are airports where an airline has a domestic seat capacity share of more than 50% *(Source: CAPA Report)*. We also had the second-largest number of fortress routes among scheduled mainline operators in India in Fiscal 2024. Among our 49 fortress routes, we had a monopoly in 40 of such routes *(Source: CAPA Report)*. Fortress routes are the routes where an airline has a domestic seat capacity share of more than 50%.

As of Fiscal 2024, we operated a fleet of 56 aircraft including from the B737 family and the Q400 series, capturing a 5.1% share of the domestic market. *(Source: CAPA Report)*. Presently, of our total fleet size of 58 aircraft, 36 aircraft are grounded, owing primarily to dues to the aircraft lessors and lack of maintenance due to financial constraints. We have an aircraft order book of 147 Boeing 737 MAX aircraft, in addition to our order book, we also intend to unground 28 aircraft, which can become operational post their ungrounding, to support our future growth initiatives. Due to the smaller size of our fleet after the pandemic, our traffic and market share has declined. Most of our aircraft employ high-density seating with a single cabin configuration. The suspension of 737 MAX deliveries for 2.5 years forced us to rely on older equipment to sustain our operations. Our 737 MAX aircraft are ~20% more fuel-efficient than the other 737 aircraft. Our ex-fuel cost per available seat kilometers (**CASK**) has remained below Rs. 2.50 over the last three Fiscals (*Source: CAPA Report*) and our revenue per available seat kilometers (**RASK**) witnessed a substantial increase to Rs. 4.85 in Fiscal 2023 owing to a rebound in passenger traffic post the COVID 19 pandemic and is the highest among other LCCs in India.

We have a focus on operational efficiency and reliability to deliver a superior customer experience relative to other Ultra low-cost carriers ("**ULCCs**") and Low-cost carriers ("**LCCs**"). Among the major Indian carriers, we had the highest passenger load factor between FY2018 and FY2024. This was partly due to the capacity constraints that the airline faced because of the grounding of the 737 MAX equipment, as well as revenue management practices designed to maximise the number of seats sold *(Source: CAPA Report)*. Our passenger load factors in the immediately preceding 5 Fiscals is depicted in the graph below:



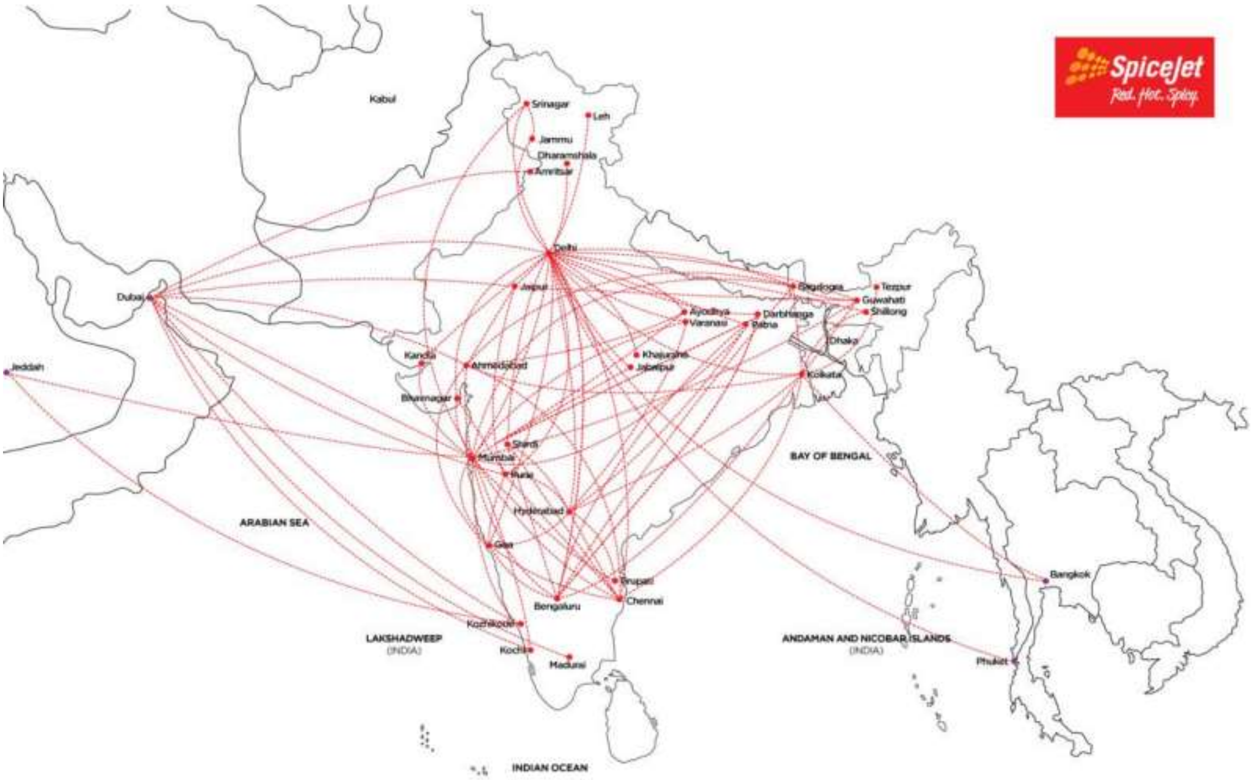
(Source: CAPA Report)

Our route network is designed to support operational efficiency and includes capacity in slot-constrained markets in India. As of June 30, 2024, we covered a network of 34 domestic and 4 international destinations. We also have rights under regional connectivity scheme to 27 domestic and 2 international destinations. We have established substantial positions in slot-constrained airports such as New Delhi, Mumbai, Kolkata, Ahmedabad and Pune *(Source: CAPA Report)*. Our slot efficiency generally, and particularly at airports that have constraints on slot expansion, gives us a significant competitive advantage. We command a significant share in the key international destinations from India, holding significant allocations of weekly seat entitlements, including around 14,297 for Dubai comprising of 22% of the weekly available seats, 5,481 for Jeddah comprising of 11% of the weekly available seats and 7,926 for Bangkok comprising of 17% of the weekly available seats. In addition, we have entered into code sharing / interline arrangement with the leading airline from Dubai, United Arab Emirates and have additional traffic rights for 17 international destinations comprising of:

S.NO.	REGION
18.	Heathrow (London)
19.	Hong Kong
20.	Abu Dhabi
21.	Sharjah
22.	Italy
23.	China
24.	Sri Lanks, Colombo
25.	Nepal, Kathmandu
26.	Russia, Moscow/ St. Petersburg
27.	Bahrain
28.	Bangladesh
29.	Kazakhistan
30.	Uzbekistan
31.	Oman
32.	Myanmar (Mandalay/ Yangoon)
33.	Afghanistan

34. Iraq

The map below depicts our extensive network:



We have a dynamic and flexible network, which allows us to alter routes and increase or decrease the number of flights between locations based on demand in these markets. We leverage our dynamic network to cater to the routes which have high demand potential. Also, considering the changing demand in the domestic market, we have catered to customer demand for routes between Tier 2 and Tier 1 cities, as well as increased demand for travel to various leisure and pilgrimage destinations within India.

We launched a dedicated freighter service provider, SpiceXpress, which has a strong position in the Indian cargo space. Launched in September 2018, SpiceXpress has an integrated network that encompasses air cargo, ground transport and warehousing. This service aims to ensures safe, on-time and efficient cargo delivery across Indian and international routes *(Source: CAPA Report)*. With effect from April 1, 2023, we carved out our cargo business undertaking into our subsidiary, SpiceXpress and Logistics Private Limited ("**SpiceXpress**") on a slump sale basis. Accordingly, SpiceXpress is now undertaking the cargo business effective April 1, 2023. The transfer of cargo business undertaking to SpiceXpress provides us with 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 our Company and its stakeholders.

In 2022, the International Civil Aviation Organization (**ICAO**) conducted a comprehensive audit of India's aviation regulator, the Directorate General of Civil Aviation (**DGCA**). As part of this, our airline was selected as a sample auditee under the Universal Safety Oversight Audit Programme of ICAO and the audit was completed successfully. In October 2023, we were among the six global airlines to successfully complete the International Air Transport Association's (IATA) risk-based approach audit. This achievement underscores our commitment to operational safety and the proactive adoption of IATA's advanced audit standards.

We have benefited and expect to continue to benefit from the highly attractive industry dynamics that characterize the Indian aviation market. India is the third-largest domestic market in the world based on seat capacity, behind the US and China. Among the 10 largest domestic markets at present, India was the fastest-growing before COVID-19 until FY2020, witnessing a 12% CAGR during Fiscal 2010–Fiscal 2020. In Fiscal 2024, India's traffic had fully recovered and was in fact higher than in Fiscal 2020 (*Source: CAPA Report*). Despite rapid growth since Fiscal 2004, the Indian aviation market remains significantly under-penetrated. Among the world's 20 largest domestic aviation markets, India has the lowest domestic air travel penetration even when compared to other emerging markets. For instance, in Fiscal 2020, India had 0.13 domestic seats per capita, compared to 0.52 in China, 0.48 in Indonesia and Vietnam, 0.52 in Mexico, 0.57 in Brazil and 1.18 in Malaysia (*Source: CAPA Report*).

Despite the challenges faced by the airline industry generally and our Company, in particular, owing to grounding of 737 MAX aircraft globally, COVID-19 pandemic, rising fuel prices (in 2022, brent crude oil price surged to around USD120 per barrel), the Company continues to explore 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 our Company establish consistent profitable operations and cash flows in the future.

We have been bestowed with several awards and recognition in the past, including being awarded the:

(viii) Best Domestic Airline Award at the Wings India Awards for Excellence in the Aviation sector organized by Ministry of Civil Aviation, Government of India;
(ix) FICCI Best Domestic Airline Awards 2018, at the 11th ASSOCHAM International Conference cum Awards on the Civil Aviation & Cargo
(x) Best Airline 2018 Operating Under the Government's Regional Connectivity Scheme(UDAN) by APAI Airline Strategy Award 2018 for Global 'Low-Cost' Leadership and Development
(xi) Time Travel Award 2018 Editor's Choice Award for the Best Domestic Low-Cost Airline
(xii) BML Munjal Award 2018 for Business Excellence Through Learning and Development
(xiii) Best Cargo Carrier Award at the ASSOCHAM 14th International Civil Aviation Conference & Awards on 18th Jan 2023
(xiv) Wings India Aviation Innovation Award 2022 APEX Newcomer of the Year Award 2022 in the Field of Innovation in Aviation Technology

Our Key Financial and Operational Performance Indicators

Set forth are the key financial and operational performance indicators for the period/ years indicated:

(₹ in millions, except as otherwise stated)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Available seat kilometres* (million)	13623.00	18,251.00	13,040
Passengers Carried (million)	9.78	12.74	9.18
Load Factors (%)**	90	87	79
Aircraft at end (Nos.)***	65	60	90
Total income (INR million)#	85,240.00	98,971.00	76,305.00
EBITDAR (INR million) ##	14,067.00	3,379.00	6,499.00
Net earnings (INR million) ###	-4237.15	-15129.47	-17,443
Total expenses (INR million)$	89,477.00	1,14,100.00	93,748.00

** ASK is calculated as the sum of products obtained by multiplying the total number of seats that are available in each flight stage by the corresponding stage distance.*
*** Load Factor is a measure of capacity utilisation of airlines, which is calculated by dividing RPK by ASK.*
****Total number of aircraft*
#Includes finance income
##EBITDAR and lease charges-aircraft, engines and auxiliary power units
###After tax, if any
$Includes other items

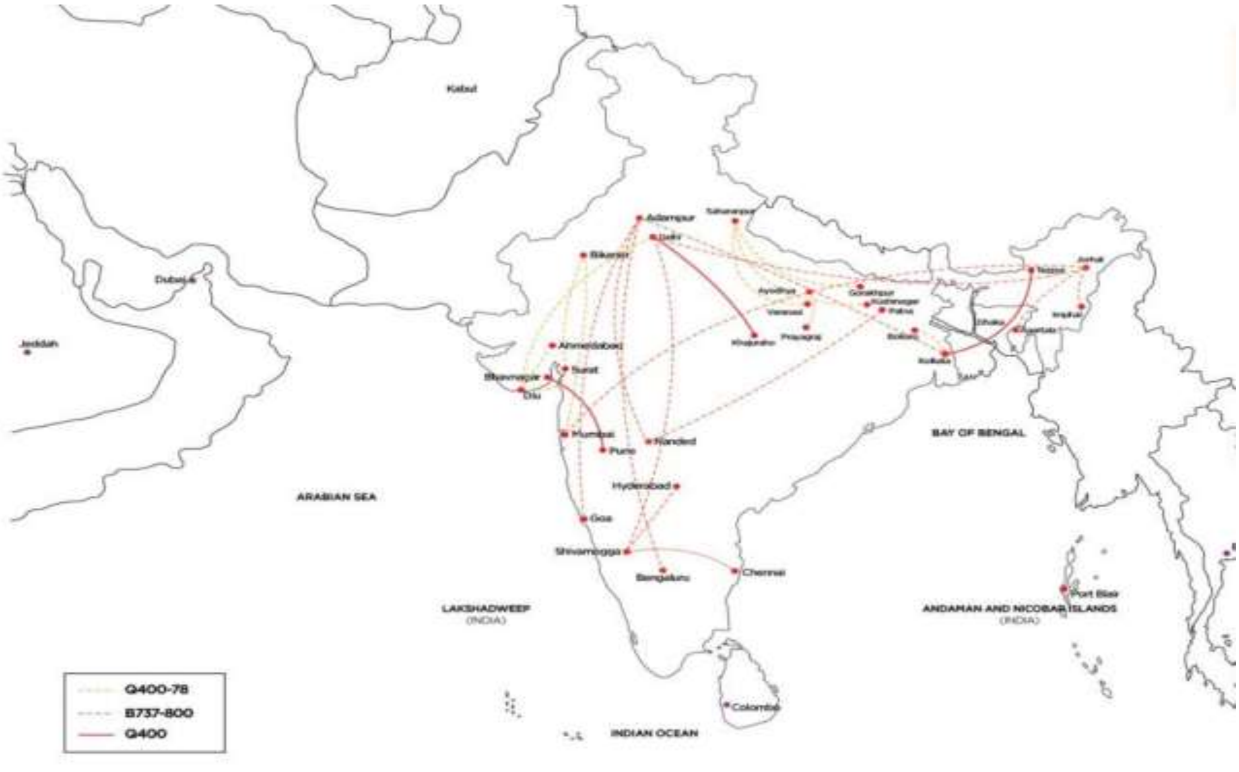
Our Strengths

Established track record and extensive presence in domestic network in India in an ever-growing LCC segment.

We have an established track record of sustainable operations since the launch of SpiceJet in 2005. We were the second largest airline in India in 2014 in terms of our domestic market share. Despite the various setbacks faced by us, we have consistently delivered positive EBITDA in the last 9 years post our change in control in 2015 and a PAT status for the consecutive 13 quarters commencing from quarter ending March 31, 2015. As an LCC, we have to our credit certain firsts in our peer group, including being the one of the first passenger airline in India to have launched a dedicated freighter service provider, namely, SpiceXpress in September 2018; being one of the first LCC to launch a loyalty programme through co-branded credit cards. In 2022, we also successfully completed the Universal Safety Oversight Audit Programme of ICAO. Over 25 global airlines operating in India, avail security services at the Indian airports from us.

As of June 30, 2024, we covered a network of 34 domestic and 4 international destinations. We also have rights under regional connectivity scheme to 29 domestic and 2 international destinations for connecting Tier II and Tier III cities within India, over which we have exclusive rights. Further, we also have an exclusive rights to operate 28 seaplane routes with availability of 125% viability gap funding.

A key driver of a steady growth in the number of airports in India offering scheduled services has been the Regional Connectivity Scheme ("**RCS**") launched in 2016, which has significantly enhanced air connectivity to Tier II and Tier III cities. As part of the scheme, major airlines have expanded their networks by introducing regular services to emerging second- and third-tier destinations (*Source: CAPA Report*). The map below shows the routes being covered by us under the Regional Connectivity Scheme of the Government of India:

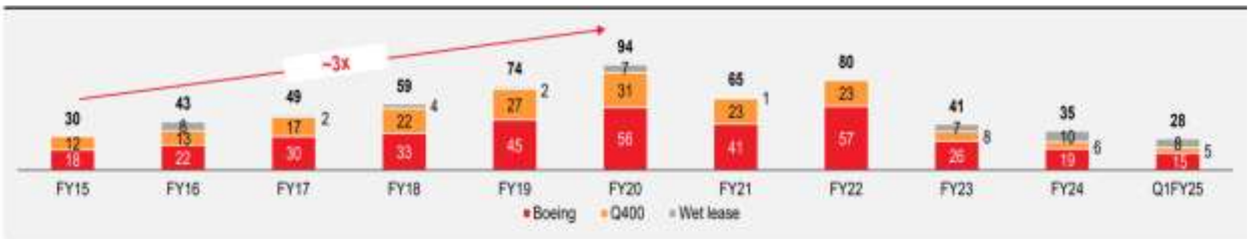


When evaluating a route, our primary aim is to improve our market share by increasing the utilization of our slots at airports. We also consider adding new routes based on the expected profitability of the route. We then add the top routes identified in a calibrated manner depending on our operational capabilities.

Over Fiscals 2015–2024, domestic traffic carried by LCCs expanded at a CAGR of 12.7% and that carried by full service carriers ("**FSCs**") increased at a CAGR of just 0.7%. The market share of LCCs rose to 80.9% in FY2024 from 58.0% in FY2014. The low-cost airline business model is well-suited to India's price-sensitive market *(Source: CAPA Report)* and we expect to capitalise on this growth by increasing our market share.

Over the years, we have shown resilience in surviving in a challenging sector, which has led to gaining significant investor confidence.

While our Company was incorporated in 1984, however, SpiceJet is the re-launch of the scheduled airline which was previously operated as "Modiluft" with new shareholders and an experienced management team. Our Company changed its name from Modiluft Limited to Royal Airways Limited and subsequently to SpiceJet Limited on April 29, 2005. SpiceJet started its commercial operations with its maiden flight on May 23, 2005. In 2010, our Company witnessed its second change in control, when our Company was acquired by Kalanithi Maran and KAL Airways Private Limited. We faced severe financial constraints in Fiscal 2015, post which, our existing Promoter, Ajay Singh acquired the controlling stake in our Company. Our Promoter has been instrumental in turning around our Company post the takeover, while managing the legacy issues including re-negotiations with the aircraft lessors and other vendors. We started witnessing positive EBITDA since Fiscal 2016 and have continued to do so since the takeover by Ajay Singh. The period from Fiscal 2016 to Fiscal 2020 (before COVID 19 pandemic) saw a revival of our airline, increase in our fleet size and our share price and revenues were at an all time high. The graph below shows the performance of our share price, revenue and aircraft fleet size since Fiscal 2015:



Over the last five Fiscals, due to various extraneous circumstances our operations and financial performance have been materially and adversely impacted. The primary reasons are:

1. **Grounding of 737 MAX:** 737 MAX has encountered multiple challenges that has affected production, delivery schedules and order backlog. These challenges have necessitated extensive measures to address safety concerns and production quality issues. In Fiscal 2019, two fatal accidents led to the grounding of 387 737 MAX aircraft worldwide, including 13 aircraft operated by us. This grounding continued for almost 2.5 years in India. Production quality concerns surrounding the 737 MAX are expected to be resolved progressively. Boeing is actively addressing these issues to ensure the long-term safety and reliability of the aircraft *(Source: CAPA Report)*;

2. **COVID-19 pandemic impact:** The complete suspension of passenger traffic in 2020, along with severe travel restrictions extending through 2022, had a profound adverse effect on our revenues. The pandemic also led to the grounding of aircraft due to our inability to meet lease payment obligations *(Source: CAPA Report)*;

3. **Rising fuel prices:** In 2022, brent crude oil price surged to around USD120 per barrel, with ATF prices reaching all-time highs. These increases significantly escalated operating costs and eroded the profit margins of all airlines, including ours *(Source: CAPA Report)*.

We have undertaken several measures to mitigate the financial impact arising from the above occurrences to remain a viable operation:

1. During the Quarter ended June 30, 2024, we entered into settlement agreement with Export Development Canada ('**EDC**') wherein the External Commercial Borrowing ('**ECB**') amounting to Rs. 7,554.55 million (inclusive of interest) appearing in the books of accounts has been settled at Rs. 1,872.68 million;
2. Our Company and certain aircraft and engine lessors have agreed to restructure lease obligations aggregating to Rs. 10,567.25 million owed to them and upon settlement/waivers, the amount payable by our Company in aggregate to all these lessors stands Rs. 8,134.12 million as on June 30, 2024 which will be discharged by our Company in the manner as may be agreed between the parties;
3. During Fiscal 2023, we received funds aggregating to Rs. 4,498.17 million under Emergency Credit Line Guarantee Scheme ('**ECLGS**') scheme of the Government of India. We further received Rs. 5,412.96 million under ECLGS scheme during the Fiscal 2024;
4. The transfer of the cargo business undertaking to SpiceXpress provided the Company with greater and differentiated focus to cargo and logistics business and will allow the possibility of raising capital for the business to accelerate its growth; and

In addition to the above steps, the Company is in active discussions with lessors of the aircraft and other creditors for settlement of liabilities.

Inspite of the significant setbacks faced by our Company, we have been able to take positive steps towards profitability and have been ably supported by the investor community, who have time and again shown faith in the ability of our management to stage a recovery. In Fiscal 2025, our Company and Carlyle Aviation Management Limited have entered into a term sheet to restructure certain aircraft lease obligations of SpiceJet aggregating to Rs. 10,567.25 million (as of June 30, 2024), which upon settlement/waivers will be adjusted to Rs. 8,134.12 million. Previously, in Fiscal 2024, our Company made allotment of 4,81,23,186 equity shares to 9 (Nine) aircraft lessors of Carlyle Aviation Partners on preferential basis consequent upon conversion of their existing outstanding dues of Rs. 23,09.91 million, resulting in an acquisition of aggregate stake of 7.03% in our Company. The Company also issued equity shares and equity warrants on preferential basis to various investors under non-promoter category aggregating to issue size of Rs. 10,600.00 million.

Historically, our Company has witnessed various challenging instances and has been resilient enough to stage a turn-around. In the same resilient spirit, we continue to explore and implement various measures such as return to service of our 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 our Company to establish consistent profitable operations and cash flows in the future.

We have an established position in slot-constrained airports and availability of Fortress airports.

We have a strategic network that serves slot-constrained major markets and can adapt dynamically to changing market conditions. Our network allows us the flexibility to redeploy our fleet from low-demand routes and markets to stable or high-demand routes and markets at a particular point in time. We also base our aircraft at airports that have high potential for passenger demand.

As of June 30, 2024, we covered a network of 34 domestic and 4 international destinations. We also have rights under regional connectivity scheme to 29 domestic and 2 international destinations. We have established substantial positions in slot-constrained airports such as New Delhi, Mumbai, Kolkata, Ahmedabad and Pune *(Source: CAPA Report)*. Our slot efficiency generally, and particularly at airports that have constraints on slot expansion, gives us a significant competitive advantage *(Source: CAPA Report)*. We command a significant share of the India–Middle East market, holding significant allocations of weekly seat entitlements, including 14,297 for Dubai comprising of 22% of the weekly available seats, 5,481 for Jeddah comprising of 11% of the weekly available seats and 7,926 for Bangkok comprising of 17% of the weekly available seats.

In Fiscal 2024, we had 8 fortress airports, being the second-largest among scheduled mainline operators in India. Fortress airports are airports where an airline has a domestic seat capacity share of more than 50% *(Source: CAPA Report)*. We also had the second-largest number of fortress routes among scheduled mainline operators in India in Fiscal 2024. Among our 49 fortress routes, we had a monopoly in 40 of such routes *(Source: CAPA Report).*

Differentiated offering with focus on ancillaries and adjacencies

Despite our operational and financial challenges, our brand ‘SpiceJet’ and ‘Spice’ enjoys considerable goodwill and recall value in the aviation industry. Our brand and its related reputation is key to our business. We leverage our brand names and have also undertaken various marketing and brand building initiatives to strengthen our brand name at regional levels. With a view to strengthen our brand name and scale our profitability, we utilise a diverse array of promotional efforts and offer a wide spectrum of differentiated product offerings which in turn contributes to our overall profitability. We have a strong focus on operational efficiency and reliability to deliver a superior customer experience relative to our peers. To grow the brand recognition, we offer ancillary services including, ‘SpiceMax’ which offers priority services, extra legroom and meals with beverages, including alcohol on international flights, ‘SpiceClub’ which is a loyalty programme with or without co-branded credit cards, ‘SpiceScreen’ which offers entertainment and travel services along with an option for mid-air cab booking on personal devices, setting a new standard for convenience and efficiency. Additionally, under our brand SpiceCafe, we offer hot in-flight meal catering services to our passengers, which enhances in flight dining experience and contributes to our overall brand building. In order to maintain and boost the strength of our brand name, we have undertaken various regional marketing and brand building initiatives such as regional advertisements in local languages, outdoor marketing including billboards as well as point of sale promotional material at travel-agent’s counters. We supplement this with our digital marketing campaigns on social media.

As a part of our brand consolidation initiatives, during the COVID 19 pandemic, we operated several flights for repatriating Indian citizens back to India and have continued to offer its services to the Government of India for repatriating Indian citizens from various crisis zones globally in the past. We also made international travel convenient by introducing online Visa services through our website. Not only that, they also provided lucrative offers on Visa charges based on the booking value.

SpiceXpress, our cargo subsidiary has also played a significant role in enhancing our brand presence. The strategic ownership of aircraft and trucks solidifies its position to be able to offer seamless logistics and efficient movement. SpiceXpress offers a comprehensive range of services, driven by an extensive network and a highly skilled team, enabling it to deliver exceptional value to its customers. Leveraging economies of scale from its expanding fleet and network, SpiceXpress aims to provide high-levels of service at competitive rates. Furthermore, SpiceXpress integrates innovative technology, allowing clients to manage shipments effortlessly with real-time tracking and streamlined operations *(Source: CAPA Report).*

Highly experienced Promoter and Management team with a strong legacy in airline operations.

Our Promoter and Chairperson & Managing Director, Ajay Singh has vast experience in the aviation sector and spear-heading the operations of our Company. He played a pivotal role in turning-around our Company after taking over the control of our Company in 2015. He is ably supported by our strong management team, comprising of Chandan Sand (Senior VP (Legal), Company Secretary and Compliance Offer), who has been associated with our Company for more than two decades and has been instrumental in managing relationships with our aircraft and engine lessors; G.P. Gupta, our Chief Strategy Officer has been with us for more than two decades; Debojo Maharshi our Chief Business Officer has been with us for more than 10 years and Kamal Hingorani, Chief Customer Service Officer has been with us for more than one and half decades. Our Promoter along with our management team are correctly positioned to steer our Company on a growth path.

Strategies

Expand and optimize network by bringing the grounded aircraft back in operations and induction of new fleet.

As a part of our turn-around strategy, our top-most priority is to unground the grounded aircraft to bring them back in operations. Presently, 36 of our aircraft, owing primarily to dues to the aircraft lessors and lack of maintenance due to financial constraints. The chart below shows the make wise status of our existing fleet as at June 30, 2024:

Fleet Type	No. of fleets Total	Operational	Body Type	Fleet Type	No. of fleets Total	Operational	Body Type
Boeing 737-700	5	1	Narrow Body	Boeing 737-Max	7	4	Narrow Body
Boeing 737-700F	3	1	Narrow Body	Q400	24	5	Regional
Boeing 737-800	14	9	Narrow Body	Wet lease	8	8	Narrow Body
Boeing 737-900	3	0	Narrow Body	64	Total Fleet Count	28	Operational

Our operational fleet size will double up upon ungrounding of 28 aircraft, enabling us to capitalize on the growth in the Indian aviation markets and utilize our traffic rights for 17 international destinations.

We endeavour to expand our network breadth selectively in high revenue markets such as Middle East, South East Asia in the international markets and on some of the high demand markets in India. We aim to strengthen our position in key slot-constrained airports to further enhance our route density while expanding to additional locations within India. Our strategy to expand our network is focused on achieving captive demand, leveraging a leadership position and to maximizing the frequency and number of flights operating. In order to achieve our goals, we aim to unground our existing fleet and introduce new fleet which in turn will lead to expansion of our fleet size.

We are also focused on the leveraging regional routes under the Regional Connectivity Scheme with our fleet of 24 Q 400. Regional Connectivity Scheme launched in 2016, has significantly enhanced air connectivity to second and third-tier cities. As part of the scheme, major airlines have expanded their networks by introducing regular services to emerging second- and third-tier destinations. We expect our regional routes to grow at a much faster pace compared to the traditional metro routes.

We are exploring commencing long-haul operations to Europe and North America. We have experience in wide body aircraft operations for long-haul operations and are presently planning to induct new aircraft. The growth in our fleet size will enable a ramp-up in our operations and will be a critical factor in any future expansions of our operations. The size of our fleet has a major effect on both our revenues and expenses. Our strategy to expand our network is focused on achieving station and route density. We evaluate a particular location based on the captive demand at that station and the ability for us to maximize the frequency and number of flights operating from that location. Each location is evaluated for the key demographic markets that we are targeting such as the requirement for travel from middle-class passengers for leisure or pilgrimage. Our strategy is to ensure that once we have incurred the fixed costs of operating from a particular location, we are able to maximize the routes and frequency of flights from the location to lower the impact of such fixed costs while increasing revenues from such locations.

Grow our cargo business and share of ancillary revenue

In Fiscal 2024, India's international air cargo trade was worth USD 266.1 billion, marking a significant 73.1% increase from USD 155.3 billion in Fiscal 2020. This substantial growth underscores the robust expansion of India's air cargo industry, driven by a rise in global trade demand and strategic efforts by the Indian government to enhance air logistics infrastructure *(Source: CAPA Report)*.

By Fiscal 2034, Indian airports are expected to handle double the total cargo handled in Fiscal 2024, with domestic cargo reaching 2.7 million tonnes and international cargo projected to reach 3.8 million tonnes. Despite this expansion, India is significantly under-penetrated vis-à-vis other countries, highlighting the significant growth potential of its domestic air cargo market. For instance, Indian airlines carried around 0.8 million tonnes of domestic air cargo during Fiscal 2024, while US airlines carried around 13.5 million tonnes of domestic air cargo during the 12 months ended December 2023. As global supply chains become increasingly reliant on air freight for timely and efficient delivery, India's strategic position and continued investment in this area could propel its air cargo trade to even greater heights in the next few years. Demand is on the rise for efficient cold chain logistics, particularly for perishable goods such as pharmaceuticals, food and agricultural products. This would not only support the growth of sectors such as agriculture and pharmaceutical but also attract more international trade, particularly in high-value, temperature-sensitive goods *(Source: CAPA Report)*. In India, around 80% of domestic air cargo traffic is still transported via belly cargo, while dedicated cargo airlines account for just 20% *(Source: CAPA Report)*.

The strategic ownership of trucks and increase in cargo capacity deployment solidifies its position to be able to offer seamless logistics and efficient movement. SpiceXpress offers a comprehensive range of services, driven by an extensive network and a highly skilled team, enabling it to deliver exceptional value to its customers. Leveraging economies of scale from its expanding fleet and network, SpiceXpress aims to provide high-levels of service at competitive rate *(Source: CAPA Report).*

Riding on the industry headwinds and our presence in the air freighter segment, we intend to capitalise on the burgeoning e-commerce and trade opportunities in India, and hope to solidify its position as a leading player in the cargo industry.

A significant opportunity exists for Indian LCCs to expand ancillary revenue to increase profitability, considering their ancillary revenue as a proportion of operating revenue is relatively low when compared with foreign LCCs. SpiceJet's ancillary revenue per passenger (USD7.5) was higher than that of the market leader in Fiscal 2020.

SpiceJet had a higher ancillary revenue contribution to operating revenue than the market leader 7.8% share in FY2020 *(Source: CAPA Report)*.

Our current ancillary revenue primarily comes from SpiceCafe, our inflight catering offering hot meals, seat selection, excess baggage fees, SpiceMax (extra legroom seats), security and training services provided to other airlines, priority check-in. We intend to continue to grow the share of our ancillary revenue as a percentage of our total revenue and increase ancillary revenue per passenger. We are implementing a number of measures to improve our ancillary revenue. We also continuously evaluate and explore new ancillary services that can be added to our existing suite of services.

Focus on cost rationalisation

In the past we have implemented several steps for rationalizing our costs, primarily related to re-negotiation of our contracts with lessors, optimizing our workforce. We endeavour to continue our efforts on rationalizing our costs further including replacing any high cost capital, acquiring aircraft on wet leases, renegotiation of contracts, optimizing our workforce during lean season, optimisation of human resource and relying on advanced technologies for pricing and fuel optimization.

Our Business Operations

Our Route Network

Our route network is designed to support operational efficiency and includes capacity in slot-constrained markets in India. As of June 30, 2024, we covered a network of 34 domestic and 4 international destinations. We also have rights under regional connectivity scheme for 29 domestic and 2 international destinations. We have established substantial positions in slot-constrained airports such as New Delhi, Mumbai, Kolkata, Ahmedabad and Pune *(Source: CAPA Report)*. Our slot efficiency generally, and particularly at airports that have constraints on slot expansion, gives us a significant competitive advantage. We command a significant share in the key international destinations from India, holding significant allocations of weekly seat entitlements, including 14,297 for Dubai comprising of 22% of the weekly available seats, 5,481 for Jeddah comprising of 11% of the weekly available seats and 7,926 for Bangkok comprising of 17% of the weekly available seats. In addition, we have also entered into code sharing / interline arrangement with Emirates Airline and have additional traffic rights for 17 international destinations.

We have a dynamic and flexible network, which allows us to alter routes and increase or decrease the number of flights between locations based on demand in these markets. We leverage our dynamic network to cater to the routes which have high demand potential. Also, considering the changing demand in the domestic market, we have catered to customer demand for routes between Tier 2 and Tier 1 cities, as well as increased demand for travel to various leisure and pilgrimage destinations within India.

Domestic Route Selection and Development Strategy

We intend to develop a portfolio of routes that have the potential to deliver high passenger load factors at attractive yields. When selecting a potential new route or station for our network, we typically focus on Tier 2 and Tier 3 cities and consider factors such as leisure, historical, cultural, commercial, industrial or religious importance. We also consider whether the city chosen for connection has a sizeable population, a growing trend in traffic and the potential to service other key cities. Further, we also consider whether the potential route is a good fit with our existing network, the attractiveness of alternative modes of transport for the potential route (such as rail) and whether the potential route has proven to be successful for our competitors. We also consider economic indicators to identify the growth opportunities in a particular market. After selecting the city, we connect the city from various metro points within our network to attract more passengers and decide the frequency and day of flights based on the factors discussed above. As a final step, we evaluate economic viability and maturity period before launching any route.

We strive to achieve high frequencies on key business routes to offer preferred flight times to business travellers and to offer a maximum number of routes and frequencies from the airports at which we operate. We intend to expand our domestic route portfolio with a view to increasing the breadth and depth of our service. While we intend to increase frequencies on current routes, we also intend to focus on new routes from existing domestic destinations. We consider our slots to be a strategic asset as they provide access to key cities and function as a moat for our business.

As of June 30, 2024, we used 13 aircraft hubs (defined as airports where we have overnight parking slots for our aircraft). Our access to landing overnight parking slots at these 13 hubs helps us to originate flights from these cities and to enhance our aircraft utilization and the efficiency of our maintenance services.

International Route Selection and Development Strategy

The flight range of our aircraft gives us the flexibility to service international destinations in Southeast Asia and the Middle East. Consistent with our domestic strategy, our international strategy revolves around the basic principles of the LCC business model, including point-to-point traffic. We strive to offer convenient connections between the domestic and international flights on our network without creating any complexities of transfers or additional check-in procedures. Additionally, our pricing and distribution strategy on international routes are consistent with those on our domestic routes. The availability of landing rights and slots is also an important consideration for the selection of international destinations. We continue to periodically review our routes for those that do not meet our operational and financial parameters.

Re-engined 737 MAX aircraft offer an extended range of up to 2,500 NM with maximum payload. For instance, from Delhi, these aircraft would be able to fly to all of the Middle East, most of Asia, parts of Africa and Eastern Europe/CIS *(Source: CAPA Report)*.

Our Airline Operations

We provide scheduled air travel operations aimed typically at value-conscious passengers. We offer only economy class service to our customers. We provide all our customers with the option to purchase a variety of food and beverages during their flight. We have a considerable presence in the RCS routes, with a focus on Tier II and Tier III cities which has significantly enhanced our air connectivity these cities.

Fares and Booking Management

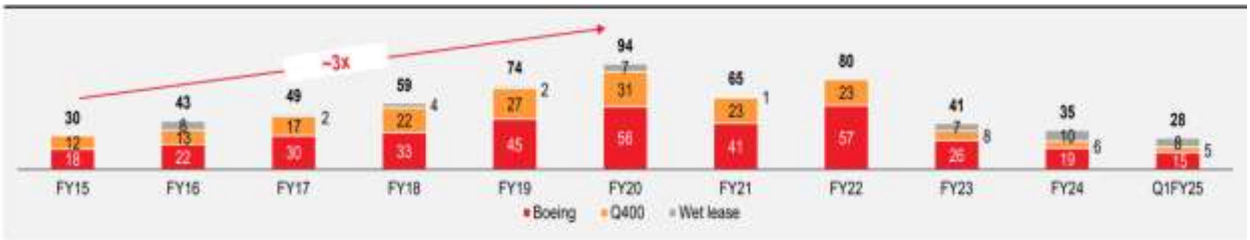
We practice dynamic pricing and inventory management that is in line with the established revenue management practices followed by domestic low-cost carriers. We offer market segmented fare products and prices across our network. We create and market our fare products to reach both price-sensitive and business travellers. Our fares are generally at their lowest in advance of the travel date that a particular booking is made, and they typically increase thereafter based on the amount of demand and the remaining number of available seats on the aircraft. We publish fare bands on our website as per DGCA requirements that are applicable to all airlines in India.

Differentiated Offerings

Our differentiated offerings comprising of SpiceMax, a premium service equivalent to premium economy; SpiceCafe, our inflight catering offering hot meals; SpiceScreen, mobile based in-flight entertainment; SpiceClub, being one of the first LCC to launch a loyalty programme and co-branded credit card; and SpiceXpress our dedicated cargo and logistics arm.

Our Fleet

The figures below show our historical and current fleet position:



Fleet Type	No. of fleets Total	No. of fleets Operational	Body Type
Boeing 737-700	5	1	Narrow Body
Boeing 737-700F	3	1	Narrow Body
Boeing 737-800	14	9	Narrow Body
Boeing 737-900	3	0	Narrow Body
Boeing 737-Max	7	4	Narrow Body
Q400	24	5	Regional
Wet lease	8	8	Narrow Body

64 Total Fleet Count | 28 Operational

We have an aircraft order book of 147 Boeing 737 MAX aircraft and 28 aircraft which can become operational post their ungrounding, to support our future growth initiatives.

Financing of Fleet

Historically, our preference has been to induct aircraft on operating leases using a sale-and-leaseback structure, however due to paucity of aircraft on account of 737 MAX grounding we have also inducted aircraft on wet lease from other airlines. A wet lease is a leasing arrangement whereby one airline (the lessor) provides an aircraft, complete crew, maintenance, and insurance (ACMI) to us, wherein we pay as per the hours operated by us while the operational control of the aircraft remains with the lessor and the commercial control rests with us. We may, in the future, use different sources of financing, such as export credits / commercial debt-backed finance leases or other financing structures.

We generally assign our right to purchase each aircraft under our purchase agreements with the aircraft manufacturer to a third-party lessor and lease the aircraft from the lessor following delivery of the aircraft under a sale-and-leaseback ("**SLB**") agreement. Under the terms of our assignments with third-party lessors, they are typically required to directly pay the agreed purchase price to the aircraft manufacturer for each delivered aircraft. The title of the aircraft then resides with the lessor. At the end of the lease, the aircraft is returned back to the lessor, who takes on the residual value and risk associated with the aircraft.

Under our current operating lease agreements, we typically are required to pay a monthly rental, comprised of fixed base rentals and variable supplementary rental. Supplementary rentals vary from lease to lease and are largely based on aircraft utilization, which is calculated based on the number of hours or cycles operated in each month.

Sales Channel

Our reservation system, Navitaire, allows us to host our schedule and ticket inventory on a real-time basis and offer sales through different channels, including our website. We do not subscribe to any traditional global distribution system, which helps to limit our distribution costs.

We primarily sell air tickets through traditional and online travel agents, our website and our mobile application.

Marketing

Our strategy is to communicate directly with potential customers and emphasize on our low fares. In doing so, we primarily advertise our services on our website, through the Internet and in the print media. We also brand airport facilities including terminals, landmarks and billboards. Other marketing activities include the distribution of advertising and promotional material and cooperative advertising campaigns with other travel-related entities, such as online travel agents.

We have a dedicated social media team that actively generates and monitors content on social media platforms. We use social media to address customer queries and to communicate information and offers concerning our services to customers.

Ground Operations

Passenger handling is carried out either by us directly or through outsourcing to other third parties airports that we serve. Passenger handling services include check-in, boarding services, reservations and ticketing, ramp functions, baggage handling and security deployment in key areas required by the Bureau of Civil Aviation Security ("**BCAS**"). Other airport operations, including security screening of passengers and their carry-on baggage, are the responsibility of the authorities at the airports. Many key airlines rely on us for providing security related services at airports in India.

Further, we outsource all our ground handling activities at international locations.

Flight operations and operations control

We have a centralized Operations Control Center which monitors and optimizes our flight schedule. We use licensed software, which enable automation of aircraft operational processes.

This software also assists with managing functions in our Operations Control Center, including decision-making concerning crews, aircraft scheduling and passenger load sheets. The role of the Operations Control Center is particularly important during irregular operations, such as fog, technical delays and diversions, to decide on the continuation, diversion or termination of flights. In an emergency situation, the Operations Control Center is responsible for activating an emergency response plan.

Maintenance, Repair and Overhauls (MRO)

We maintain our aircraft in accordance with standards that meets the Indian regulatory standards. We avail services from OEMs (original equipment manufacturer) for MRO services and we also avail services of our subsidiary, SpiceJet Technic for certain parts of our MRO requirements. SpiceJet Technic provides MRO services and spare parts with CAR-145 standard infrastructure, servicing Q400 and B 737 aircraft.

Aircraft Fuel and its Management

Aircraft fuel is a major cost component for airlines. We purchase Aviation Turbine Fuel for domestic operations from State owned oil marketing companies and other private players. For maximizing benefits from our international operations, we have tie-ups with suppliers at all major international destinations we cover.

We have implemented the following measures concerning our aircraft to minimize fuel consumption:

- We have inducted fuel efficient 737 MAX in our fleet which are ~20% more fuel-efficient
- We have also adopted conservative fuel consumption policies which are communicated to all pilots and engineering staff during training procedures. These policies include actions such as carrying fuel sufficient for the entire leg of certain routes in order to avoid having to refuel at airports where fuel is more expensive, refuelling in locations with lower taxes, installing our in-house developed airline fuel management system, in-flight fuel optimization tools, employing continuous descent approaches and economy cruise speeds, minimizing aircraft weight by removing unnecessary equipment and optimizing engine settings for take-off and climb.

Safety and Security

We strive to follow best safety practices. Our commitment to safety and security is reflected in our best endeavours on maintenance of our aircraft and engines, the extensive training given to pilots, cabin crew and employees and the strict policies and procedures in compliance with the local regulations, international standards and best practices regarding all areas of our business that are involved with the operation of our aircraft.

Employees

As of June 30, 2024, we had 7,824 employees, including 442 cockpit crew and 839 cabin crew, as well as various others, including maintenance and overhaul personnel and ticketing and sales personnel. Further, we contract with vendors to provide various services at the airports where we operate, including baggage loading and unloading, aircraft cleaning, wheelchair assistance and other services. Our continued success depends, among other factors, on the support and dedication of our management personnel and other employees.

Competition

We face intense competition from LCCs as well as full-service passenger airlines that operate on our routes. In addition, passenger airlines in India face competition from other modes of low-cost transportation, such as rail travel. The intensity of the competition we face varies from route to route and depends on a number of factors, including the strengths of competing airlines and other modes of transportation.

Insurance

In India, the DGCA requires all aircraft operators to insure their aircraft for any damage to the aircraft and for any injury or death to its passengers, pilots, crew and third parties. Accordingly, we maintain insurance for our aircraft and passengers. We generally maintain insurance for hull / spares all risk including combined single liability, hull / spares and war risk, hull deductible insurance, aviation excess war liability.

Our insurance coverage is in line with industry practice and relevant regulatory and aircraft lessor requirements. We maintain passenger liability insurance, employer liability insurance, aircraft insurance for aircraft loss or damage, and other business insurance in amounts per occurrence consistent with industry standards and, in line with industry practice. Please see "*Risk Factors—We are exposed to certain risks against which we do not insure and may have difficulty obtaining insurance on commercially acceptable terms or at all*" on page 70 for more details.

Property

We are headquartered in Gurugram, Haryana. Our Registered Office is located in New Delhi. For details see "*Risk Factors- All our offices are on lease or license. Non-renewal of such leases or licenses can adversely impact our business*" on page 75.

We have taken various premises in India on lease or leave and license basis which can be classified as airport premises; and commercial premises.

We have leased premises and workspaces in each of the domestic airports where we operate, including, check-in counters; ticketing counters; back offices; and areas on the ramp for equipment storage and related purposes.

The extent of space and facilities that we lease at each airport is determined by our current operations and the expected growth of our operations. The extent of space that we lease also depends on the space an airport can offer. We have leased space for our engineering operations at some of the key airports where we operate.

Corporate social responsibility initiatives

The Ministry of Corporate Affairs, Government of India has issued Section 135 and Schedule VII of Companies Act 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 which came into effect from April 1, 2014. Our corporate social responsibility policy and initiatives follow these guidelines and rules and our board of directors has constituted a Corporate Social Responsibility committee.

As a socially responsible company, we emphasize social community service. Our corporate social responsibility initiatives include welfare of the underprivileged and environment.

In the last three Fiscals, our 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 our Company to spend any amount under sub-section (5) of section 135 of the Act.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

Subject to the applicable laws and in terms of the Articles of Association, our Company is required to have not less than 3 (three) directors and not more than 15 (fifteen) directors. As on the date of this Preliminary Placement Document, our Board comprises of 6 (six) Directors of which 1 (one) is the Managing Director, 4 (four) are Independent Directors and 1 (one) is Non-Executive - Non Independent Director**.** As on the date of this Preliminary Placement Document, the composition of the Board of Directors and its committees are presently in compliance with the corporate governance requirements under the Companies Act, 2013 and the SEBI Listing Regulations.

The details regarding our Board of Directors as on the date of this Preliminary Placement Document are set forth below:

Sr. No.	Name, date of birth, address, occupation, period of directorship, DIN, Age and Nationality	Designation and Current Term
1.	**Ajay Singh** ***Date of Birth:*** December 29, 1965 ***Address***: B-1, Kalindi Colony, Sriniwaspuri, South Delhi, Delhi – 110065, India ***Occupation***: Business ***Period of Directorship:*** Director since May 21, 2015 ***DIN***: 01360684 ***Age:*** 58 years ***Nationality:*** Indian	**Designation:** Chairperson and Managing Director **Current Term:** Re-appointed for a period of three years with effect from May 21, 2023
2.	**Ajay Chhotelal Aggarwal** ***Date of Birth:*** November 16, 1959 ***Address***: Sita Kunj, 1st Floor, Maharshi Karve Road, Next to Cooperage Telephone Exchange Cooperage, Nariman Point, Mumbai, Maharashtra – 400021, India ***Occupation***: Business ***Period of Directorship:*** Director since February 11, 2019 ***DIN***: 00001122 ***Age:*** 64 years ***Nationality:*** Indian	**Designation**: Independent Director **Current Term:** Re-appointed for five years with effect from February 11, 2024 to February 10, 2029
3.	**Manoj Kumar** ***Date of Birth:*** November 16, 1965 ***Address***: B-75, Greater Kailash Part 1, Greater Kailash, South Delhi, Delhi – 110048, India ***Occupation***: Business	***Designation***: Independent Director **Current Term:** Re-appointed for five years with effect from May 28, 2024 to May 27, 2029

Sr. No.	Name, date of birth, address, occupation, period of directorship, DIN, Age and Nationality	Designation and Current Term
	Period of Directorship: Director since May 28, 2019 ***DIN***: 00072634 ***Age:*** 58 years ***Nationality:*** Indian	
4.	**Anurag Bhargava** ***Date of Birth:*** July 17, 1966 ***Address***: Panchsheel Park, S-309, Ground Floor, Malviya Nagar, South Delhi, Delhi – 110017, India ***Occupation***: Investment Management ***Period of Directorship:*** Director since September 07, 2016 ***DIN***: 01297542 ***Age:*** 58 years ***Nationality:*** Indian	**Designation**: Independent Director **Current Term:** Re-appointed for five years with effect from September 07, 2021 to September 6, 2026
5.	**Shiwani Singh** ***Date of Birth:*** November 21, 1971 ***Address***: B-1, Kalindi Colony, Sriniwaspuri, South Delhi, Delhi – 110065, India ***Occupation***: Business ***Period of Directorship:*** Director since May 21, 2015. ***DIN***: 05229788 ***Age:*** 52 years ***Nationality:*** Indian	***Designation***: Non-Executive - Non Independent Director **Current Term:** Liable to retire by rotation
6.	**Sonum Gayatri Malhotra** ***Date of Birth:*** September 5, 1989 ***Address***: C-50, Defence Colony, Lajpat Nagar, South Delhi, Delhi – 110024, India ***Occupation***: Business ***Period of Directorship:*** Director since September 14, 2024 ***DIN***: 10639147	***Designation***: Additional Independent Director **Current Term:** For a period of 5 years with effect from September 14, 2024

Sr. No.	Name, date of birth, address, occupation, period of directorship, DIN, Age and Nationality	Designation and Current Term
	Age: 35 ***Nationality:*** Indian	

Relationship between our Directors

Except as stated below, none of our Directors are related to each other or to any of our Directors:

Director	Relative	Nature of Relationship
Ajay Singh	Shiwani Singh	Spouse
Shiwani Singh	Ajay Singh	Spouse

Terms of appointment of our Directors

Appointment details of our Managing Director

Ajay Singh

He is presently re-appointed as the Managing Director of our Company pursuant to the board resolution dated February 24, 2023, and the approval of shareholders of our Company through postal ballot dated August 31, 2023 for a period of three years from May 21, 2023. He is entitled to the following remuneration and other employee benefits:

Fixed pay	₹ 60,00,000 (Rupees Sixty Lakh only) per month (with such component as may be agreed and decided by the Board).
Variable pay	Two and a half per cent of annual net profit of the Company payable upon completion of relevant financial year.
Other benefits of employment	As per Company's rules viz. Company maintained car with driver, mobile expense reimbursement, provident fund, gratuity, personal accident insurance, medical insurance for self and dependents.

Details of the remuneration paid to our Chairman and Managing Director for the current financial year and for the last three Fiscals are as follows:

(in ₹ millions)

Sr. No.	Name of Director	From April 1, 2024 until August 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Ajay Singh	30.00	54.00	78.00	24.00

Terms of appointment of our Non-Executive Directors

As on the date of this Preliminary Placement Document, pursuant to the resolution passed by our Board of Directors on October 30, 2017, our Non-Executive Directors are entitled to receive a sitting fees of ₹ 1,00,000 lakhs for attending each meeting of our Board.

Details of the sitting fees paid by our Company to our Non-Executive - Non Independent Director and Independent Directors for the current financial year and the last three Fiscals are as follows:

(in ₹ millions)

Sr. No.	Name of Director	From April 1, 2024 until August 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Anurag Bhargava	0.20	0.10	0.30	0.40

2.	Shiwani Singh	0.20	0.30	0.10	0.50
3.	Ajay Chhotelal Aggarwal	0.20	0.40	0.30	0.40
4.	Manoj Kumar	0.20	0.40	0.30	0.50

Contingent and deferred compensation payable to our Directors

There is no contingent or deferred compensation payable to our Directors for Fiscal 2024, which does not form part of their remuneration.

Remuneration paid or payable to our Directors from Subsidiaries or associate company

As on the date of the Preliminary Placement Document, none of our Directors receive any remuneration from the Subsidiaries. As on the date of this Preliminary Placement Document, the Company has no associate company.

Shareholding of Directors in our Company

The Articles of Association do not require our Directors to hold any qualification shares.

Except as disclosed below, none of our Directors hold any Equity Shares as on the date of this Preliminary Placement Document:

S. No.	Name	No. of Equity Shares Held	Percentage of the paid-up Equity Share capital
1.	Ajay Chhotelal Aggarwal	20,000	Negligible
2,	Manoj Kumar	10,000	Negligible
3.	Shiwani Singh	6,001	Negligible
4.	Ajay Singh	29,36,33,450*	36.95

** Ajay Singh had pledged certain equity shares of our Company held by him in favour of Indian Bank. Indian Bank invoked the pledge for 2,35,00,000 equity shares in the year 2022. Subsequent, to such invocation, our Company has availed / renewed debt facilities from Indian Bank and Indian Bank has continued to treat the invoked pledged shares as security for such fresh / renewed debt facilities availed by our Company. Since, Indian Bank is still treating the invoked pledge as a security for the fresh / renewed debt facilities, our Company continues to reflect 2,35,00,000 equity shares (2.96% of our paid-up equity share capital) as pledged shares held in the name of Ajay Singh in our shareholding pattern.*

Arrangement and understanding with major Shareholders, customers, suppliers of our Company or others

None of our Directors have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors hold any office or place of profit in our Company.

Interests of Directors

Our Directors may also be interested (i) to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoter, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, karta, ventures, trusts in which they are interested as Promoter, Directors, partners, proprietors, members or trustees, pursuant to the Issue; and (ii) their directorship on the board of directors of, and/or their shareholding in our Subsidiaries, as applicable. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares. For further information regarding the shareholding of our Directors, see *"Shareholding of our Directors"* on page 235.

1. *Interest in property*

Our Directors have no interest in any property acquired by our Company, or proposed to be acquired by our Company, or in any transaction for acquisition of land, construction of buildings and supply of machinery.

2. *Business interest*

Except as disclosed in "*Financial Information*" on page 299, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in the business of our Company.

3. *Payment of benefits (non-salary related)*

Except as disclosed in this Preliminary Placement Document, no amount or benefit has been paid or given within the two years preceding the date of this Preliminary Placement Document or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

4. *Loans to Directors*

Except as disclosed in "*Financial Information*" on page 299, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

5. *Bonus or profit sharing plan for the Directors*

Except as disclosed in "- *Terms of appointment of our Directors*" on page 235, none of our Directors are party to any bonus or profit sharing plan of our Company. Further, there is no contingent or deferred compensation payable to our Directors at a later date.

(vi) Interest in promotion of our Company

Except for Ajay Singh who is the Promoter of our Company, our Directors have no interests in the promotion of our Company as on the date of this Preliminary Placement Document. Our Directors may also be interested to the extent of the Equity Shares, if any, held by their relatives or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer.

Borrowing powers of our Board

Pursuant to resolution passed by our Shareholders on September 16, 2021 in accordance with the provisions of Section 180(1)(c) and all other applicable provisions of the Companies Act and our Articles of Association, our Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹ 28,000.00 million.

Confirmations

All the Directors of our Company, including our Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board as well as to the extent of other remuneration and reimbursement of expenses payable to them.

Except as disclosed in this Preliminary Placement Document, our Directors are not interested as a member in any firm or company which has any interest in our Company:

S. No.	Name of the Director	Name of the Entity	Nature of association
1.	Shiwani Singh	Spice Healthcare Private Limited	Shareholder
2.	Ajay Singh	Spice Healthcare Private Limited	Shareholder

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him / her or by the firm or company in which he / she is interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as Wilful Defaulter and Fraudulent Borrower as defined under the SEBI ICDR Regulations. However, the have been instances where our Directors namely Ajay Singh, our Chairperson and Managing Director and Shiwani Singh, Non-Executive - Non Independent Director , along with one of the member of the Promoter Group, namely, Kalpana Singh, appeared in the list of defaulters on the website of TransUnion CIBIL Limited ("**CIBIL**") in relation to an irregularity/overdue reported by ICICI Bank Limited Details have been summarised below:

S.No.	Particulars	Details
•	Name of the company declared as a defaulter in which the person was a director	Star Bus Private Limited
•	Name of the bank declaring the person as a defaulter	ICICI Bank Limited
•	Year in which the person was declared as a defaulter	2016
•	Outstanding amount when the person was declared as a defaulter	₹ 559.05 million
•	Steps taken, if any, by the person for removal of the person's name from the list of defaulters	Entered into a settlement agreement
•	Other disclosures, as deemed fit by the issuer, in order to enable investors to take an informed decision	Nil
•	Any other disclosure as specified by SEBI	Nil

None of our Directors have been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

None of our Directors is or was a director of any company whose name was or has been struck off from the registrar of companies under Section 248 of the Companies Act, 2013.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

Corporate Governance

As on the date of this Preliminary Placement Document, the Company is in compliance with the requirements of the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof.

The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations. The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Corporate Social Responsibility Committee; (iv) Stakeholders' Relationship Committee; (v) and Risk Management Committee as mandated under the Companies Act and the SEBI Listing Regulations.

The following table sets forth details of members of the aforesaid committees, as on the date of this Placement Document:

S. No.	Committee	Name and Designation of the Members
1.	Audit Committee	(i) Anurag Bhargava – Chairperson; (ii) Shiwani Singh – Member; (iii) Ajay Chhotelal Aggarwal- Member; and (iv) Manoj Kumar- Member
2.	Nomination and Remuneration Committee	(i) Ajay Chhotelal Aggarwal – Chairperson; (ii) Manoj Kumar – Member; (iii) Ajay Singh - Member; and (iv) Anurag Bhargava, Member
3.	Corporate Social Responsibility	(i) Ajay Chhotelal Aggarwal – Chairperson;

	Committee	(ii) Ajay Singh – Member; and (iii) Shiwani Singh – Member
4.	Stakeholders' Relationship Committee	(i) Manoj Kumar – Chairperson; (ii) Shiwani Singh – Member; and (iii) Ajay Singh - Member
5.	Risk Management Committee	(i) Ajay Singh – Chairperson; (ii) Anurag Bhargava – Member; and (iii) Chandan Sand – Member*

* *Chandan Sand is Senior Vice President (Legal) and Company Secretary & Compliance Office in the Company and is not member of Board of Directors.*

MANAGEMENT ORGANISATION CHART

Key Managerial Personnel and Senior Management

Key Managerial Personnel

In addition to Ajay Singh, Chairman and Managing Director, the following person is the Key Managerial Personnel of our Company:

S.No.	Name of Key Managerial Personnel*	Designation
1.	Chandan Sand	Senior Vice President (Legal) and Company Secretary & Compliance Officer

**As on the date of this Preliminary Placement Document, the position of the Chief Financial Officer in our Company is vacant, and we are in the process of identifying a suitable candidate to fill this position.*

Members of Senior Management

In addition to Chandan Sand, the Senior Vice President (Legal) and Company Secretary & Compliance Officer of our Company, whose details are provided in *"-Key Managerial Personnel of our Company"* on page 235, the details of our other Senior Management as of this date of Preliminary Placement Document are set forth below:

S.No.	Name	Designation
1.	Ashish Vikram	Chief Technology & Innovation Officer
2.	Arun Bansal	Head of Engineering & Maintenance
3.	Debojo Maharshi	Chief Business Officer
4.	G.P. Gupta	Chief Strategy Officer
5.	Joyakesh Podder	Deputy Chief Financial Officer
6.	Kamal Hingorani	Chief Customer Service Officer

Relationship between our Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and the members of our Senior Management are related to each other or to any of our Directors.

Status of Key Managerial Personnel and Senior Management of our Company

Other than Debojo Maharshi and Arun Bansal, all our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Interests of Key Managerial Personnel and Senior Management

Except as disclosed under *"- Interests of Directors"* on page 232, the Key Managerial Personnel and Senior Management do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business. The Key Managerial Personnel and Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company.

None of our Key Managerial Personnel and members of Senior Management have any interest in any property acquired or proposed to be acquired of our Company or by our Company. For details on interest of our Directors (in their capacity as key managerial personnel), please see the section titled as "*Interests of the Directors*" on page 232.

Shareholding of Key Managerial Personnel and Senior Management

Except as disclosed under *"Shareholding of Directors of our Company"* on page 232 .and except as disclosed below, none of our Key Managerial Personnel and members of our Senior Management hold Equity Shares in our Company as of the date of this Preliminary Placement Document:

S. No.	Name	Number of Equity Shares held	Percentage of the paid-up Equity Share capital (in %)
1.	Chandan Sand	3,69,142	0.05
2.	Ashish Vikram	60,000	Negligible
3.	G.P. Gupta	01	Negligible
4.	Kamal Hingorani	74,155	Negligible

For details in relation to shareholding of Key Managerial Personnel and Senior Management, see "*Board of Directors and Senior Management – Shareholding of Directors of our Company*" on page 235.

Employee stock option plans

For details of options granted under the SpiceJet ESOS - 2017, see "*Capital Structure*" on page 107.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscals immediately preceding the date of this Preliminary Placement Document, see "*Related Party Transactions*" on page 44

Other confirmations

None of the Directors, Promoters or Key Managerial Personnel or members of Senior Management of our Company has any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Our Promoters, Directors, Key Managerial Personnel and members of Senior Management do not intend to subscribe to and will not participate in the Issue.

Neither our Company, nor any of our Directors or Promoters have been declared as a Wilful Defaulter or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the Reserve Bank of India as defined under SEBI ICDR Regulations.

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI. None of our Directors or Promoter have been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018. No change in control in our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the same and has implemented an insider trading code of conduct namely the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" for prevention of insider trading in accordance with the SEBI Insider Trading Regulations, in terms of which, Chandan Sand, our Senior Vice President (Legal) and Company Secretary & Compliance Officer , acts as the 'compliance officer' of our Company under the aforesaid code of conduct for the prevention of insider trading.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

Corporate history

Our Company was initially incorporated as "Genius Leasing Finance and Investment Company Limited", under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the Registrar of Companies Delhi & Haryana at New Delhi ("**RoC**") on February 9, 1984. Subsequently, the name of our Company was changed to "*M.G. Express Limited*" and a fresh certificate of incorporation consequent on change of name was issued by the RoC on February 17, 1993 . Later, the name of our Company was changed to "*Modiluft Limited*" and a fresh certificate of incorporation consequent on change of name was issued by the RoC on April 12, 1994. Further, the name of our Company was changed to "Royal Airways Limited" and a fresh certificate of incorporation consequent on change of name was issued by the RoC on January 9, 2002. Consequently, our Company's name was changed to its present name, "SpiceJet Limited" and a certificate of change of name under Companies Act, 1956 was issued by the RoC on April 29, 2005.

Our Company's CIN is L51909DL1984PLC288239

Registered and Corporate Office

Our Registered Office is situated at Indira Gandhi International Airport Terminal 1D, New Delhi- 110037, India and our Corporate Office is situated at 319, Udyog Vihar Phase-IV, Gurgaon -122016, Haryana, India.

Changes in the Registered Office

Except as disclosed below, there has been no change in the address of the registered office of our Company since the date of incorporation:

Date of change	Details of the address of registered office
December 11, 2015	Change of registered office from the state of Tamil Nadu to Delhi

Our Equity Shares are listed on BSE since February 25, 1994.

Key Milestones and Events

The following table sets forth certain key milestones and events in our Company's history:

Calendar Year	Particulars
2005	First Order: 10 B737-800 Aircraft
	First Flight: 23rd May, 2005Delhi – Ahmedabad
	Received $80M through FCCBs Issued to Goldman Sachs & Istithmar, PJSC ("FCCB")
2007	Private Placement of Rs. 300 Crore to Istithmar, Tata Group, BNP Paribas
2008	Re-Financing of FCCBs by Wilbur Ross
2010	First International Flight from Delhi to Kathmandu and Chennai to Colombo
	Takeover by Kalanithi Maran, the erstwhile management of the Company
2011	Inducted Q 400's (72 seats) for Regional Connectivity
2015	Takeover by our present Promoter Ajay Singh
2017	Largest order of 155 Boeing 737-8 Max Aircraft
	Order for 25 90-Seater Q400 Aircraft
2018	Launched SpiceCargo to Enhance Cargo Services
	Induction of 737-8 MAX
2019	Codeshare Agreement Signed with Emirates
	Inducted 31 B737 Aircraft of Jet Airways
2021	First Budget Airline in India to Introduce a Loyalty Program and a Co-branded Credit Card – SpiceClub
2023	Received IATA Safety Certification
	SpiceXpress Hived off into a separate entity and become subsidiary of our Company

Organizational structure

As of the date of this Preliminary Placement Document, we have the following Subsidiaries:

Direct subsidiaries of our Company:

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;
9. SpiceTech System Private Limited; and
10. AS Air Lease 41 (Ireland) Limited with effect from October 19, 2023

As on the date of this Preliminary Placement Document, SpiceXpress and Logistics Private Limited is our Material Subsidiary. For further details, see the sections titled "*Financial Information*" on page 299.

Holding company

As on date of this Preliminary Placement Document, our Company does not have any holding company.

Associate company

As on the date of this Preliminary Placement Document, our Company does not have any associate companies.

Joint Ventures of our Company

As on the date of this Preliminary Placement Document, our Company does not have any joint venture.

SHAREHOLDING PATTERN OF OUR COMPANY

Shareholding pattern of our Company as on September 13, 2024:

The following table sets forth the details regarding the equity shareholding pattern of our Company as on September 13, 2024:

Category	Category of shareholder	Number of shareholders	Number of fully paid-up Equity Shares held	Total no. shares held	Shareholding as a % of total number of shares (calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				Number of shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form	Subcategorization of shares (XV)		
						Number of Voting Rights			Total as a % of (A+B + C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)		Shareholding (no. of shares under)		
						Class e.g.: X	Class e.g.: Y	Total									Sub Category_I	Sub Category_II	Sub Category_III
(A)	Promoters and Promoter Group	4	37,357,3846	37,357,3846	47.01	373,573,846	-	373,573,846	47.01	131,408,514	49.13	34,172,000	9.15	197,067,822	52.75	373,573,846	-	-	-
(B)	Public	366,884	421,098,871	421,098,871	52.99	421,098,871	-	421,098,871	52.99	101,818,334	50.87	15,973,4015	37.93	-	0.00	407,844,053	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	0.00	-	-	-	0.00	-	0.00	-	0.00	-	0.00	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	0.00	-	-	-	0.00	-	0.00	-	0.00	-	0.00	-	-	-	-
(C)	Non-Promoter-Non Public				0.00				0.00		0.00		0.00		0.00		-	-	-
	Total	366,888	794,672,717	794,672,717	**100.00**	**794,672,717**	**-**	**794,672,717**	**100.00**	**233,226,848**	**100.00**	**193,906,015**	**24.40**	**197,067,822**	**24.80**	**781,417,899**	-	-	-

Statement showing shareholding pattern of our Promoter and Promoter Group

The following table sets forth the details regarding the equity shareholding pattern of our Promoter and Promoter Group as on September 13, 2024:

	Category & Name of the Shareholder	No. of Shareholders	No. of fully paid up equity shares held*	Total nos. of shares held	Shareholding as a % of total no. of shares as a % of (A+B+C)	No. of Locked in Shares		No. of Shares Underlying Outstanding Warrants	No. of shares pledged or		No. of equity shares held in dematerialized form
						No. (a)	As a % of total Shares held (b)		No. (a)	As a % of total Shares held (b)	
(1)	Indian										
(a)	Individuals/Hindu Undivided Family										
	Mr. Ajay Singh	1	293,633,450	293,633,450	36.95	0	0.00	0	196,788,317	67.02	293,633,450
	Mrs. Kalpna Singh	1	279,505	279,505	0.04	0	0.00	0	2,79,505	100.00	279,505
	Ajay Singh (HUF)[3]	1	45,488,891	45,488,891	5.72	0	0.00	0	0		45,488,891
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0.00	0	0	0.00	0
(c)	Financial Institutions/Banks	0	0	0	0.00	0	0.00	0	0	0.00	0
(d)	Any Other	0	0	0	0.00	0	0.00	0	0	0.00	0
	Spice Healthcare Private Limited	1	3,41,72,000	3,41,72,000	4.30	3,41,72,000	100.00	13,14,08,514	0	0.00	3,41,72,000
	Sub-Total (A)(1)	**4**	**373,573,846**	**373,573,846**	**47.01**	**3,41,72,000**	**9.04**	**13,14,08,514**	**197,067,822**	**58.06**	**373,573,846**
(2)	Foreign										
(a)	Individuals (Non-Resident Individuals/Foreign Individuals	0	0	0	0.00	0	0.00	0	0	0.00	0
(b)	Government	0	0	0	0.00	0	0.00	0	0	0.00	0
(c)	Institutions	0	0	0	0.00	0	0.00	0	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0.00	0	0	0.00	0
(e)	Any Other	0	0	0	0.00	0	0.00	0	0	0.00	0
	Sub-Total (A)(2)	**4**	**373,573,846**	**373,573,846**	**47.01**	**3,41,72,000**	**9.04**		**197,067,822**	**58.06**	**373,573,846**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**4**	**373,573,846**	**373,573,846**	**47.01**	**3,41,72,000**	**9.04**	**13,14,08,514**	**197,067,822**	**58.06**	**373,573,846**

Statement showing shareholding pattern of the public Shareholders

The following table sets forth the details regarding the equity shareholding pattern of the public Shareholders as on September 13, 2024

Category	Category of shareholder	Number of shareholders	Number of fully paid up Equity Shares held	Total number of shares held	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				Number of shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares		Number of Equity Shares held in dematerialized form	Subcategorization of shares (XV)		
						Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)		Sub Category_I	Sub Category_II	Sub Category_III
						Class e.g.: X	Class e.g.: Y	Total									
B(1)	**Institutions**	0	0	-	0.00	-	-	-	0.00	-	0.00	-	0.00	-	-	-	-
B(2)	**Institutions (Domestic)**	0	0	-	0.00	-	-	-	0.00	-	0.00	-	0.00	-	-	-	-
	Mutual Funds	6	40,037,000	40,037,000	5.03	40,037,000	-	40,037,000	5.03	-	3.90	40,000,000	99.91	40,000,000	-	-	-
	Aries Opportunities Fund Limited	1	40,000,000	40,000,000	5.03	40,000,000	-	40,000,000	5.03	-	3.89	40,000,000	100.00	40,000,000	-	-	-
	NBFCs registered with RBI	3	842,216	84,2216	0.11	842,216	-	842,216	0.11	-	0.08	-	0.00	842,216	-	-	-
	Sub-Total B(1)	**9**	**40,879,216**	**40,879,216**	**5.14**	**40,879,216**	**-**	**40,879,216**	**5.14**	**-**	**3.98**	**40,000,000**	**97.85**	**40,842,216**	**-**	**-**	**-**
B(3)	**Institutions (Foreign)**	**0**	**0**	-	**0.00**	-	-	-	**0.00**	-	**0.00**	-	**0.00**	-	-	-	-
	Foreign Portfolio Investors Category I	36	21,420,403	21,420,403	2.70	21,420,403	-	21,420,403	2.70	95,018,334	11.33	9,996,666	46.67	11,732,295	-	-	-
	Foreign Portfolio Investors Category II	7	3,048,619	3,048,619	0.38	3,048,619	-	3,048,619	0.38	-	0.30	-	0.00	3,048,619	-	-	-
	Any other (Institutions Foreign)	11	107,400	107,400	0.01	107,400	-	107,400	0.01	-	0.01	-	0.00	-	-	-	-
	Foreign Institutional Investors	**11**	**107,400**	**107,400**	**0.01**	**107,400**	-	**107,400**	**0.01**	-	**0.01**	-	**0.00**	-	-	-	-
	Sub-Total B(2)	**54**	**24,576,422**	**24,576,422**	**3.09**	**24,576,422**	-	**24,576,422**	**3.09**	**95,018,334**	**11.63**	**9,996,666**	**40.68**	**14,780,914**	-	-	-
B(4)	**Central Government / State Government (s)/ President of India**	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
B(5)	**Non-Institutions**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Directors & their relatives (excluding independent directors & nominee directors)	4	155,411	155,411	0.02	155,411		155,411	0.02	-	0.02	-	0.00	155,411	-	-	-
(b)	Key Managerial Personnel	1	369,142	369,142	0.05	369,142	-	369,142	0.05	-	0.04	-	0.00	369,142	-	-	-
(c)	Resident Individuals holding nominal share capital up to ₹0.2 million	357,556	123,950,682	123,950,682	15.60	123,950,682	-	123,950,682	15.60	-	12.06	8,999	0.01	121,937,444	-	-	-
(d)	Resident Individuals holding nominal share capital in excess of ₹0.2 million	981	111,989,256	111,989,256	14.09	111,989,256	-	111,989,256	14.09	6,800,000	11.56	29,505,164	26.35	111,989,256	-	-	-
(e)	Non-Resident Indians	4,146	12,769,013	12,769,013	1.61	12,769,013	-	12,769,013	1.61	-	1.27	2,000,000	15.66	12,284,813	-	-	-

Category	Category of shareholder	Number of shareholders	Number of fully paid up Equity Shares held	Total number of shares held	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				Number of shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares		Number of Equity Shares held in dematerialized form	Subcategorization of shares (XV)		
						Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)		Sub Category_I	Sub Category_II	Sub Category_III
						Class e.g.: X	Class e.g.: Y	Total									
(f)	Foreign Nationals	1	300	300	0.00	300		300	0.00	-	0.00	-	0.00	300			
(g)	Foreign Companies	9	48,123,186	48,123,186	6.06	48,123,186	-	48,123,186	6.06	-	4.68	48,123,186	100.00	48,123,186	-	-	-
(1)	SASOF II (J) AVIATION IRELAND LIMITED	1	8,056,650	8,056,650	1.01	8,056,650	-	8,056,650	1.01	-	0.78	-	0.00	8,056,650	-	-	-
(2)	SASOF III (A6) AVIATION IRELAND	1	8,722,473	8,722,473	1.10	8,722,473	-	8,722,473	1.10	-	0.85	-	0.00	8,722,473	-	-	-
(h)	Bodies Corporate	918	49,357,781	49,357,781	6.21	49,357,781	-	49,357,781	6.21	-	4.38	29,100,000	58.96	48,432,909	-	-	-
(i)	Any other (Specify)	3,205	8,928,462	8,928,462	1.12	8,928,462	-	8,928,462	1.12	-	0.80	1,000,000	11.20	8,928,462	-	-	-
	Sub-Total B(4)	**366,821**	**355,643,233**	**355,643,233**	**44.75**	**355,643,233**	**-**	**355,643,233**	**44.75**	**6,800,000**	**35.69**	**109,737,349**	**30.86**	**352,220,923**	**-**	**-**	**-**
	Total B=B(1)+B(2)+B(3)+B(4)	**366,884**	**421,098,871**	**421,098,871**	**52.99**	**421,098,871**	**-**	**421,098,871**	**52.99**	**101,818,334**	**50.42**	**159,734,015**	**37.93**	**407,844,053**	**-**	**-**	**-**

Statement showing shareholding pattern of the non – Promoter – non-public Shareholder:

The following table sets forth the details regarding the equity shareholding pattern of the non- Promoter- non- public Shareholders as on September 13, 2024:

Sr. No.	Category & Name of the Shareholders (I)	Number of shareholders (II)	Total no. of shares held =(IV)+(V)+(VI)	Shareholding % calculated as per SCRR. 1957) As a % of (A+B+C2) (VIII)	Number of Locked in shares (XII)		Number of equity shares held in dematerialized form
					No.	As a % of total shares held	
(1)	Custodian / DR Holder	-	-	-	-	-	-
(2)	Employee Benefit Trust/Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021	-	-	-	-	-	-
	Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)	-	-	-	-	-	-

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to Bidding, payment of Application Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Prospective Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult its respective advisers in this regard. Eligible QIBs that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Managers and their respective directors, officers, employees, counsels, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Book Running Lead Managers and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Eligible QIBs on whether such Eligible QIB was eligible to acquire the Equity Shares. Also see "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" on pages 261 and 268, respectively.

Our Company, the Book Running Lead Managers and its respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India, may issue Equity Shares to Eligible QIBs, provided that:

- our Shareholders have passed a special resolution approving the Issue. Such special resolution *inter alia* must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to a qualified institutions placement and (b) the Relevant Date;

- the explanatory statement to the notice to our Shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on the BSE Limited ("**Stock Exchange")**, for a period of at least one year prior to the date of issuance of notice to our shareholders for convening the meeting to pass the above-mentioned special resolution;

- our Promoters and Directors are not fugitive economic offenders;

- invitation to apply in the Issue must be made through a private placement offer-cum-application letter (i.e., this Preliminary Placement Document) and an Application Form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; the allotments with respect to any earlier offer or invitation made by our Company shall have been completed or our Company shall have withdrawn or abandoned such invitation or offer made, except as permitted under the Companies Act, 2013;

- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application letter (i.e., the Preliminary Placement Document and the Application Form), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The qualified institutions placement must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;

At least 10% of the Equity Shares issued pursuant to this Issue to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the Stock Exchange during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or duly authorised committee thereof decides to open the Issue and "stock exchange", for the purposes of determination of price, means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of our Shareholders passed by way of special resolution pursuant to postal ballot dated on September 13, 2024, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of our Shareholder's resolution approving the Issue, being [●], 2024 and within 60 days from the date of receipt of Application Amount from the Successful Bidders failing which our Company shall refund the Bid Amount in accordance with applicable laws. For details of refund of Application Amount, see "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" on page 256.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document, which shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only selected Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchange and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchange or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹25,000 lakhs; and
- five, where the issue size is greater than ₹25,000 lakhs

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*– Bid Process - Application Form*" on page 251.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on a recognized stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and may not be offered, sold or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 261 and 268, respectively.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company has filed a draft of this Preliminary Placement Document with the Stock Exchange. Our Company has received in-principle approvals from the Stock Exchange under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE on September 16, 2024.

We shall also make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules.

Issue Procedure

- On the Issue Opening Date, our Company and the Book Running Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the Book Running Lead Managers, at their sole discretion.

- **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

- Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers. Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An

Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

- Bidders will be required to indicate the following in the Application Form:

  - A representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in compliance with, Regulation S and it has agreed to certain other representations set forth in the "*Representation by Investors*" on page 4 and "*Transfer Restrictions and Purchaser Representations*" on page 268 and certain other representations as set forth in the Application Form;

  - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details and bank account details;

  1. number of Equity Shares Bid for;

  2. price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

  3. Equity Shares held by the Eligible QIBs in our Company prior to the Issue;

  4. details of the depository account to which the Equity Shares should be credited; and

  5. Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

- Eligible QIBs shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, Application Amounts received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in " *Refunds*" on page 256.

- Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Issue

Closing Date shall be notified to the Stock Exchange and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

- Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, 2013, upon Allocation, our Company will disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares were allocated to it.

- Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, on or after the Issue Closing Date, our Company shall, in consultation with Book Running Lead Managers determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Managers will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Managers.**

- Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, shall, on our behalf, send a serially numbered Placement Document to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

- Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchange of the details of the Allotment**.**

- After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their respective Application Form, our Company shall apply to the Stock Exchange for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

- After receipt of the listing approvals of the Stock Exchange, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

- Our Company will then apply for the final trading approvals from the Stock Exchange.

- The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchange only upon the receipt of final trading and listing approvals from the Stock Exchange.

- As per applicable law, the Stock Exchange will notify the final listing and trading approvals, which are ordinarily available on its website, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchange or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchange or our Company.

- In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in the Refund Intimation which will be dispatched to such Bidder.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, Eligible QIBs, who can participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

1. alternate investment funds registered with SEBI;
2. Eligible FPIs;
3. insurance companies registered with Insurance Regulatory and Development Authority of India;
4. insurance funds set up and managed by army, navy or air force of the Union of India;
5. insurance funds set up and managed by the Department of Posts, India;
6. multilateral and bilateral development financial institutions;
7. Mutual Funds;
8. pension funds with minimum corpus of ₹2,500 lakhs registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
9. provident funds with minimum corpus of ₹2,500 lakhs;
10. public financial institutions;
11. scheduled commercial banks;
12. state industrial development corporations;
13. the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
14. venture capital funds registered with SEBI; and
15. systemically important non-banking financial companies.

Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule II of FEMA Rules respectively, in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules, subject to other conditions mentioned in the FEMA Rules.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of the post-Issue equity share capital of our Company, and the total holding of all FPIs, collectively, shall not exceed 24% of the paid-up equity share capital of our Company. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

With effect from April 1, 2020, the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company (i.e. up to 49% % under the automatic route as we are engaged in the aviation sector). Further, if any FPI holds 10% or more of the Equity Share capital of our Company, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed National Securities Depository Limited to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3.00% below the overall limit a red flag shall be activated. The designated depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars / public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to, the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company, the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply in the Issue. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document.

Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings as well as those given or made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 4, 261 and 268 respectively:

- The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

- The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

- The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

- The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

- The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

- The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchange;

- The Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

- The Eligible QIB confirms that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;

- The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013, and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

- The Eligible QIB acknowledges that in terms of the requirements of the Companies Act 2013, upon Allocation, our Company will be required to disclose names as proposed Allottees and percentage to post-Issue shareholding of the proposed Allottees in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

- The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    1. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the

other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and

2. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

- The Eligible QIB acknowledges that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;

- Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

- The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to their beneficiary accounts maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares Allotted in the Issue are issued by the Stock Exchange; and

- The Eligible QIB confirms that:

  (a) It is located outside the United States and purchasing Equity Shares in an "offshore transaction" as defined in, and in compliance with, Regulation S and in accordance with the applicable laws of the jurisdiction where those offers and sales are made; and

  (b) It has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Preliminary Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections entitled "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 4, 261 and 268 respectively.

ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO, REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS AN "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue

Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following address:

DAM Capital Advisors Limited
One BKC, Tower C, 15th Floor, Unit No. 1511
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Maharashtra, India
Contact Person: Akshay Bhandari / Chandresh Sharma
Email: spicejet.qip@damcapital.in
Phone No.: +91 22 4202 2500

JM Financial Limited
7[th] Floor, Cnergy Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
Contact person: Prachee Dhuri
E-mail: spicejet.qip@jmfl.com
Telephone: +91 22 66303030

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

Bidders Bidding in the Issue shall pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Application Amount

Our Company has opened the *"SpiceJet Limited – QIP Escrow Account"* with YES Bank Limited, in terms of the arrangement among our Company, the Book Running Lead Managers and the Escrow Bank. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Note: Payments are to be made only through electronic fund transfer. Payments through cheques or demand draft or cash shall be rejected. If the payment is not made favouring the "*SpiceJet Limited – QIP Escrow Account*" account within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*SpiceJet Limited – QIP Escrow Account*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "**–** *Refunds*" on page 256.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income Tax Act, 1961 in the Application Form and enclose a copy of the PAN card or PAN allotment letter along with the Application Form, to the extent applicable.

Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of our Shareholders, accorded by way of a special resolution passed by way of postal ballot on September 13, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations. Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board or a duly authorized committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders through a special resolution dated September 13, 2024 passed by postal ballot.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchange as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR

COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allotted shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to furnish all details that may be required by the Book Running Lead Managers. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchange.

Designated Date and Allotment of Equity Shares

Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

The Equity Shares in the Issue will be issued, and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Successful Bidders' beneficiary demat accounts maintained with the Depository Participant, as indicated in the respective Application Form, our Company will apply for final trading and listing approvals from the Stock Exchange.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchange is required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company will be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Managers and the trading and listing approvals of the Stock Exchange for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchange as the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of the Application Amount, our Company shall repay the Application Amount within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For further details, see "*Bid Process*" – "*Refunds*" on page 256.

Equity Shares in dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchange having electronic connectivity with NSDL and CDSL. The Stock Exchange have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchange.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "*SpiceJet Limited – QIP Escrow Account*" account to our Company until receipt of notice from the Book Running Lead Managers, the trading and listing approvals of the Stock Exchange for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into the Placement Agreement dated September 16, 2024 with our Company, pursuant to which the Book Running Lead Managers have agreed, subject to certain conditions, to manage the Issue and to act as placement agent in connection with the proposed Issue and procure subscription to Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

This Preliminary Placement Document and the Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside the United States in offshore transactions as defined in, and in compliance with , Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 193 and 201, respectively.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchange.

In connection with the Issue, the Book Running Lead Managers (or their affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers (or their affiliates) may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. The Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section titled "*Offshore Derivative Instruments*" on page 10.

From time to time, the Book Running Lead Managers, and their respective affiliates have been engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, banking, trading services for our Company, its Subsidiaries, its group companies, affiliates and the shareholders of our Company, as well as to its respective affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their respective affiliates.

Lock-up

Under the Placement Agreement, our Company undertakes that it will not, for a period commencing the date hereof and ending 90 days from the date of allotment of equity shares pursuant to the Issue ("**Lock-up Period**"), without the prior written consent of the Book Running Lead Managers, do the following:

1. directly or indirectly, offer, issue, contract to issue, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any of the Equity Shares or any securities convertible into or exercisable for the Equity Shares or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing, or

2. enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares (regardless of whether any

of the transactions described in clause 1 or 2 is to be settled by the delivery of the Equity Shares or such other securities, in cash or otherwise), or

3. enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility; or

4. publicly announce any intention to enter into any transaction falling within clause 1 to 3 above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within 1 to 3 above.

In addition, our Company agrees that, without the prior written consent of the Book Running Lead Managers, we shall not, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Shares or any such substantially similar securities, whether now owned or hereinafter acquired.

Provided however that the restrictions contained herein shall not be applicable to (a) any transaction (including a transfer, transmission or disposition of Equity Shares) which is required by Applicable Law or an order of a court of law or a statutory authority, (b) the Preferential Issue, undertaken by the Company to the extent conducted in the manner permitted by Applicable Law, and (c) any allotment or transfer of Equity Shares, or grant of options, pursuant to SESOS-2017, in compliance with Applicable Law; or (d) in accordance with any settlement that the Company enters into with its creditors, pursuant to which there is any primary issuance of Equity Shares or secondary transfer of shares by the Promoter and Promoter Group in favour of such creditors; or (e) in relation to any preferential allotment of Equity Shares pursuant to exercise of warrants of the Company issued and outstanding as on the date of the Placement Documents.

Promoter's Lock-Up

Under the Placement Agreement, to encourage the Book Running Lead Managers to enter into the Placement Agreement and continue their effort in connection with the Placement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, our Promoters hereby agree that, without the prior written consent of the Book Running Lead Managers (which such consent shall not be unreasonably withheld), they will not, during the period commencing on the date hereof and ending 90 days after the date of allotment of the Equity Shares pursuant to the Placement (the "**Lock-up Period**", which shall be communicated by the Book Running Lead Managers in writing immediately on the completion of the allotment of the Equity Shares), directly or indirectly:

a) sell, lend, pledge, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any lock-up equity shares, or any securities convertible into or exercisable or exchangeable for equity shares or publicly announce an intention with respect to any of the foregoing (regardless of whether any of the transactions described in this clause (a) is to be settled by the delivery of the lock-up equity shares or such other securities, in cash or otherwise);

b) enter into any swap or other agreement or any transaction that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the lock-up equity shares or any securities convertible into or exercisable or exchangeable for any of the lock-up equity shares (regardless of whether any of the transactions described in this clause (b) is to be settled by the delivery of the lock-up equity shares or such other securities, in cash or otherwise); or

c) deposit any of the lock-up equity shares or any securities convertible into or exercisable or exchangeable for the lock-up equity shares or which carry the right to subscribe to or purchase the lock-up equity shares or which carry the right to subscribe to or purchase lock-up equity shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of lock-up equity shares in any depository receipt facility; or

d) publicly announce any intention to enter into any transaction whether any such transaction described in a), b) or c) above is to be settled by delivery of the lock-up equity shares, or such other securities, in cash or otherwise.

Provided however that the foregoing restrictions will not be applicable to (i) pledge or mortgage of the Equity Shares already existing on the date of this Agreement or transfer of such existing pledge or mortgage; and (ii) any transfer of the lock-up equity shares made to any member of Promoter Group, subject to compliance with applicable laws and subject to observance by the transferee member of the Promoter Group of the foregoing restrictions on transfer of the lock-up equity shares until the expiry of the Lock-up Period.

Promoter Group's Lock-up

Under the Placement Agreement, to encourage the Book Running Lead Managers to enter into the Placement Agreement and continue their effort in connection with the Placement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, members of our Promoter Group hereby agree that, without the prior written consent of the Book Running Lead Managers (which such consent shall not be unreasonably withheld), our Promoter Group will not, during the period commencing on the date hereof and ending 90 days after the date of allotment of the Equity Shares pursuant to the Placement (the "**Lock-up Period**", which shall be communicated by the Book Running Lead Managers in writing immediately on the completion of the allotment of the Equity Shares), directly or indirectly:

a) sell, lend, pledge, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any lock-up equity shares, or any securities convertible into or exercisable or exchangeable for equity shares or publicly announce an intention with respect to any of the foregoing (regardless of whether any of the transactions described in this clause (a) is to be settled by the delivery of the lock-up equity shares or such other securities, in cash or otherwise);

b) enter into any swap or other agreement or any transaction that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the lock-up equity shares or any securities convertible into or exercisable or exchangeable for any of the lock-up equity shares (regardless of whether any of the transactions described in this clause (b) is to be settled by the delivery of the lock-up equity shares or such other securities, in cash or otherwise); or

c) deposit any of the lock-up equity shares or any securities convertible into or exercisable or exchangeable for the lock-up equity shares or which carry the right to subscribe to or purchase the lock-up equity shares or which carry the right to subscribe to or purchase lock-up equity shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of lock-up equity shares in any depository receipt facility; or

d) publicly announce any intention to enter into any transaction whether any such transaction described in a), b)or c) above is to be settled by delivery of the lock-up equity shares, or such other securities, in cash or otherwise.

Provided however that the foregoing restrictions will not be applicable to (i) pledge or mortgage of the Equity Shares already existing on the date of this Agreement or transfer of such existing pledge or mortgage; and (ii) any transfer of the lock-up equity shares made to any member of Promoter Group, subject to compliance with applicable laws and subject to observance by the transferee member of the Promoter Group of the foregoing restrictions on transfer of the lock-up equity shares until the expiry of the Lock-up Period.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document or any offering material and the offering, sale or delivery of Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restriction. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

The Issue is being made only to Eligible QIBs. The distribution of this Preliminary Placement Document or any offering material and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under "*Notice to Investors*", "*Representations by Investors*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 4 and 268, respectively.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document is not a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) ("**Corporations Act**") and has not been lodged with the Australian Securities and Investments Commission and it does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

No offer will be made under this Preliminary Placement Document to investors to whom disclosure is required to be made under Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to represent and warrant that it is either a "sophisticated investor" or a "professional investor" within the meaning of those terms in the Corporations Act.

The Equity Shares acquired in the Issue in Australia must not be offered for sale in Australia in the period of 12 months after the date of the Allotment, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to undertake to our Company that it will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act.

British Virgin Islands

The Equity Shares are not being and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a "BVI Company"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This Preliminary Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered document has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Act (the "SIBA"), high net worth persons (as defined in the SIBA) or otherwise in accordance with the SIBA. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

People's Republic of China

This Preliminary Placement Document may not be circulated or distributed in the People's Republic of China (excluding, for the purposes of this paragraph, the Hong Kong and Macau Special Administrative Regions and Taiwan Province) and the Equity Shares may not be offered or sold directly or indirectly to any resident of the People's Republic of China, or offered or sold to any person for reoffering or re-sale directly or indirectly to any resident of the People's Republic of China.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the Company may make an offer to the public in that Relevant State of any Equity Shares at any time:

1. to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

2.to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the placement agent for any such offer; or

3. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

Provided that no such offer of the Equity Shares shall require the Company or placement agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 and includes any delegated regulations.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions)

Ordinance (Cap. 32) of Hong Kong (the "**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO.

No advertisement, invitation or document relating to the Equity Shares has been or will be issued for the purposes of the issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act (Act No. 25 of 1948 as amended) of Japan (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949 as amended) of Japan (a "**Japanese Resident)** or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

In an offering of Equity Shares in Japan or to, or for the benefit of, a Japanese Resident, if an offeree does not fall under a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 2, Paragraph 3, Item 1 of the FIEA and Article 10, Paragraph 1 of the Cabinet Office Order on Definitions under Article 2 of the Financial Instruments and Exchange Act (Order of the Ministry of Finance No. 14 of 1993) of Japan (a "**Qualified Institutional Investor**"), Equity Shares will be offered to such offeree by a private placement to small number of investors (*shoninzu muke kan'yu*), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

In an offering of Equity Shares in Japan or to, or for the benefit of, a Japanese Resident, if an offeree falls under a Qualified Institutional Investor, Equity Shares will be offered to such offeree by a private placement to Qualified Institutional Investors (*tekikaku kikan toshika muke kan'yu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe for any Equity Shares, such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring any of such Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets

Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), provided that the net value of the primary residence of the individual (with his or her spouse) contribute not more than RM1 million of the total net assets; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Preliminary Placement Document is subject to Malaysian laws. This Preliminary Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Preliminary Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or offered to the public in Mauritius or used in connection with any such offer. This Preliminary Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Securities Act 2005.

The Mauritius Financial Services Commission (the "**FSC**") does not assume any responsibility for the contents of this Preliminary Placement Document and makes no representation as to the accuracy or completeness of any of the statements made or opinions expressed in this Preliminary Placement Document and expressly disclaimsany liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof. The FSC does not vouch for the financial soundness of the Issuer or for the correctness of any statements made or opinions expressed with regard to it.

Sultanate of Oman

The information contained in this Preliminary Placement Document does not constitute an offer of securities in Oman as contemplated by the Commercial Companies Law (Royal Decree 18/2019) or the Securities Law (Royal Decree 46/2022) or the Executive Regulations of the Capital Market Law (Decision No. 1/2009, as amended) or an offer to sell or the solicitation of any offer to buy non-Omani securities in Oman.

This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Oman Capital Market Authority ("**CMA**") (or its successor, the Financial Services Authority ("**FSA**"), and any reference to the CMA shall include the reference to the FSA in accordance with Royal Decree 20/2024) and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA (or any successor entity thereof, such as the FSA). The offering and sale of Equity Shares described in the Preliminary Placement Document will not take place inside Oman. The Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any person other than the intended recipient hereof.

Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

The CMA (or any successor entity thereof, such as the FSA) takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or for the performance of the Company with respect to the Equity Shares, nor shall it have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Lead Manager are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Lead Manager are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

Nothing in this Preliminary Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Preliminary Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Preliminary Placement Document is strictly private and confidential. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Singapore

This Issue is made in reliance on the exemption under sections 274 and 275(1) and (1A) of the Securities and Futures Act 2001, of Singapore as modified and amended from time to time (the "**SFA**"). It is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore (the "**MAS**"). This Preliminary Placement Document has not been registered as a prospectus with the MAS. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA, or (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA.

It is a condition of the Issue that where the Equity Shares are subscribed for or acquired pursuant to an offer made in reliance on sections 274 or 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six (6) months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person defined in section 275(2) of the SFA, or (in the case of such corporation) where the transfer arises from an offer referred to in section 276(3)(c)(ii) of the SFA or (incase of a trust) where the transfer arises from an offer referred to in section 276(4)(c)(ii) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and are not and will not be listed or admitted to trading on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading venue in Switzerland. Neither this Preliminary Placement Document, any other offering or marketing material relating to the Equity Shares offered hereby nor this Issue constitutes or fulfils the requirements of a prospectus in accordance with Articles 35 et seq. of the Swiss Financial Services Act of 15 June 2018, as amended ("**FinSA**") and Articles 43 et seq. of the underlying regulations of the Swiss Financial Services Ordinance of 6 November 2019, as amended ("**FinSO**") or in accordance with Articles 27 et seq. of the SIX Listing Rules of 23 August 2023, as amended ("**SIX Listing Rules**") or the respective listing rules of any other stock exchange or regulated trading venue in Switzerland. Neither this Preliminary Placement Document, any other offering or marketing material relating to the Equity Shares offered hereby nor this Issue may be distributed, directly or indirectly, or otherwise made available in or into Switzerland in a manner which would require the publication of a prospectus in accordance with the regulations of the FinSA and the FinSO.

Neither this Preliminary Placement Document, any other offering or marketing material relating to the Equity Shares offered hereby, this Issue nor the Issuer have been or will be filed with or reviewed by a prospectus review body licensed by the Swiss Financial Market Supervisory Authority ("**FINMA**"). In particular, this Issue is not and will not be supervised by, the FINMA, and is not and will not be authorized in accordance with the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("**CISA**"). Accordingly, no such protection is provided. In particular, the investor protection afforded to acquirers of interests in collective investment schemes within the meaning of the CISA does not extend to acquirers of the Equity Shares.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the United Arab Emirates (the "**UAE**"). No offering, marketing, promotion, advertising or distribution (together, "**Promotion**") of this Preliminary Placement Document or the Equity Shares may be made to the general public in the UAE unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Decision No. (13/R.M) of 2021 (the "**Rulebook**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted under one of the exemptions from licensing set out in the Rulebook or otherwise in accordance with the laws and regulations of the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this Preliminary Placement Document nor does any such entity accept any liability for the contents of this Preliminary Placement Document.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module of the DFSA Rulebook. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/ or subject to restrictions on their resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial advisor. In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the FCA, except that the Equity Shares may be offered to the public in the United Kingdom at any time: to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation; to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer: or in any other circumstances falling within Section 86 of the FSMA.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended).

United States

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see sections entitled "*Representations By Investors*" and "*Transfer Restrictions and Purchaser Representations*" on pages 4 and 268, respectively.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority ("CMA") pursuant to resolution number 2-11-2004 dated October 4, 2004 as amended by resolution number 1-28-2008, as amended (the "CMA Regulations"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares Allotted in the Issue, except on the Stock Exchange, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge, or transfer of our Equity Shares. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 261.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase the Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of our Company or the Book Running Lead Manager and its respective affiliates shall have any responsibility in this regard.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in "offshore transactions" as defined in, and in compliance with, Regulation S, and such Equity Shares have not been and will not be registered under the U.S. Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.
- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S
- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and, in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or the Book Running Lead Manager for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold our Company and the Book Running Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold our Company or the Book Running Lead Manager liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by our Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that our Company and the Book Running Lead Manager and its respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify our Company and the Book Running Lead Manager. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by our Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes our Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchange and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of its respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and governance of stock exchanges and clearing corporations in India together with providing for minimum net-worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, byelaws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the listing agreements entered into by our Company with the Stock Exchange. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and byelaws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Delisting of equity shares from the stock exchanges, whether by way of a compulsory or a voluntary delisting, is governed by the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the "**Delisting Regulations**"). Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except exempted public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Disclosures under the Companies Act and securities regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public limited companies are required under the Companies Act, and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited financial results (subject to a limited review by the company's auditors) on a quarterly basis and are required to inform stock exchanges immediately regarding any unpublished price sensitive information.

Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the "**Insider Trading Regulations**") have been notified on January 15, 2015 and came into effect on May 15, 2015, by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations define the term "unpublished price sensitive information" to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, "generally available information" is defined as information that is accessible to the public on a non-discriminatory basis. An "insider" means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term "connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the NIFTY 50 of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down, for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Settlement

The stock exchanges in India operate on a trading day plus two, or T+2 rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday.

Further, in accordance with the circular dated September 7, 2021, issued by SEBI, at any time on or after January 1, 2022, a Stock Exchanges may choose to offer T+1 settlement cycle after giving an advance notice of at least one month.

Additional Surveillance Measure

In accordance with applicable law, our Company forms part of the Additional Surveillance Measure list of the stock exchanges, on account of price variations, volume variations and volatility of our securities.

Trading Hours

Trading on both BSE and NSE normally occurs from Monday through Friday between 9:15 a.m. IST and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. IST to 9.15 a.m. IST that has been introduced). BSE and NSE are closed on public holidays.

Internet-Based Securities Trading and Security Trading using Wireless Technology Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE online trading facility in 1995. This 100% automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus. NSE has a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade.

Depositories

The Depositories Act, 1996 provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "**Takeover Regulations**") provide specific regulations in relation to substantial acquisition of shares and takeovers. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding that a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on the part of the acquirer. Acquisition of shares or voting rights up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions (direct or indirect, along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer for the shares of the target company.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles and the Companies Act. Bidders are urged to read the Memorandum and Articles carefully, and consult with their advisers, as the Memorandum and Articles and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares

Share capital

The Authorised Share Capital of the Company Rs. 15,000,000,000 (Rupees Fifteen Thousand Million) divided into 1,500,000,000 (One Thousand Five Hundred Million) equity shares of Rs.10 (Rupees Ten) each.

Dividends

Under the Companies Act, a company may pay dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013 no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. However, our Company may declare a smaller dividend in the general meeting and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof. In addition, as is permitted by the Articles of Association, the Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.

Further, as per the Companies Act read with Companies (Declaration and Payment of Dividend) Rules, 2014, in the event of inadequacy or absence of profits in any year, a company may declare dividend out of free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15% of the company's paid up share capital as per the most recent audited financial statement of the company.

Pursuant to the Articles of Association of our Company, if our Company declares a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, our Company shall, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, transfer the total amount of dividend, which remains so unpaid or unclaimed to a special account to be opened by our Company in that behalf in any scheduled bank to be called “Unpaid Dividend of SPICEJET LIMITED”. Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. “Investors Education and Protection Fund. Further, no unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

The Equity Shares issued pursuant to this Preliminary Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Capitalisation of Profits

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors, if so approved by the shareholders in a general meeting, to capitalise its profits or reserves for the purpose of issuing fully paid-up bonus shares, which are similar to stock dividend. The Companies Act permits the issue of fully paid up bonus shares from its free reserves, securities premium account or capital redemption reserve account, provided that bonus shares shall not be issued by capitalising reserves created by revaluation of assets. These bonus Equity Shares must be distributed to shareholders in proportion to the number of Equity Shares owned by them as recommended by the board of directors.

According to the Articles of Association, the Company in general meeting may, upon the recommendation of the Board, resolves that it is desirable (i) to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution; (ii) such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions; (iii) the sum aforesaid shall not be paid in cash but shall be applied either in or towards- paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively; or paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or partly in the way specified in sub-article (i) and partly in the way specified above in (ii).

A share premium account may be applied as per Section 52 of the Act, 2013, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

Any issue of bonus shares by a listed company would be subject to the SEBI regulations. The relevant SEBI regulations prescribe that no company shall make a bonus issue of Equity Shares if it has outstanding fully or partly convertible debt instruments at the time of making the bonus issue, unless it has made reservation of the Equity Shares in the same class in favour of the holders of the outstanding convertible debt instruments in proportion to the convertible part thereof and the Equity Shares reserved for the holders of fully or partly convertible debt instruments shall be issued at the time of conversion of such convertible debt instruments on the same terms or same proportion on which the bonds were issued. Further, for issuance of such bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The declaration of bonus shares in lieu of a dividend cannot be made. The bonus issuance shall be made out of free reserves built out of genuine profits or share premium collected in cash only. The reserves created by revaluation of fixed assets cannot be capitalised. Further, a company should have sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees, such as contributions to provident funds, gratuities and/or bonuses.

Alteration of Share Capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing Shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting.

Pursuant to the terms of our Articles of Association, our Company may, from time to time: (a) increase its Share Capital by such amount as it thinks expedient; (b)consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares; (c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

Issuance of Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.
The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

General meetings of Shareholders

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. A company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. A General Meeting of the Company may be called by giving not less than 21 (twenty-one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty-eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety-five) percent of the Shareholders entitled to vote at that meeting.

As per the provisions of the Companies Act and the Articles of Association, all the general meetings of the Company other than annual general meetings shall be called extra-ordinary general meetings. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit. Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists. Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

Voting Rights

At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise. In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder. If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting. The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

Transfer and Transmission of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

Directors

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

Buy-back

Pursuant to a resolution of the Board or a Special Resolution of the Shareholders, as required under the Act, the Company may purchase its own Equity Shares or other Securities, as may be specified by the Act, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with Law.

Winding up

Our Articles of Association provide that subject to the provisions of the Companies Act and the rules made thereunder, if the Company shall be wound up, the Liquidator may, with the sanction of a special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

Further, for the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

TAXATION

Date: September 16, 2024

To,

The Board of Directors
Spicejet Limited
Indira Gandhi International Airport Terminal 1D,
South West Delhi, New Delhi,
110037, Delhi, India (the "**Company**")

DAM Capital Advisors Limited
One BKC, Tower C, 15th Floor, Unit No. 1511,
Bandra Kurla Complex, Bandra (East),
Mumbai ,400051,
Maharashtra, India
("**DAM Capital**")

JM Financial Limited
7thFloor, Cnergy
Appasaheb Marathe Marg
Prabhadevi,
Mumbai 400 025
Maharashtra, India

(**DAM Capital**, **JM Financial Limited** and any other lead managers appointed by the Company in relation to the Issue are hereinafter collectively referred to as the "Book Running Lead Managers" or "BRLMs")

Dear Madam(s) / Sir(s),

Sub: **Statement of possible special tax benefits available to Spicejet Limited (the "Company"), its shareholders and material subsidiaries under direct and indirect tax laws, prepared in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations")**

1. This certificate is issued in accordance with our engagement letter dated 30th July, 2024 with the Company in relation to the Issue.

2. We, Umesh Prasad & Associates, Chartered Accountants, (Firm Registration Number: 015658C) are independent chartered accountants appointed by the Company hereby confirm the enclosed statement in the Annexures prepared and issued by the Company (the "Statement"), which provides the possible special tax benefits available to the Company, its shareholders and material subsidiaries under direct tax and indirect tax laws presently in force in India including the Income-tax Act, 1961, the Income-tax Rules, 1962, ('Rules'), regulations, circulars and notifications issued thereon, as applicable, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 , the Customs Tariff Act, 1975 and the Foreign Trade Policy 2023-2028, each as amended (collectively the "Indian Taxation Laws") and the rules, regulations, circulars and notifications issued in connection with the Indian Taxation Laws, each as amended by the Finance Act, 2024 and as applicable to the assessment year 2025-26 relevant to the financial year 2024-25. Several of these benefits are dependent on the Company, its shareholders and material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Indian Taxation Laws. Hence, the ability of the Company, its shareholders and material subsidiaries to derive the special tax benefits is dependent upon their fulfilling such conditions, if any, which are based on business imperatives the Company, its shareholders and material subsidiaries face in the future, the Company, its shareholders and material subsidiaries may or may not choose to fulfil such conditions for availing special tax benefits.

3. This statement of possible special tax benefits is required as per Schedule VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations,

it is assumed that with respect to special tax benefits available to the Company, its shareholders and material subsidiaries, the same would include those benefits as enumerated in the Annexure. Any benefits under the Taxation Laws other than those specified in the Annexure is considered to be general tax benefits available to the Company, its shareholders and material subsidiaries and therefore are not covered within the ambit of the statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the Annexure, has not been examined and covered by the statement.

4. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

5. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its shareholders and material subsidiaries and do not cover any general tax benefits available to them.

6. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

7. The benefits stated in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that the statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Proposed Qualified Institutional Placements of equity shares of the Company (the "Offer") particularly in view of the fact that certain enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible tax benefits, which an investor can avail and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of the statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency. Neither we are suggesting nor advising the investors to invest money based on the statement.

8. We conducted our examination of the Statement in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2026)" (the "Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

10. We do not express any opinion or provide any assurance whether:

    - The Company, its shareholders and material subsidiaries will continue to obtain these benefits in the future;
    - The conditions prescribed for availing the benefits have been/would be met; and
    - The revenue authorities/courts will concur with the views expressed herein.

11. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

12. This Statement is addressed to Board of Directors of the Company and Book Running Lead Manager and has been issued at the specific request of the Company for submission to the Book Running Lead Manager to

assist them in conducting their due-diligence and documenting their investigations of the affairs of the company in connection with the proposed Offer. The enclosed Annexure to this Statement is intended solely for your information and for inclusion in the Preliminary Placement Document ("**PPD**"), Placement Document ("**PD**") (collectively referred to as "**Placement Documents**") in connection with the Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in the statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

13. The aforesaid consent and information contained herein may be relied upon by the BRLMs and legal counsels appointed pursuant to the Issue and may be disclosed and submitted to the Stock Exchanges, the Securities and Exchange Board of India, and any other regulatory or statutory authority by reason of any law, regulation or order of a court by any governmental or competent regulatory authority or in respect of the Issue and/or for the purpose of conducting due-diligence and maintaining records by the BRLMs in connection with the Issue and for any defense, to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation, in any claim or proceeding or any other matter in connection with the contents of this Certificate.

14. We do not accept or assume any liability or any duty of care for any other purpose or to any other person or entity except applicable laws.

For Umesh Prasad & Associates
Chartered Accountants
FRN: 015658C
PRN: 016595

CA. Mithlesh Prasad
Partner
(Membership Number: 548866)

Place : Gurugram
Date : September 16, 2024
UDIN : 24548866BKGRFV7226

ANNEXURE to the STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

1. Special Direct tax benefits available to the Company under the Income Tax Act, 1961

   Outlined below are the possible tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 as amended by the Finance Act, 2024 read with relevant rules, circulars and notifications applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India.

(i) As per Section 2 of chapter II of Finance Act, 2024 (Rates of Income-tax), Income-tax shall be charged at the rates specified in Part III of the First Schedule. Further, the Company also has an option as per the provisions of Section 115BAA of the Income -tax Act, 1961 ("the Act") to opt for reduced tax rate of 22% (plus applicable surcharge and health and education cess) subject to fulfilment of certain conditions specified in the said Section. Under this option, the Company will not be eligible to claim some special exemptions and deductions. Further, in order to avail the benefit of lower tax rate, the Company has to opt for the same on or before the filing of Income tax return for respective year. Once the option is exercised by the Company, it cannot be subsequently withdrawn for the same or any other subsequent years. Additionally, the provisions of Section 115JB of the Act i.e. MAT provisions shall not apply to the Company on exercise of the option under Section 115BAA of the Act, as specified under sub-section (5A) of Section 115JB of the Act and MAT credit of the earlier year(s) will not be available for set-off.

(ii) In case where a Company does not opt for the lower tax rate, the Company would be liable to pay tax @ 30% (plus applicable surcharge and health and education cess).

(iii) Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction under Section 80JJAA of the Act, of an amount equal to 30% of additional employee cost (pertaining to specified category of employees) incurred in the course of business in the financial year, for 3 assessment years including the assessment year relevant to the financial year in which such employment is provided.

(iv) Dividend received by an Indian company from a specified foreign company (in which it has shareholding of 26% or more) is taxable at 15% (plus applicable surcharge and health and education cess) as per Section 115BBD of the Act.

(v) Further, as per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its shareholders on or before one month prior to due date of filing of its Income-tax return for the relevant year.

2. Special Direct Tax Benefits available to the Shareholders of the Company under the Income Tax Act, 1961

   Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits available to the shareholders under the provisions of the Act for investing in the shares of the Company.

3. Special Indirect tax benefits available to the Company under Integrated Goods and Services Tax Act, 2017; Central Goods and Services Tax Act, 2017; State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act")

   (i) The Company is engaged in providing Transport of Passengers by Air services through consumer base in India which attract GST at the prescribed rates. The Company avails eligible input tax credit and utilizes the same as per the prescribed GST law.
   (ii) Apart from the above, none of any special Indirect tax benefits are available to the Company under the Indirect Tax Regulations in India.

4. Special Indirect tax benefits available to the Shareholders under Integrated Goods and Services Tax Act, 2017; Central Goods and Services Tax Act, 2017; State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act")

   (i) The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. Securities are excluded from the definition of Goods as defined u/s 2(52) of the

Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017.

(ii) Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, Goods and Services Tax (Compensation to States) Act, 2017 including the relevant rules, notifications and circulars issued there under.

Notes:

1. This Statement sets out only the possible special tax benefits available under the current provisions of the direct tax and indirect tax laws presently in force in India.
2. The above Statement sets out the provisions of the laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. The tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Income Tax Regulation. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil. This Statement discusses only the special tax benefits i.e. tax benefits specific to the Company and its shareholders subject to fulfilment of prescribed conditions and not general tax benefits available to the Company and shareholders.
4. The tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
5. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.
6. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.
7. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders in the country outside India are advised to consult their own advisors regarding possible Income tax consequences applicable to them.
8. Surcharge is to be levied on domestic companies @ 7% where the income exceeds INR 1 crore but does not exceed INR 10 crores and @ 12% where the income exceeds INR 10 crores. If the Company opts for concessional income tax rate under section 115BAA, surcharge shall be levied @ 10%. Health and Education Cess @ 4% on the tax and surcharge is payable by all category of taxpayers.
9. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
   (i) the Company or its shareholders will continue to obtain these benefits in future;
   (ii) the conditions prescribed for availing the benefits have been/ would be met with; and
   (iii) the revenue authorities/courts will concur with the view expressed herein.
10. The above views are based on the existing provisions and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

LEGAL PROCEEDINGS

Our Company is involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, tax disputes and civil proceedings, which are pending before various adjudicating forum.

As on the date of this Preliminary Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's policy for determination of materiality of events and information for disclosure to stock exchanges framed in accordance with Regulation 30 of the SEBI Listing Regulations, as approved by the Board in its meeting held on February 11, 2019.

*Additionally, for the purpose of identification of material litigation, pursuant to the terms of the approach approved by the Board in its meeting held on September 14, 2024, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable (i) all outstanding actions initiated by regulatory or statutory authorities such as SEBI, or such similar authorities or Stock Exchanges, involving the Company, its Subsidiaries, its Promoters and Directors (including any notices received) will be disclosed individually; (ii) all outstanding criminal litigation filed by and against the Company, its Subsidiaries, its Promoters and Directors will be disclosed individually; (iii) all outstanding civil litigation involving the Company, its Subsidiaries, its Promoters and Directors where the amount involved exceeds litigations with amount involved with 0.2% of the total income as per last audited consolidated financial statement ("**Materiality Threshold**") will be disclosed individually amounting to ₹ 140.90 million; (iv) consolidated disclosure of the direct and indirect tax matters involving our Company, Subsidiaries, Promoters and Directors that are above the Materiality Threshold will be disclosed individually; and (v) any other outstanding litigation involving the Company, its Subsidiaries, its Promoters and Directors wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations, or financial position of the Company will be disclosed.*

Except as disclosed elsewhere, this section of the Preliminary Placement Document also discloses (i) any inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or the Companies Act, 1956 in the last three years preceding the year involving the Company, its Subsidiaries or its Promoters and any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years and the stub period for the Company, its Subsidiaries and its Promoters; (ii) any material fraud committed against the Company in the last three years, and if so, the action taken; (iii) any significant and material order passed by the regulators, courts and tribunals impacting the going concern status of the Company or its future operations; (iv) any default by the Company including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon; (v) any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder; (vi) any litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Directors of the Company during the last three years and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action, if any; or (vii) there are reservations, qualifications or adverse remarks of auditors in their respective reports on our Audited Consolidated Financial Statements in the last five Fiscal Years immediately preceding the year of circulation of this Preliminary Placement Document and any other documents issued in relation to the Issue will be disclosed in this Preliminary Placement Document and any other documents issued in relation to the Issue.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, our Subsidiaries, our Promoters or our Directors as the case may be, from third parties (excluding statutory/ regulatory/ governmental authorities or notices threatening criminal action) shall not, unless otherwise decided by the board of directors of the Company, be considered material until such time that the relevant party, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

Capitalised terms used herein shall, unless otherwise specified, have the same meanings ascribed to such terms in this section.

- **Litigations involving our Company**

Litigation by our Company

Criminal Proceedings filed by our Company

- Our Company has filed a writ petition before the High Court of Delhi seeking quashing of summoning orders issued by the Metropolitan Magistrate, Patiala House upon complaints filed by the Labour Enforcement Officer against our Company alleging non-compliance of the order passed by the labour commissioner. The High Court has stayed the operation of the order passed by the Metropolitan Magistrate. Subsequently, certain workmen have filed impleadment applications which are currently pending. The matter is listed for hearing on November 18, 2024. Our Company has filed a petition before the High Court of Delhi, New Delhi ("**Court**") under Section 482 of Code of Criminal Procedure, 1973, ("**Code**") against Union of India ("**Respondent**") for quashing of criminal complaint cases no. 933 of 2007 to 950 of 2007, 990 of 2007 to 1004 of 2007 titled Labour Enforcement Officer (Central), New Delhi vs. Sh. A.K. Maheshwary and our Company pending before the Special Metropolitan Magistrate, Parliament Street, New Delhi. The said matter arose due to abrupt shutdown of Modiluft Limited ("**Petitioner Company**"), resultantly, most of its employees ceased to be in employment from November 01, 1996, onwards. However, after almost 6 years of closing of operations of the Petitioner Company, certain workmen who are the members of Bhartiya Mazdoor Union, raised an industrial dispute before the Labour Commissioner (Central), New Delhi in the year 2002-03 alleging that their services had been termination and demanded the reinstatement in the Petitioner Company. Consequently, the new management of the Petitioner Company entered into mutually agreeable 'Memorandum of Settlement' and the same was recorded by the Assistant Labour Commissioner (Central), New Delhi. Our Company relaunched its operations on May 23, 2005 and in lieu of honoring the 'Memorandum of Settlement', sent call letters dated April 28, 2005 to all the workmen who were parties to the said impugned settlement, consequently, recruitment process was conducted and total 18 ex-workmen were selected through the impugned interview process. However, on July 31, 2007, our Company received summons from the Court of Special Metropolitan Magistrate, Parliament Street, New Delhi, where it was alleged that our Company has not complied with the impugned 'Memorandum of Settlement. Therefore, the present petition has been filed by our Company for quashing all 18 criminal complaint cases filed in this regard. The matter is currently pending.

Civil Proceedings filed by our Company

Nil

Cases filed under Section 138 of Negotiable Instruments Act, 1881

As on date of this Preliminary Placement Document, a total of 64 legal proceedings filed by our Company are pending, against accused persons under section 138 of the Negotiable Instruments Act, 1881 and the amount involved in such cases aggregates to a sum of ₹ 2,44.60 million.

Litigations against our Company

Criminal Proceedings filed against our Company

Nil

Civil Proceedings filed against our Company

I. Team France 01 S. A. S. and Sunbird France 02S.A.S. has filed commercial suit before the High Court of Delhi (together the "**Plaintiffs**") seeking a decree of permanent injunction against utilising the three engines and directing hand over of possession of the Engines, or alternatively, re-delivering the engines. The parties entered into interim arrangement to clear the dues, under the interim arrangement and the terms were recorded vide order of the court dated May 29, 2024. Around USD 7.1 million was paid by the Company. However, vide order dated 14.08.2024 ("**Impugned Order**"), the High Court has directed to ground the three engines and return to the Plaintiffs, while making Company liable for the outstanding amount of USD 4.8 million which the Plaintiffs may obtain through execution of the said order.

Our Company has filed an appeal against the Plaintiffs dated August 15, 2024 ("**Appeal**") before High Court of Delhi under Order 43 Rule 1(r) read with Section 151 of the Code of Civil Procedure, 1908 and Section 13(a) of the Commercial Courts Act, 2015gainst the Impugned Order and has contended that the High Court of Delhi does not have the jurisdiction as per the terms of the Agreements. The Impugned

Order was varied to the extent to make concerns of the Company right to take all defences in the suit actions, which would include objections concerning jurisdiction and governing law and the matter was disposed by the Division Bench of the High Court of Delhi vide order dated September 11, 2024.

We preferred Special Leave Petitions ("SLPs") before the Supreme Court of India assailing the order made by the Division Bench of the High Court of Delhi.

II. Klaatu Aircraft Leasing (Ireland) Limited (*now renamed as Aircastle*) ("**Plaintiff**") had issued a demand notice dated April 4, 2023 ("**Demand Notice**") under Section 8 of the Insolvency and Bankruptcy Code, 2016 ("**IBC**") claiming operational debt of USD 6,094,878 (approximately USD 6 Million) ("**Debt Amount**") under the aircraft lease agreement ("**Lease**") for aircraft bearing MSN 33597 which was redelivered by our Company to Plaintiff on December 12, 2022. Subsequently, Plaintiff filed a petition dated April 28, 2023 ("**Petition**") under Section 9 of IBC claiming the Debt Amount. Our Company filed a response dated May 24, 2023 ("**Response**") inter-alia challenging the maintainability of the Petition on the ground that a part of the Debt Amount falls during the 10A period and the Demand Notice is defective. Further, our Company has filed an application dated June 5, 2023 ("**Application**") under Section 60(5) and 10 of IBC read with rule 11 of National Company Law Tribunal seeking directions to first adjudicate on the maintainability of Petition. Subsequently, Plaintiff filed a response dated July 15, 2023 to the Application.

III. Klaatu Aircraft Leasing (Ireland) Limited (*now renamed as Aircastle*) ("**Plaintiff**") had issued a demand notice dated April 4, 2023 ("**Demand Notice**") claiming operational debt of USD 5,604,995 (approximately USD 5.6 Million) ("**Debt Amount**") under the aircraft lease agreement ("**Lease**") for aircraft bearing MSN 34799 in the possession of Plaintiff from 15.03.2023. During the subsistence of Lease, Plaintiff called out event of default on grounds of non-payment of rentals and issued 'default and grounding notice' dated December 31, 2021 to our Company. Subsequently, Plaintiff filed a petition dated June 7, 2023 ("**Petition**") under Section 9 of Insolvency and Bankruptcy Code ("**IBC**") claiming the Debt Amount. Our Company filed a response dated June 4, 2024 ("**Response**") that the petition is not maintainable on various grounds. In view of the submissions made, the matter was reserved for orders, on the issue of maintainability of the petition. However, vide order dated 07.05.2024, the bench deemed it appropriate that examination is pleadings is required to adjudicate this issue, therefore, directed SpiceJet to file its reply. Reply on behalf of SpiceJet is filed and AirCastle has sought time to file its rejoinder. The Parties that they are in appraised the court of parties are in talks for settlement. The matter is currently pending.

IV. Wilmington Trust SP Services (Dublin) Limited ("**Appellant**") filed an appeal dated March 6, 2023, before National Company Law Appellate Tribunal against our Company under Section 61 of Insolvency and Bankruptcy Code ("**IBC**") challenging the order dated January 29, 2024 ("**Impugned Order**") passed by National Company Law Tribunal ("**NCLT**") alleging that NCLT has erroneously and without appreciating the factual background rejected the earlier petition filed by the Appellant against our Company under Section 9 of IBC ("**Earlier Petition**") without the issuance of any notice. The Earlier Petition was filed on account of default in payment amounting to USD 11,184,198 arising out of aircraft lease agreement dated August 7, 2013, for leasing of one (1) B 737-800 Aircraft bearing manufacturer's serial number between the Appellant and our Company. In lieu of the non-payment of the aforementioned amount, a demand notice dated April 4, 2023 ("**Demand Notice**") was also served on our Company. Our Company has filed a response dated July 24, 2024 ("**Response**") to the present appeal filed by the Appellant denying the averments made by the Appellant in the appeal and stating that the Impugned Order was rightly passed as the averments were not maintainable. The matter is currently pending.

V. Willis Lease Finance Corporation (**"Appellant**") has filed an appeal dated January 5, 2024 before the National Company Law Appellate Tribunal, New Delhi ("**NCLAT**") against our Company under Section 61 of Insolvency and Bankruptcy Code, 2016 ("**IBC**") against the order passed by National Company Law Tribunal ("**NCLT**") dated December 4, 2023 ("**Impugned Order**"). Vide the present appeal, the Appellant has alleged that vide the Impugned Order, the NCLT has violated the provisions of IBC read with NCLT Rules, 2016 as NCLT contravened the process of law by providing an opportunity to our Company to canvass our contentions on maintainability of initial petition filed by the Appellant without any written pleadings on record. The dispute arose as, previously, certain lease agreements were executed between the Appellant and our Company, wherein our Company had defaulted in making payments against the invoices despite timely receipt of invoices. Subsequently, the Appellant served a demand notice dated November 4, 2022 ("**Demand Notice**"). Vide the Impugned Order, NCLT dismissed the petition of the Appellant without issuance of any notice to our Company, for the reasons of non-maintainability of the petition filed by the Appellant before NCLT under Section 9 of IBC claiming an operational debt of USD 6,581,839.57. The matter is currently pending**.**

VI. TWC Aviation Capital Limited ("**Plaintiff**") filed suit with the High Court of Delhi seeking a Decree of Declaration inter alia that the Order dated 14.03.2024 read with Order dated 22.03.2024 passed by the High Court of Justice, England and Whales directing the Company to deliver forthwith MSN 34399 and 34400 ("**Aircraft**") and engines ("**Engines**") to the Plaintiff. This Hon'ble Delhi High Court, vide Order dated 15.05.2024 ("**Impugned Order**"), directed the Company to hand over the Aircraft and Engines, with records and usage of the aircraft to the Plaintiff.

The Company filed an appeal against the Impugned Order. The Hon'ble Division Bench, vide Order dated 27.05.2024, dismissed the said appeal as withdrawn and extended the date of delivery of the aircraft frames, engines, and technical records. The Company substantially complied with the prescribed orders. However, vide Order dated 09.07.2024, the Hon'ble Division Bench recorded that complete compliance with the Order dated 02.07.2024 had not taken place and as such, the Hon'ble Division Bench registered a Suo Moto Contempt Petition. The Plaintiff has filed its Rejoinder and the Company shall also file its Rejoinder in due course. The matter is currently pending.

VII. AWAAS 36694 Ireland Limited and Ors ("**Petitioner**") had filed an execution petition dated February 21, 2024 before the High Court of Delhi ("**Execution Petition**") seeking the enforcement of an ex-parte order dated November 6, 2023 ("**Order**") passed by the High Court of Justice, England and Wales ("**UK Court**") against our Company. Vide the Order passed by the UK Court, our Company was directed to pay an amount of ₹ 77,21,50,705.60, to the Petitioner along with an interest at the rate of 8% per annum since November 17, 2023. Further, our Company was directed to file its response within four weeks, vide an order dated April 10, 2024 passed by the High Court of Delhi. Subsequently, our Company had also filed an application seeking the condonation of delay along with the response on July 10, 2024. Our Company has also filed an application dated under Section 151 of the Civil procedure Code, seeking the partial modification of the Order. The matter is currently pending.

VIII. AWAS 36698 Ireland Limited ("**Petitioner No. 1**"), AWAS 36694 Ireland Limited ("**Petitioner No. 2**") and AWAS 36695 Ireland Limited ("**Petitioner No. 3**") ("collectively referred to as **Petitioners**"), had filed three petitions ("**Petition**") under Section 9 of the Insolvency and Bankruptcy Code ("**IBC**") against our Company before National Company Law Tribunal, New Delhi ("**NCLT**") for its failure to repay the operational debt of ₹ 35,58,35,304.52, ₹ 23,24,37,610.92, and ₹ 19,78,97,170.14 respectively ("**Operational Debt**") owed to the Petitioners. Vide a summary judgment passed by the High Court of England and Wales, Commercial Division dated November 3, 2023 ("**Summary Judgment**"), our Company was directed to pay the Operational Debt to the Petitioners, as our Company defaulted in making the payments under the aircraft leasing agreements entered into with the Petitioners owing to the Covid-19 pandemic. Our Company filed response dated July 18, 2024 ("**Response**") to the Petition and challenging the Petition on the ground that they are not maintainable. Thereafter, the Petitioners filed rejoinders dated July 26, 2024 against the Response filed by our Company on the ground that the Response is time barred. The matter is currently pending.

IX. Engine Lease Finance B. V. (**"Applicant"**) filed an interim application (**"IA"**) dated January 13, 2024 against our Company in the civil suit ("**Suit**") before the High Court of Delhi. The IA is filed on account of the disregard of the directions by the our Company passed by the High Court of Delhi in the order dated January 16, 2024 (**"Order"**) and to seek the direction from the court to allow the Applicant to carry out appropriate inspection of the engine having MSN 038810 (**"Engine"**) and take necessary steps to ensure that the Engine is appropriately preserved prior to the redelivery. Our Company through the Order was directed to provide inspection of the Engine to the Applicant. The Suit was filed on to seek specific performance of the our Company is contractual obligations to handover possession of aircraft Engine leased to the our Company in terms of the obligations under the Aircraft Engine General Terms Agreement dated November 21, 2017 and Long Term Lease Agreement dated November 21, 2017 between the Applicant and our Company The parties came to an interim arrangement on a without prejudice basis on October 5, 2023 (**"Interim Arrangement"**) and the settlement of the dispute was filed with the Hon'ble High Court of Delhi on October 16, 2023. The parties agreed that our Company would ground/ remove the Engine on January 15, 2024 and thereafter redeliver the Engine by January 25, 2024 (**"Redelivery Plan"**). The matter is currently pending.

X. Engine Lease Finance B.V. ("**Petitioner**") has filed this proceeding dated May 24, 2024 ("**Petition**") against our Company under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("**IBC**") before National Company Law Tribunal, New Delhi ("**NCLT**") claiming an operational debt to the tune of USD 16,719,387.25 (inclusive of interest) pursuant to eight engine lease agreements. It is the case of Petitioner that due to alleged non-payment of the invoices towards lease rent, refurbish rent, supplemental rent, etc., the present proceedings have been filed. Petitioner claimed that several notices were issued to our Company seeking the payment of dues. NCLT vide its order dated June 13, 2024 stated that our Company may file its response to the Petition in two weeks and listed the matter for hearing on August 2, 2024. Thereafter, Petitioner filed an application dated July 9, 2024 under Section 60(5) of IBC, seeking the closure of the right granted to our Company to file its response to the Petition. Subsequently, our Company filed its response dated July 30, 2024 ("**Response**") to the Petition alleging that the aforementioned Petition is not maintainable and is defective. The matter is currently pending.

XI. Shannon Engine Support Limited ("**Petitioner**") filed a petition dated May 31, 2024 ("**Petition**") before National Company Law Tribunal, New Delhi ("**NCLT**") under Section 9 of the Insolvency and Bankruptcy Code ("**IBC**") against our Company alleging the failure on part of our Company to pay an operational debt amounting to USD 3,646,321.38 ("**Operational Debt**") under two lease agreements dated March 26, 2021 and April 01, 2021 for the leasing of two engines bearing serial numbers ESN 803732 & ESN 890430 respectively. The Petitioner issued notice of termination for ESN 890430 on September 11, 2023, and for ESN 890430 on November 17, 2023 ("**Notices**"). On December 26, 2023, the Petitioner issued a demand notice demanding the outstanding payment to which our Company responded on January 5, 2024. Thereafter the Petitioner filed its response dated February 14, 2024. The matter is currently pending.

XII. Aircastle (Ireland) Limited ("**Plaintiff**") has filed a case against Jet Airways (India) Limited before National Company Law Appellate Tribunal, Bench-V, New Delhi ("**NCLAT**") claiming return of one Engine It is presumed that it is an appeal against order dated May 9, 2024, has been passed by NCLT in I.A. No. 1011/2024, in CP (IB) 2205 of 2019. There are no directions against our Company by the NCLT.

XIII. Alterna Aircraft VB Limited ("**Plaintiff**") filed before the High Court of Justice, (Business and Property Courts) Kings Bench Division, Commercial Court, United Kingdom ("**Court**") against our Company. The Plaintiff and our Company entered into two aircraft lease agreements dated 07 June 2019 ("**Lease**") whereunder the Plaintiff has leased two B 737-800 aircrafts with Manufacturer's Serial Number 34801 ("**MSN 34801**") and 34802 ("**MSN 34802**") (collectively referred "**Aircraft**s") to our Company together with two engines on each aircraft. A summary judgment was granted in favour of the Plaintiff on February 17, 2023 vide which the Court held our Company to pay USD 10,645,885.14 and £ 100,000 towards principal amounts, USD 514,111.79 towards pre-judgment interest, and £165,000 towards costs in favour of the Plaintiff. The Plaintiff has now initiated enforcement proceedings before the courts of Washington seeking approval of the Court's judgment and enforcement of same. Summons have been issued against our Company which on May 9, 2023 and 60 days' time, was provided to our Company to respond to the summons and submit its objections.

XIV. Alterna Aircraft VB Limited ("**Plaintiff**") filed a petition dated June 6, 2024 ("**Petition**") before the National Company Law Tribunal, New Delhi ("**NCLT**") against our Company under Section 9 of Insolvency and Bankruptcy Code ("**IBC**") claiming a debt amount of USD 9,743,930.64 ("**Claim Amount**"). The present proceedings are premised on the order dated March 2, 2023 ("**Order**") passed by the High Court of England and Wales in a claim petition filed by the Plaintiff against our Company, vide which our Company was directed to pay the Claim Amount to the Plaintiff on account that our Company failed to make timely payments towards the basic rent and maintenance rent from November 29, 2019 onwards. A demand notice dated April 19, 2024 was also served on our Company to which our Company responded on April 30, 2024**.** The Company has challenged the maintainability of the petition filed by Alterna. The matter is currently pending and is now listed on 21.10.2024.

XV. Our Company had, in earlier financial years, received amounts aggregating to ₹ 5,790.90 million from our erstwhile promoters (Kal Airways Private Limited and Kalanithi Maran) as advance money towards proposed allotment/subscription 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 our erstwhile promoters, present Promoter namely Ajay Singh and our Company, the Company were required to secure an amount of ₹3,290.89

million through a bank guarantee in favour of the Registrar General of the Court (**“Registrar”**) and to deposit the balance amount of ₹ 2,500.00 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 ₹ 3,082.19 million to the counterparty, (b) explore the possibility of allotting non-convertible cumulative redeemable preference shares in respect of ₹2,708.70 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be ₹ 924.66 million (being interest on the amount stated under (a) above, in terms of the Award). The amounts referred to under (a) and (b) above, aggregating ₹ 5,790.89 million, continue to be carried as current liabilities without prejudice to our rights under law. Further, the Company was entitled to receive from the counterparty, under the said Award, an amount of ₹ 290.00 million of past interest/servicing charges. Consequent to the Award, and without prejudice to the rights and remedies the Company may have in the matter, we accounted for ₹634.66 million as an exceptional item (net) during the year ended March 31, 2019, being the net effect of amount referred to under (c) and counter claim receivable of ₹290.00 million, above. Our Company deposited the entire principal of ₹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 our counter-claim. The Company has additionally paid in aggregate ₹ 1,500.00 million to the counterparties pursuant to Court orders dated August 24, 2023 and February 2, 2024 while keeping open the rights and contentions in pending litigations. All the payment made to the counterparties has been included under other non-current assets. The Company, our present Promoter and the counterparties challenged various aspects of the Award, including the above-mentioned interest obligations and rights, under Section 34 of the Arbitration and Conciliation Act, 1996 which was dismissed by the Court vide its judgments dated July 31, 2023. Thereafter, the Company and our present Promoter preferred an appeal under Section 37 of the Arbitration and Conciliation Act, 1996 before the Division Bench of the Court, *inter-alia*, challenging the payment of entire interest amount and payment of early refund of ₹2,708.70 million towards non-convertible cumulative redeemable preference shares. The Division Bench vide its judgment dated May 17, 2024 set aside the judgments dated July 31, 2023 of the Court and ordered to restore the petitions under Section 34 of the Arbitration and Conciliation Act, 1996 filed by the Company and our present Promoter before the appropriate Court for being considered afresh and bearing in mind the observations rendered by the Division Bench in its judgment dated May 17, 2024. Accordingly, this matter is currently pending.

XVI. VS MSN 36118 CAV Designated Activity Company (**“Applicant”**) has filed an execution petition (**“Execution Petition”**) under Section 151 of the Code of Civil Procedure, 1908 against our Company before Hon’ble High Court of Delhi. The Execution Petition has been filed for execution of the Order dated July 12, 2023 passed by the High Court of Justice, King’s Bench Division, Business and Property Courts of England and Wales, Commercial Court (**“Decree”**) passed in furtherance of the Judgment dated May 15, 2023 and Consequential Judgment dated June 09, 2023 by the High Court of Justice, King’s Bench Division, Business and Property Courts of England and Wales, Commercial Court (**“UK Court”**). The UK Court awarded the whole claim of the Applicant in the principal sum of US $ 10.01 million along with pre-judgment interest at 3% compounding annually in the sum of US$ 0.6 million, post judgment interest at 8% till the date of payment as well as costs of GBP 44,000. The Decree was to be satisfied by the our Company by July 19, 2023. Along with the Execution Petition, the Applicant also filed an Interim Application inter alia seeking ex parte interim reliefs in the form of an injunction against the our Company, restraining the our Company from alienating and/or and / or creating an encumbrance over and/or disposing of and/or creating third party right/s, title and/or interest and/or dealing with its assets. The parties arrived an in-principle settlement and our Company agreed to pay a total amount of US $ 5 million against which US $ 4 million is already paid by our Company The Applicant has alleged that Our Company has breached the terms of the in-principal settlement. The matter is currently pending.

XVII. Credit Suisse AG (**“Petitioner”**) has filed a contempt petition against our Company, our Promoter and Chairman & Managing Director Ajay Singh and our Company Secretary and Compliance Officer, before the Supreme Court of India under Rule 3 of the Rules to Regulate Proceedings for Contempt of the Supreme Court, 1975 read with Section 2(b) and 12 of the Contempt of Courts Act, 1971 and Articles 129 and 142(2) of the Constitution of India, 1950 for Wilful, Deliberate and Intentional Disobedience and Non-Compliance of the Final Order dated August 18, 2022 (**“Order”**) passed by the Supreme Court in civil Special Leave Petitions (**“SLPs”**). The Hon’ble Supreme Court took record of the consent terms dated May 23, 2022 (**“Consent Terms”**) and directed the parties to abide by the same. Our Company had failed to pay an aggregate of USD 3.9 million to the Petitioner in terms of the Order. The Consent Terms were approved the board of our Company to authorise the officials to discuss, negotiate and agree to settle the dispute(s) with the Petitioner vide a board resolution. The matter is currently pending.

XVIII. GASL IRELAND LEASING A 1 LIMITED ("**Plaintiff**") has filed execution petition the High Court of Delhi for enforcement of UK Judgment to pay amounts towards payments of unpaid rentals and restoring the leased aircraft into 'Redelivery Condition', along with interest and costs. Foreign Court passed the Decree in favour of the Decree Holder whereby the Judgment Debtor was directed to pay the Decree Holder a sum of US$ 53,34,121.125 towards unpaid rent, supplemental rent and default interest and a sum of US$ 2,13,449.10 towards costs and a sum of US$8,490,312.39 together with interest and cost towards its claim arising from non-compliance with the Redelivery Conditions. Matter was adjourned on the last date of hearing since the Judge was on leave. The matter is now listed on 19.09.2024.

XIX. Türk Hava Yolları Teknik Anonim Şirketi (Plaintiff) had initiated claim before the Commercials Courts of England and Whales for a claim of USD 12444781 from SpiceJet Technic Private Limited (Subsidiary of the Company) and USD2,000,000 from the Company under the Component Supply and Repair Agreement. However, the same is currently hold as the Parties are exploring ongoing settlement discussions between the parties. The matter is still pending and on hold.

XX. Horizon I Aviation 1 Limited, Horizon 2 Aviation 3 Limited And Horizon 3 Aviation 2 Limited ("Plaintiff") had filed a claim against our Company in the High Court of Justice England and Wales in respect of unpaid amounts and contractual indemnity. An order was granted in favour Plaintiff, dated May 03, 2024 for payment of US$26,957,033.52; US$36,587,765.36 and US$67,965,352.67.

XXI. Echelon initiated legal proceedings before the UK Court and service the Claim Form to SpiceJet on 31 March 2023. Subsequently, Echelon has obtained default judgment from UK High Court on the ground that SpiceJet has failed to file its acknowledgement of service in response to the Claim Form. The default judgment dated 28 April 2023 was handed down in favour of Echelon in total sums of USD 49,817,003.93 and £ 10,569. Furthermore, Echelon Ireland Madison One Limited initiated IBC proceedings against our Company by issuing Demand Notice dated 23.05.2024 pursuant to Default Judgment passed by UK High Court on 28.04.2023. However, both the parties have amicably settled the matter against certain payments.

XXII. Our Company has filed an appeal against Competition Commission of India ("Respondent") under Section 53B (1) and (2) of the Competition Act, 2003 ("**Act**"), before the National Company Law Appellate Tribunal, New Delhi ("**NCLAT**") against the order dated March 07, 2018 passed by the Respondent ("**Impugned Order**") wherein the Respondent found our Company in contravention of Section 3(1) read with Section 3(3)(a) of the Act and directed our Company along with other airlines to cease and desist from indulging in such practices and imposed a penalty of ₹ 51.00 million. The impugned order arose in lieu of information filed before the Respondent under Section 19(1) of the Act against certain domestic airlines in India including our Company, Indigo, Jet Airways and Air India (collectively referred to as "**Airlines**") with respect to imposition of fuel surcharge ("**Fuel Surcharge**") in air cargo transportation sector. After hearing the parties, the Respondent by its order dated November 17, 2015, held inter alia that allegations laid in the information prima facie appears to suggest that there existed an agreement amongst the Airlines in fixing or revising fuel surcharge in contravention of provisions of Section 3(1) read with Section 3(3)(a) of the Act. Our Company, being aggrieved by the order passed by the Respondent, filed an appeal before the NCLAT which vide its order dated April 18, 2016 set aside the order passed by the Respondent, resultantly, the Respondent issued a show cause notice to the Airlines in the present matter and after hearing the parties to the case, it was held that the impugned conducts of the Airlines are in contravention of Section 3(3)(a) read with Section 3(1) of the Act and thus, amounts to price parallelism. The matter is currently pending before the NCLAT.

XXIII. Our Company has filed the application before the Regional Provident Fund Commissioner-I, New Delhi, ("**The Authority**") under Section 7B of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, ("**Act**") seeking review of the final order dated June 08, 2020 passed by the Regional Provident Fund Commissioner-I which was passed in response to Section 7A of the Act wherein the Authority has imposed a liability on our Company to the tune of ₹ 142.04 million towards alleged unpaid provident fund dues of international workers from the period between November 2008 till January 2012. The present application for review has been filed by our Company on the ground that the impugned order not only suffers from an error apparent on the face of the record but also has been passed in violation of the principles of natural justice in as much as, because our Company was not given the opportunity to make its oral submissions by the Authority. The matter is currently pending.

XXIV. Our Company has filed the application before the Regional Provident Fund Commissioner-I, Wazirpure, Delhi, ("**The Authority**") under Section 7A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, ("**Act**") against the Order by the Authority ("**Impugned Order**") and report ("**Report**") by the department dated June 08, 2015, wherein it was held that the provident fund contribution by our Company with respect to expat employees is still due to be made to the tune of ₹ 79.91 million on the basis of the original salary records submitted by our Company on March 08, 2011. The impugned order and report were challenged by our Company on the ground that the dues which are payable for all employees including international workers have to be calculated in terms of paragraph number 29 of the Employees Provident Fund Scheme, 1952 ("**PF Scheme**") as Para 29 qua the international workers has not been amended in the PF Scheme. Furthermore, the provident fund dues payable for international workers are to be calculated by the Assessing Officer at the rate of 12% of the basic wages paid by the Establishment. Thus, any circular (including the circular dated May 25, 2012) which provides to the contrary being illegal is unenforceable, and the PF dues have accordingly been calculated in accordance with PF Scheme. The matter is currently pending.

XXV. Our Company has filed a writ petition before the High Court of Delhi ("**Court**") under Article 226 of the Constitution of India challenging the Notification bearing number GSR 706(E) dated October 01, 2008 and Notification bearing number GSR 148 dated September 03, 2010 ("Impugned Notification") issued by the Union of India ("**Respondent**") under Section 5 read with Section 7(1) of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 ("**PF Act**") whereby Para 83 was added to the Employees Provident Funds Scheme, 1952 ("**Scheme**") providing special provisions in respect of application of the Scheme to "International Workers" and introduces several amendments to the original Scheme with effect from November 01, 2008. It was alleged by our Company that impugned amendments to the Scheme in its application to the "International Workers" is an ultra vires act and is colorable exercise of power by the Respondent and the impugned Notifications are arbitrary, malafide and ultra vires the PF Act on the ground that Para 83 of the Scheme lays down a separate provision for International Workers and treating them as a class in themselves is ultra vires to Section 5 read with Schedule II of the PF Act, as the class employees ha to be determined with respect to their nature of duties and not their nationality. Additionally, Section 5 read with Schedule II does not empower the Respondent to create two different schemes for Indian workers and International workers. Therefore, the present petition has been filed by our Company for issuance of writ of certiorari or any other appropriate writ or order quashing the impugned Notifications. The matter is currently pending before the Court.

Actions taken by regulatory and statutory authorities

As on the date of this Preliminary Placement Document, there are the following regulatory and statutory actions against our Company:

(₹ in million)

S. No.	Name of statutory authorities	Date of Action/Order	Brief summary	Amount of Penalty, if any
1	DGCA	August 20, 2024	In AELP (Aviation English Language Proficiency) Department, rater 1 was utilized without information to DGCA.	0.50
2	DGCA	October 13, 2023	There was deviation in compliance of CAR Section 8 Series F Part II. DGCA suspended Director Training for 3 months.	2.00
3	BCAS	September 20, 202	As per BCAS AVSEC Order No. 05/2009, 1 supervisor and 3 security staff are required for flight arrivals. On August 6, 2022, when SpiceJet flight SG-8108 arrived at IGI Airport Delhi, only 2 security personnel were present, leading passengers to disembark onto the Apron,	Nil

S. No.	Name of statutory authorities	Date of Action/Order	Brief summary	Amount of Penalty, if any
			posing safety risks. BCAS noted the violation and suspended SpiceJet Security Programme at Delhi Airport from 1200-1800 hrs on September 20, 2022. SpiceJet appealed, citing disruption to flights. After review, the suspension was upheld but deferred to September 22, 2022, from 1330-1530 hrs, to minimize public inconvenience.	
4	DGCA	June 7, 2022	Variation in Return to Service training of MAX aircraft. Suspension of Director Training for 3 months One of the equipment	1.00 million

Consumer disputes matters

There are 625 consumer complaints filed by the consumers against our Company relating to various subject matters such as cancellation of flights, incorrect bookings, refund of fairs, flight delays, baggage mishandling etc., amounting to ₹ 314.88 million The matters are currently pending at different stages of adjudication before various consumer commissions**.**

Labour Disputes

There are 12 labour disputes filed by the erstwhile employees of our Company ("the **Applicants**") under the Industrial Disputes Act, 1947, they were terminated from their services by our Company on account of reasons such as conduct of employee was not acceptable, some employees are seeking salary arrears who had left our Company on their own violation due to reduction in salary during COVID-19 period, the matters are currently pending at different stages of adjudication before various forums.

- **Litigations involving our Subsidiaries**

Litigations by our Subsidiaries

Criminal Proceedings filed by our Subsidiaries

Nil

Civil Proceedings filed by our Subsidiaries

Nil

Litigations against our Subsidiaries

Criminal Proceedings filed against our Subsidiaries

Nil

Civil Proceedings filed against our Subsidiaries

Nil

Actions taken by Regulatory and Statutory Authorities against our Subsidiaries

Nil

Cases filed under Section 138 of Negotiable Instruments Act, 1881

As on date of this Preliminary Placement Document, a total of 4 legal proceedings filed by our Subsidiary namely Spicejet Merchandise Private Limited are pending, against accused persons under section 138 of the Negotiable Instruments Act, 1881 and the amount involved in such cases aggregates to a sum of ₹ 6.24 million.

- **Litigations involving our Promoters**

Litigations filed by our Promoters

Criminal Proceedings filed by our Promoters

Nil

Civil Proceedings filed by our Promoters

Nil

Litigations filed against our Promoters

Criminal Proceedings filed against our Promoters

Nil

Civil Proceedings filed against our Promoters

For details regarding civil proceedings related to Credit Suisse AG and and Kal Airways Private Limited and Kalanithi Maran, against our Promoter, namely Ajay Singh, see "*–Litigation involving our Company –Litigation against our Company –Material Civil Proceedings*" on page 285.

Tax Litigations

1. Before the Hon'ble Income Tax Appellate Tribunal, "A" Bench, New Delhi ("**Hon'ble ITAT**"), for the Financial Year 2009-10, the Assessing Officer issued notice u/s 148 of the Income Tax Act, 1961 (the "**Act**") and subsequently made addition of certain income aggregating to ₹ 69.41 million. The said assessment was challenged by our Promoter namely Ajay Singh and CIT(A) allowed relief for the entire amount of disputed addition. The Income Tax Department has preferred an appeal before the Hon'ble ITAT against the relief allowed by CIT(A) and the matter is currently pending.

2. Before the Hon'ble Income Tax Appellate Tribunal , SMC Bench, New Delhi ("**Hon'ble ITAT**"), for the Financial Year 2011-12, the Assessing Officer issued notice u/s 148 of the Income Tax Act, 1961 (the "**Act**") and subsequently made addition of certain income aggregating to ₹ 0.25 million. The said assessment was challenged by our Promoter namely Ajay Singh and CIT(A) upheld the addition made by the AO. The validity of the same has been sustained allowed relief for the entire amount of disputed addition. Ajay Singh has preferred an appeal before the Hon'ble ITAT against the order of CIT(A) and the matter is currently pending.

3. Before the Hon'ble Income Tax Appellate Tribunal, "A" Bench, New Delhi ("**Hon'ble ITAT**"), for the Financial Year 2014-15, Assessing Officer issued notice u/s 148 of the Income Tax Act (the "**Act**") based upon information received from ACIT, Non-Corporate Circle-20(1), Chennai. The AO passed an order under Section 147/143(3) of the Act and assessed the income by making addition of ₹ 7,989.78 million on account of "Income from Other Sources" u/s 56(2)(vii)(c) of the Act. Our Promoter namely Ajay Singh, challenged the assessment and CIT(A) allowed relief for the entire amount of disputed addition. The Income Tax Department has preferred an appeal before the Hon'ble ITAT against the relief allowed by CIT(A) and the matter is currently pending.

4. Income Tax Department has initiated re-assessments of annual tax filings for AY 2019-20, 2020-21, 2021-22 under Section 147 and 148 of the Income Tax Act, 1961 against our Promoter Group entity, Spice

HealthCare Private Limited ("**SHPL**"). SHPL has challenged these re-assessment proceedings before the Delhi High Count under writ jurisdiction.

Actions taken by Regulatory and Statutory Authorities against our Promoters

Nil

Disciplinary actions including penalties imposed by SEBI or the Stock Exchange in the last five years including outstanding actions

Demat account of our Promoters were frozen by BSE in terms of SEBI Circular bearing no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 (the "**SEBI Circular**") for non-submission of financial results by the Company for the quarter ended December 31, 2023 and Fiscal 2024, in terms of Regulation 33 of the SEBI LODR Regulations. Upon submission of said financial results the Demat account were unfreezed on August 21, 2024.

- **Litigations involving our Directors**

Litigations filed by our Directors

Criminal Proceedings filed by our Directors

Nil

Civil Proceedings filed by our Directors

For details regarding civil proceeding related to Kal Airways Private Limited and Kalanithi Maran, by our Director, namely Ajay Singh, see "*–Litigation involving our Company –Litigation against our Company –Material Civil Proceedings*" on page 285.

Litigations filed against our Directors

Criminal Proceedings filed against our Directors

Nil

Civil Proceedings filed against our Directors

For details regarding civil proceedings instituted by Credit Suisse AG and and Kal Airways Private Limited and Kalanithi Maran, against our Director, namely Ajay Singh, see "*–Litigation involving our Company –Litigation against our Company –Material Civil Proceedings*" and "*–Litigation involving our Promoters –Litigation against our Promoters –Material Civil Proceedings*" on pages 285 and pages 293.

Actions taken by Regulatory and Statutory Authorities against our Directors

Nil

- **Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years or prosecutions filed, fines imposed or compounding of offences in the last three years in respect of the Company or its Subsidiaries**

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act, 1956 or the Companies Act in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or our Subsidiaries, except compounding of an offence under the Section 96 of the Companies Act in relation to delay of 10 days in conducting annual general meeting of the Company for Fiscal 2023.

- **Details of acts of material frauds committed against our Company in the last three years, if any and**

if so, the action taken by our Company

There have been no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

- **Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operation**

  Except as disclosed in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 110 and "*Risk Factor*" on page 45, there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

- **Details of default, if any, including therein the amount involved, duration of default and present status, (i) in repayment of statutory dues; (ii) debentures and interests thereon; (iii) deposits and interest thereon; and (iv) loan from any bank or financial institution and interest thereon**

  Except the outstanding defaults in the repayment of undisputed statutory dues, as disclosed below, Company has no outstanding defaults in repayment of dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution, as on the date of this Preliminary Placement Document.

  We have delayed in payment of various statutory dues including GST, EPF, Gratuity etc., as follows:

(₹ in million)

Sr. No.	Nature of Default	Amount involved	Duration of Default	Current Status
1	Tax deducted at source	112.59	April 2020 to March 2021	Not paid
2	Tax deducted at source	278.06	April 2021 to March 2022	Not paid
3	Tax deducted at source	959.58	April 2022 to March 2023	Not paid
4	Tax deducted at source	848.05	April 2023 to August 2023	Not paid
5	Goods and services tax	519.32	February 2020 to March 2021	Not paid
6	Goods and services tax	73.08	April 2021 to March 2022	Not paid
7	Goods and services tax	71.82	April 2022 to March 2023	Not paid
8	Goods and services tax	50.56	April 2023 to August 2023	Not paid
9	Provident fund	0.20	April 2020 to March 2021	Not paid
10	Provident fund	193.33	April 2021 to March 2022	Not paid
11	Provident fund	878.54	April 2022 to March 2023	Not paid
12	Provident fund	282.72	April 2023 to August 2023	Not paid
13	Service tax (including interest)	170.70	April 2006 to March 2012	Disputed
14	Service tax (including interest)	255.60	2009-10 to 2011-12	Disputed
15	Service tax (including interest)	484.19	F Y 2014-15	Disputed
16	Service tax (including interest)	285.36	F Y 2015-16	Disputed
17	Customs (including penalty for delay)	1.20	October 2010 to March 2015	Disputed
18	Customs (including penalty for delay)	26.88	December 2012 to September 2016	Disputed
19	Customs (including penalty for delay)	6.78	October 2016 to March 2017	Disputed
20	Customs	40.41	April 2017 to March 2018	Disputed
21	Customs	72.50	April 2018 to March 2019	Disputed
22	Customs	46.80	April 2019 to March 2020	Disputed
23	Customs	50.80	September 2020 to Dec 2021	Disputed
24	Customs	23.19	July 2017 to December 2020	Disputed

Sr. No.	Nature of Default	Amount involved	Duration of Default	Current Status
25	Customs	19.60	November 2018 to December 2021	Disputed
26	Customs	1.80	August 2014 to December 2014	Disputed
27	Integrated goods and services tax	619.62	August 2017 to March 2021	Disputed
28	Good and services tax	40.45	July 2017 to March 2019	Disputed
29	Good and services tax	112.14	July 2017 to March 2019	Disputed
30	Good and services tax	3.10	April 2017 to March 2018	Disputed
31	Good and services tax	4.77	April 2018 to March 2019	Disputed
32	Good and services tax	0.34	April 2019 to March 2020	Disputed
33	Good and services tax	2.26	April 2022 to July 2022	Disputed
34	Good and services tax	6.51	April 2017 to March 2018	Disputed
35	Good and services tax	239.11	April 2017 to March 2018	Disputed
36	Good and services tax	17.45	April 2018 to March 2019	Disputed
37	Good and services tax	134.26	April 2017 to March 2018	Disputed
38	Good and services tax	203.41	April 2018 to March 2019	Disputed
39	Good and services tax	65.87	April 2018 to March 2019	Disputed
40	Good and services tax	15.65	April 2018 to March 2019	Disputed
41	Tax deducted at source	222.54	AY 2009-10	Disputed
42	Tax deducted at source	122.01	AY 2010-11	Disputed
43	Tax deducted at source	180.77	AY 2011-12	Disputed
44	Tax deducted at source	171.65	AY 2012-13	Disputed
45	Tax deducted at source	21.37	AY 2013-14	Disputed

**The amounts specified do not include the interest and/or any penalty amount.*

**As certified by Umesh Prasad & Associates, Chartered Accountants, Independent Chartered Accountants vide their certificate dated September 16, 2024*.

- **Details of defaults in annual filing of our Company under the Companies Act and the rules made thereunder**

As on the date of this Preliminary Placement Document, our Company has not made any default in annual filings of our Company under the Companies Act and the rules made thereunder.

- **Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Preliminary Placement Document and their impact on the financial statements and financial positions of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks**

Except as disclosed in the section, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 110, there are no reservations, qualifications, or adverse remarks of the Statutory Auditor in their report on audited consolidated financial statements or audited standalone financial statements for last five Fiscals preceding the date of this Preliminary Placement Document.

- **Tax Proceedings**

We have set out below claims relating to direct and indirect taxes involving our Company, Subsidiaries, Directors and Promoters in a consolidated manner giving details of number of cases and total amount involved in such claims:

Nature of case	Number on cases	Amount involved (₹ in million)*
Company		
Direct Tax	6	790.35

Nature of case	Number on cases	Amount involved (₹ in million)*
Indirect Tax	115	17,862.95
Subsidiaries		
Direct Tax	3	26.28
Indirect Tax	1	0.29

**To the extent quantifiable.*

STATUTORY AUDITORS

In term of the provisions of Section 139 of the Companies Act, 2013, Walker Chandiok & Co LLP, Chartered Accountants, were appointed as our Company's current Statutory Auditor pursuant to a resolution adopted by our Shareholders' at the AGM held on December 31, 2020 for a period of 5 years, from the conclusion of 36th annual general meeting till the conclusion of 41st annual general meeting of our Company.

Our Company's current Statutory Auditor, Walker Chandiok & Co LLP, Chartered Accountants, have audited the Audited Consolidated Financial Statements and have reviewed the Unaudited Consolidated Financial Results as at and for the three months ended June 30, 2024 and June 30, 2023, and have issued a review report dated August 14, 2024 and August 14, 2023, respectively on the Unaudited Consolidated Financial Results which are included in this Preliminary Placement Document in "*Financial Information*" on page 299.

The peer review certificate of our Statutory Auditors is valid as of the date of this Preliminary Placement Document.

FINANCIAL INFORMATION

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of SpiceJet Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of SpiceJet Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of SpiceJet Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 June 2024 being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of SpiceJet Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

4. We report that the Holding Company and its certain subsidiaries are in non-compliance with various laws and regulations applicable to the Holding Company and the said subsidiaries as detailed in Note 10 to the accompanying consolidated financial results. Pending regularising of these non-compliances under the respective laws and regulations, the management is of the view that the impact of the aforesaid non-compliances on the accompanying consolidated financial results is presently unascertainable. In the absence of necessary assessment of the impact of the aforesaid matter, including fines and penalties that may be levied, we are unable to comment on the adjustments, if any, that may be required to the accompanying consolidated financial results on account of aforesaid matter.

   The opinion expressed by us on in our audit report dated 15 July 2024 on the consolidated financial results for the year ended 31 March 2024 is also qualified in respect of above matter.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, except for the possible effects of the matter described in previous section, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note 7 to the accompanying Statement which describes that the Group has earned net profit (after other comprehensive income) of Rs. 1,586.26 million during the quarter ended 30 June 2024 and, as of that date, the Group's accumulated losses amounts to Rs. 77,283.86 million which have resulted in complete erosion of its net worth and the current liabilities have exceeded its current assets by Rs. 64,054.36 million as at 30 June 2024. These conditions together with other matters as described in note 7, indicates the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, 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 raising of additional funds, the management is of the view that the going concern basis of accounting is appropriate for preparation of accompanying Statement. Our conclusion above is not modified in respect of this matter.

7. We draw attention to Notes 4 and 5 which describe the uncertainty relating to the outcome of ongoing litigation with erstwhile promoters which is pending with the Hon'ble High Court of Delhi and certain resultant possible non-compliances of applicable provisions of the Act. During the quarter, the Commercial Appellate Tribunal – Hon'ble High Court, New Delhi vide order dated 17 May 2024, has set aside the judgement dated 31 July 2023 passed by the Single Judge of Hon'ble High Court, New Delhi and has directed the appeal filed by the Holding Company under Section 34 of the Arbitration and Conciliation Act, 1996 to be considered afresh. The management basis their assessment and legal advice obtained, is of the view that no material liability is likely to arise out of the aforesaid matter and accordingly, no adjustment has been made to the accompanying consolidated financial results in this respect. Our conclusion is not modified in respect of this matter.

8. The Statement includes the interim financial information of one subsidiary, which have not been reviewed by their auditor, whose interim financial information reflects total revenues of Rs. Nil, net loss after tax of Rs. 4.78 million, total comprehensive loss of Rs. 4.78 million for the quarter ended 30 June 2024 as considered in the Statement and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of SpiceJet Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

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

Neeraj

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Neeraj Goel
Partner
Membership No. 099514

UDIN: 24099514BKCMYW9297

Place: Gurugram
Date: 14 August 2024

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of SpiceJet Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

Annexure 1

List of entities included in the Statement

1. SpiceJet Merchandise Private Limited;
2. SpiceJet Technic Private Limited;
3. SpiceJet Interactive Private Limited;
4. SpiceJet Shuttle Private Limited;
5. SpiceJet Club Private Limited;
6. Canvin Real Estate Private Limited;
7. SpiceXpress and Logistics Private Limited;
8. Spice Ground handling Services Private Limited;
9. SpiceTech System Private Limited; and
10. AS Air Lease 41 (Ireland) Limited (with effect from 19 October 2023)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

SPICEJET LIMITED

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Statement of Unaudited Consolidated Financial Results for the quarter ended 30 June 2024 **(Rupees in millions, unless otherwise stated)**

S.No.	Particulars	Quarter ended			Year ended
		30 June 2024 (Unaudited)	31 March 2024 (Refer note 1)	30 June 2023 (Unaudited)	31 March 2024 (Audited)
1	**Income**				
	a) Revenue from operations	16,462.12	16,635.29	19,174.32	67,789.63
	b) Other operating revenues	620.27	748.56	861.61	3,063.43
	Total revenue from operations	**17,082.39**	**17,383.85**	**20,035.93**	**70,853.06**
	Other income (refer note 12 and 13)	3,695.33	6,363.38	2,632.76	14,387.28
	Total income	**20,777.72**	**23,747.23**	**22,668.69**	**85,240.34**
2	**Expenses**				
	a) Operating expenses				
	- Aviation turbine fuel	6,539.91	7,459.27	7,078.93	29,868.98
	- Aircraft lease rentals	2,484.87	2,302.88	1,203.88	6,403.25
	- Airport charges	1,522.15	1,921.32	1,610.13	6,996.03
	- Aircraft maintenance costs	1,766.87	1,705.18	2,265.20	8,463.45
	- Other operating costs	626.41	624.54	702.03	2,517.35
	b) Purchases of stock-in-trade	151.63	205.26	227.87	731.05
	c) Changes in inventories of stock-in-trade	8.08	9.09	(33.41)	(24.86)
	d) Employee benefits expense	1,826.60	1,938.56	2,133.61	8,208.56
	e) Finance costs	879.10	1,018.82	1,228.05	4,654.85
	f) Depreciation and amortisation expense	1,723.08	1,725.70	2,083.07	7,531.17
	g) Other expenses	1,724.05	3,359.32	2,157.48	13,107.54
	h) Foreign exchange (gain)/loss, (net) (refer note 8)	(56.88)	208.55	35.60	1,020.12
	Total expenses	**19,195.87**	**22,478.49**	**20,692.44**	**89,477.49**
3	**Profit/(loss) before exceptional items and taxes (1-2)**	**1,581.85**	**1,268.74**	**1,976.25**	**(4,237.15)**
4	Exceptional items	-	-	-	-
5	**Profit/(loss) before tax (3+4)**	**1,581.85**	**1,268.74**	**1,976.25**	**(4,237.15)**
6	Tax expense	-	-	-	-
7	**Profit/(loss) for the quarter/year (5-6)**	**1,581.85**	**1,268.74**	**1,976.25**	**(4,237.15)**
8	**Other comprehensive income (net of tax)**				
	Items that will not be reclassified to profit or loss				
	Remeasurement gain/(loss) on defined benefit obligations	4.41	5.41	(0.88)	53.36
	Income-tax impact	-	-	-	-
9	**Total comprehensive income (7+8)**	**1,586.26**	**1,274.15**	**1,975.37**	**(4,183.79)**
10	**Net profit/(loss) attributable to:**				
	- Owners of the Holding Company	1,583.12	1,271.39	1,976.45	(4,228.30)
	- Non-controlling interests	(1.27)	(2.65)	(0.20)	(8.85)
11	**Other comprehensive income attributable to:**				
	- Owners of the Holding Company	4.41	5.61	(0.68)	53.56
	- Non-controlling interests	-	(0.20)	(0.20)	(0.20)
12	**Total comprehensive income attributable to:**				
	- Owners of the Holding Company	1,587.53	1,277.00	1,975.77	(4,174.74)
	- Non-controlling interests	(1.27)	(2.85)	(0.40)	(9.05)
13	**Paid-up equity share capital (Face value Rs.10 per equity share)**	**7,934.05**	**7,834.05**	**6,018.46**	**7,834.05**
14	**Other equity**				**(60,007.42)**
15	**Earnings per share**				
	a) Basic (Rs.)	2.01	1.71	3.28	(6.39)
	b) Diluted (Rs.)	1.82	1.51	3.28	(6.39)
		Earnings per share information not annualised			
	See accompanying notes to the Statement of Unaudited Consolidated Financial Results				

SpiceJet Limited

Notes to the Statement of unaudited consolidated financial results for the quarter ended 30 June 2024

1. The consolidated financial results for the quarter ended 30 June 2024 have been reviewed by the Audit Committee at their meeting held on 14 August 2024 and approved by the Board of Directors at their meeting held on 14 August 2024 and these have been subjected to a limited review by the Statutory Auditors of the SpiceJet Limited (the "Holding Company" or the "Company"). The consolidated financial results for the quarter ended 31 March 2024 are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures upto the end of the third quarter of the respective relevant financial year, which were subject to limited review. The above statement includes the financial information of the following subsidiaries of the Company:

   a. SpiceJet Merchandise Private Limited
   b. SpiceJet Technic Private Limited
   c. Canvin Real Estate Private Limited
   d. SpiceJet Interactive Private Limited
   e. Spice Shuttle Private Limited
   f. Spice Club Private Limited
   g. SpiceXpress and Logistics Private Limited
   h. SpiceTech System Private Limited
   i. Spice Ground Handling Services Private Limited
   j. AS Air Lease 41 (Ireland) Limited (with effect from 19 October 2023)

   The Company and its subsidiaries are together referred as the Group.

2. Operating segments of the Group are Air Transport Services and Freighter and Logistics Services. Air Transport Services include, inter alia, passenger transport and ancillary cargo operations arising from passenger aircraft operations. Accordingly, below segment information is presented in these consolidated financial results.

(Rs. in million)

Particulars	Quarter ended			Year ended
	(Unaudited)	(Unudited)	(Unaudited)	(Audited)
	30-Jun-24	31-Mar-24	30-Jun-23	31-Mar-24
Segment revenue				
a. Air transport services	16,268.88	16,457.80	19,303.60	67,591.86
b. Freighter and logistics services	787.91	922.85	728.82	3,248.32
c. Others	25.60	3.20	3.51	12.88
Total	**17,082.39**	**17,383.85**	**20,035.93**	**70,853.06**
Segment results				
a. Air transport services	1,499.58	1,189.99	2,045.62	(4,094.39)
b. Freighter and logistics services	17.64	128.65	(93.76)	(16.02)
c. Others	64.63	(49.90)	24.39	(126.74)
Profit/(loss) before exceptional items	**1,581.85**	**1,268.74**	**1,976.25**	**(4,237.15)**
Segment assets				
a. Air transport services	59,399.41	61,668.79	72,599.56	61,668.79
b. Freighter and logistics services	2,013.92	2,128.04	2,000.66	2,128.04
c. Others	885.41	924.88	347.35	924.88
Total assets	**62,298.74**	**64,721.71**	**74,947.57**	**64,721.71**
Segment liabilities				
a. Air transport services	1,08,118.11	1,12,884.29	1,27,753.51	1,12,884.29
b. Freighter and logistics services	2,372.04	1,965.23	1,913.49	1,965.23
c. Others	2,029.66	2,057.94	1,806.55	2,057.94
Total liabilities	**1,12,519.81**	**1,16,907.46**	**1,31,473.55**	**1,16,907.46**

SpiceJet Limited

Segment revenue and expenses, represent relevant amounts that are either directly attributable to individual segments, or are attributable to individual segments on a reasonable basis of allocation.

3. The Board of Directors of the Holding Company at its meeting held on 23 July 2024 has approved raising of funds aggregating up to Rs. 30,000 million through issue of equity shares or any other eligible securities to qualified institutional buyers by way of qualified institutional placement under the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018, and any other methods including by way of further issue, in accordance with the relevant provisions of applicable laws and subject to approval of the shareholders of the Company and other applicable regulatory and contractual approvals, as may be required. The Company has despatched notice to its members for obtaining their approval and 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 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

4. The Company had, in earlier financial years, received amounts aggregating to Rs. 5,790.90 million from Mr. Kalanithi Maran and KAL Airways Private Limited (together, "Erstwhile Promoters") as advance money towards proposed allotment/subscription of certain securities (189,091,378 share warrants and 3,750,000 non-convertible cumulative redeemable preference shares, issuable based on approvals to be obtained), to be adjusted at the time those securities were to be issued. Pursuant to the legal proceedings in this regard before the Hon'ble High Court of Delhi ("Court") between the Erstwhile Promoters, the present promoter and the Company, the Company was required to secure an amount of 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 20 July 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 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 of past interest/servicing charges. Consequent to the Award, and without prejudice to the rights and remedies it may have in the matter, the Company accounted for Rs. 634.66 million as an exceptional item (net) during the year ended 31 March 2019, being the net effect of amount referred to under (c) and counter claim receivable of Rs. 290.00 million, above.

   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 Company has additionally paid in aggregate Rs. 1,500.00 million to the counterparties pursuant to Court orders dated 24 August 2023 and 2 February 2024 while keeping open the rights and contentions in pending litigations. All the payment made to the counterparties has been included under other non-current assets.

   The Company, its present promoter and the counterparties challenged various aspects of the Award, including the above-mentioned interest obligations and rights, under Section 34 of the Arbitration and Conciliation Act, 1996 which was dismissed by the Court vide its judgments dated 31 July 2023. Thereafter, the Company and its present promoter preferred an appeal under Section 37 of the Arbitration and Conciliation Act, 1996 before the Division Bench of the Court, inter-alia, challenging the payment of entire interest amount and payment of early refund of Rs. 2,708.70 million towards non-convertible cumulative redeemable preference shares. The Division Bench vide its judgment dated 17 May 2024 set aside the judgments dated 31 July 2023 of the Court and ordered to restore the petitions under Section 34 of the Arbitration and Conciliation Act, 1996 filed by the Company and present promoter before the appropriate Court for being considered afresh and bearing in mind the observations rendered by the Division Bench in its judgment dated 17 May 2024. Accordingly, this matter is sub-judice as on date.

   In view of the foregoing and pending outcome of the aforesaid challenges at the Court and legal advice obtained, the management is of the view that no material liability is likely to arise from aforesaid matter and accordingly, no further adjustments have been made in this regard, to these consolidated financial results.

5. The effects of the matter stated in Note 4 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 consolidated financial results of the Company. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

SpiceJet Limited

6. 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 not 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 there are fair chances of having a favourable outcome for the Company.

7. The Group has earned a net profit (after comprehensive income) of Rs. 1,586.26 million for the quarter ended 30 June 2024, and as of that date, the Company has negative retained earnings of Rs. 77,283.86 million and negative net worth of Rs. 50,221.07 million.

   Losses over the last few years have been primarily driven by adjustments on account of implementation of Ind AS 116, adverse foreign exchange rates, operational disruption during Covid 19 followed by sub-optimal operations due to liquidity constraints faced by the Group.

   On account of its operational and financial position, the Group has deferred payments to various parties, including lessors and other vendors and its dues to statutory authorities as also described in Note 10. 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 further 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 4 and 6.

   The aforesaid conditions indicate the existence of uncertainty that may create doubt about the Group's ability to continue as a going concern.

   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. These initiatives are heavily dependent upon Group's ability to raise funds. During the year ended 31 March 2024, the Group had received funds aggregating to Rs. 4,498.17 million under Emergency Credit Line Guarantee Scheme ('ECLGS') scheme. The Group has further received Rs. 5,412.96 million under ECLGS scheme during the year ended 31 March 2024. During the year ended 31 March 2024, Group had also issued fresh equity shared and warrants to the promoter group for value aggregating to Rs. 4,940.92 million and also issued equity shares to one of the large lessor against some of its outstanding dues. The Group had also issued fresh equity shares and equity warrants on preferential basis to various investors under non-promoter category aggregating to issue size of Rs.10,600.00 million. The Group is also in ongoing discussions with certain potential investors for raising additional funds (as further explained in Note 3) and is also expecting relief from certain lessors for settlement of their 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 raise funds as necessary and achieve profitable operations, in order to meet its liabilities as they fall due.

   Accordingly, these consolidated financial results 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.

8. Foreign exchange gain of Rs. 4.31 million for the quarter ended 30 June 2024 (foreign exchange loss of Rs. 41.35 million and foreign exchange loss of Rs. 393.96 million for the quarter and year ended 31 March 2024, respectively, foreign exchange loss of Rs. 25.17 million for the quarter ended 30 June 2023) arising from restatement of lease liabilities.

9. During the quarter ended 30 June 2024, no additional stock options were granted to employees and no stock options were exercised by eligible employees under employee stock option scheme of the Company.

10. (a) There are delays in depositing Tax Deducted at Source ('TDS') and filing of TDS returns on time as per Income-tax Act, 1961 by the Holding Company, deposit of provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952 by the Holding Company and deposit of goods and services tax and filing of returns as applicable under Goods and Services Tax Act, 2017 ('GST Act') by the Holding Company and its two subsidiaries. Further, registration under the GST Act for aforementioned two subsidiaries have been suspended/cancelled on account of delays in payments related to goods and services tax and non-filing of returns. To the extent acertained, the Holding Company and these two subsidiaries have made accrual for interest on

SpiceJet Limited

delays in payment of above-mentioned statutory dues. There are foreign currency trade receivables and trade and other payables that are overdue beyond the timelines, however, the Holding Company is yet to seek extension from AD Bank or Reserve Bank of India ('RBI'), as the case may be, for settlement of such balances under foreign exchange management guidelines.

(b) Consequent upon slump sale of cargo business undertaking of the Holding Company to its subsidiary (SpiceXpress and Logistics Private Limited) effective 1 April 2023, SpiceXpress and Logistics Private Limited has become unlisted material subsidiary and the Holding Company is yet to appoint one independent director of the Holding Company on the board of said unlisted material subsidiary.

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

11. Other non-current assets as at 30 June 2024 include Rs. 619.59 million (Rs. 619.59 million as on 31 March 2024) represents amount paid under protest towards Integrated Goods and Services Tax ('IGST') and Basic Customs duty, on re-import of various aircraft engine/equipment repaired 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. 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, aircraft engines and other certain aircraft parts. Accordingly, the above amounts paid under protest till 30 June 2024 have been shown as recoverable.

12. During the previous quarter, the Holding Company has entered into settlement agreement with Export Development Canada ('EDC') wherein the External Commercial Borrowing ('ECB') amounting to Rs. 7,554.55 million (inclusive of interest) appearing in the books of accounts has been settled at Rs. 1,872.68 million. The management of the Company has recognized the resulting gain of Rs. 5,681.87 million as 'other income'.

13. The Holding Company and certain aircraft lessors has agreed to restructure lease obligations aggregating to Rs. 10,567.25 million owed to them and upon settlement/waivers, the amount payable by the Company in aggregate to all these lessors stands Rs. 8,134.12 million as on 30 June 2024 which shall be discharged by the Company in the manner as may be agreed between the parties and resultant gain of Rs. 2,433.13 million is recognised as 'other income'.

14. There have been certain delays in appointment of a woman independent director on the Board of Directors of the Holding Company, holding of minimum number of committee meetings in the quarter ended 30 June 2024 under Companies Act, 2013 and issuing financial results under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These have been either condoned upon payment of necessary fee or exemption/waiver provided by relevant regulatory authority. The Holding Company further identified candidate for appointment as independent woman director subject to necessary security clearance and approvals. The impact of the above matters does not have any material impact in these consolidated financial results in this respect.

15. Previous periods'/year's figures have been regrouped/reclassified wherever considered necessary to conform to current periods'/year's presentation.

For SpiceJet Limited

SpiceJet Limited

Ajay Singh
Chairman and Managing Director

Place: Gurugram
Date: 14 August 2024

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of SpiceJet Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of SpiceJet Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of SpiceJet Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 June 2023, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.

4. As stated in Note 6 to the accompanying 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 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 Statement on account of aforesaid matter.

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of SpiceJet Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, except for the possible effects of the matter described in previous paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note 9 to the accompanying Statement which describes that the Group has earned net profit (after other comprehensive income) of Rs. 1,975.37 million for the quarter ended 30 June 2023, and as of that date, the Group's accumulated losses amounts to Rs. 72,747.52 million which have resulted in complete erosion of its net worth. These conditions and other matters set forth in the aforesaid note, indicates the existence of material uncertainties 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 Statement. Our opinion above is not modified in respect of this matter.

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

Neeraj Goel

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Neeraj Goel
Partner
Membership No. 099514

UDIN: 23099514 BGSCPL7701

Place: Gurugram
Date: 14 August 2023

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of SpiceJet Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

Annexure 1

List of entities included in the Statement

1. SpiceJet Merchandise Private Limited;
2. SpiceJet Technic Private Limited;
3. SpiceJet Interactive Private Limited;
4. SpiceJet Shuttle Private Limited;
5. SpiceJet 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

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Statement of unaudited Consolidated Financial Results for the quarter ended 30 June 2023

(Rupees in millions, unless otherwise stated)

S.No.	Particulars	Quarter ended			Year Ended
		30 June 2023 (Unaudited)	31 March 2023 (Refer note 1)	30 June 2022 (Unaudited)	31 March 2023 (Audited)
1	**Income**				
	a) Revenue from operations	19,174.32	20,439.11	23,715.32	85,767.49
	b) Other operating revenues	861.61	1,011.56	856.43	2,968.44
	Total revenue from operations	20,035.93	21,450.67	24,571.75	88,735.93
	Other income	2,632.76	3,535.09	171.40	10,234.77
	Total income	22,668.69	24,985.76	24,743.15	98,970.70
2	**Expenses**				
	a) Operating expenses				
	- Aviation turbine fuel	7,078.93	10,029.35	14,043.85	47,716.55
	- Aircraft lease rentals	1,203.88	1,706.21	435.82	3,755.72
	- Airport charges	1,582.64	2,091.19	2,035.92	7,955.18
	- Aircraft maintenance costs	2,265.20	2,370.05	3,304.07	11,349.84
	- Other operating costs	665.43	598.04	697.43	2,760.62
	b) Purchases of stock-in-trade	227.87	260.72	341.60	997.28
	c) Changes in inventories of stock-in-trade	(33.41)	(29.20)	(83.39)	(72.73)
	d) Employee benefits expense	2,135.09	2,218.52	2,188.88	8,800.07
	e) Finance costs	1,228.05	1,202.81	1,295.75	5,077.60
	f) Depreciation and amortisation expense	2,083.07	2,248.37	2,810.71	10,227.41
	g) Other expenses	2,220.09	2,963.22	1,816.74	8,709.01
	h) Foreign exchange loss/(gain), (net) (refer note 10)	35.60	(611.30)	3,691.96	6,823.62
	Total expenses	20,692.44	25,047.98	32,579.34	1,14,100.17
3	**Profit/(loss) before exceptional items and taxes (1-2)**	1,976.25	(62.22)	(7,836.19)	(15,129.47)
4	Exceptional items		-	-	-
5	**Profit/(loss) before tax (3+4)**	1,976.25	(62.22)	(7,836.19)	(15,129.47)
6	Profit/(loss) for the quarter/year (5-6)	-	-	-	-
7	**Profit/(loss) for the quarter/year (5-6)**	1,976.25	(62.22)	(7,836.19)	(15,129.47)
8	**Other comprehensive income (net of tax)**				
	Items that will not be reclassified to profit or loss				
	Remeasurement (loss)/gain on defined benefit obligations	(0.88)	(61.79)	8.91	(0.48)
	Income-tax impact	-	-	-	-
9	**Total comprehensive income (7+8)**	1,975.37	(124.01)	(7,827.28)	(15,129.95)
10	**Net profit/(loss) attributable to:**				
	- Owners of the Holding Company	1,976.46	(62.02)	(7,837.29)	(15,127.65)
	- Non controlling interests	(0.20)	(0.20)	1.10	(1.82)
11	**Other comprehensive income attributable to:**				
	- Owners of the Holding Company	(0.68)	(61.59)	8.91	(0.48)
	- Non-controlling interests	(0.20)	(0.20)	-	-
12	**Total comprehensive income attributable to:**				
	- Owners of the Holding Company	1,975.78	(123.61)	(7,828.38)	(15,128.13)
	- Non-controlling interests	(0.40)	(0.40)	1.10	(1.82)
13	**Paid-up equity share capital (Face value Rs. 10 per equity share)**	6,018.46	6,018.46	6,017.97	6,018.46
14	**Other equity**				(64,521.56)
15	**Earnings per share**				
	a) Basic (Rs.)	3.28	(0.10)	(13.02)	(25.14)
	b) Diluted (Rs.)	3.28	(0.10)	(13.02)	(25.14)
		Earnings per share information not annualised			
	See accompanying notes to the statement of Unaudited Consolidated Financial Results				

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SpiceJet Limited

Notes to the Statement of unaudited consolidated financial results for the quarter ended 30 June 2023

3. The consolidated financial results for the quarter ended 30 June 2023 have been reviewed by the Audit Committee at their meeting held on 11 August 2023 and approved by the Board of Directors at their meeting held on 14 August 2023 and these have been subjected to a limited review by the Statutory Auditors of the SpiceJet Limited (the "Holding Company" or the "Company"). The consolidated financial results for the quarter ended 31 March 2023 are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures upto the end of the third quarter of the respective relevant financial year, which were subject to limited review. The above statement includes the financial information of the following subsidiaries of the Company:

   a. SpiceJet Merchandise Private Limited
   b. SpiceJet Technic Private Limited
   c. Canvin Real Estate Private Limited
   d. SpiceJet Interactive Private Limited
   e. Spice Shuttle Private Limited
   f. Spice Club Private Limited
   g. SpiceXpress and Logistics Private Limited
   h. SpiceTech System Private Limited
   i. Spice Ground Handling Services Private Limited

   The Company and its subsidiaries are together referred as the Group.

4. Operating segments of the Group are Air Transport Services and Freighter and Logistics Services. Air Transport Services include, inter alia, passenger transport and ancillary cargo operations arising from passenger aircraft operations. Accordingly, below segment information is presented in these consolidated financial results.

(Rs. in million)

Particulars	Quarter ended			Year ended
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Jun-23	31-Mar-23	30-Jun-22	31-Mar-23
Segment revenue				
a. Air transport services	20,021.11	20,912.96	22,257.62	82,728.50
b. Freighter and logistics services*	728.82	595.69	2,391.05	6,244.52
c. Others	3.51	2.10	4.10	47.53
d. Elimination	(717.51)	(60.08)	(81.02)	(284.62)
Total	20,035.93	21,450.67	24,571.75	88,735.93
Segment results				
a. Air transport services	1,873.59	472.93	(8,071.76)	(15,040.65)
b. Freighter and logistics services	78.27	(204.93)	183.50	308.72
c. Others	24.39	(330.22)	52.07	(397.54)
Profit/(loss)	1,976.25	(62.22)	(7,836.19)	(15,129.47)
Segment assets				
a. Air transport services	72,599.56	76,677.20	95,481.15	76,677.20
b. Freighter and logistics services	2,000.66	647.22	1,761.05	647.22
c. Others	347.35	381.31	941.01	381.31
Total assets	74,947.57	77,705.73	98,183.21	77,705.73
Segment liabilities				
a. Air transport services	127,753.51	133,032.82	146,764.42	133,032.82
b. Freighter and logistics services	1,913.49	1,396.48	1,281.17	1,396.48
c. Others	1,806.55	1,782.86	1,363.88	1,782.86
Total liabilities	131,473.55	136,212.16	149,409.47	136,212.16

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SpiceJet Limited

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* This includes inter-segment revenue

Segment revenue and expenses, represent relevant amounts that are either directly attributable to individual segments, or are attributable to individual segments on a reasonable basis of allocation.

5. The Company entered into a Business Transfer Agreement ("BTA") with its subsidiary namely SpiceXpress and Logistics Private Limited ("SXPL") on 31 March 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 1 April 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.

6. 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 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 20 July 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 31 March 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 31 March 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 20 September 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 2 September 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 13 February 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 quarter ended 31 March 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 31 July 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 29 May 2023, 24 July 2023 and 9 August 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

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adjustments have been made in this regard, to these consolidated financial results. The auditors have qualified their review report for the quarter ended 30 June 2023 in this reference.

7. The effects of the matter stated in Note 6 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 consolidated financial results of the Company. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

8. 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 not 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 there are fair chances of having a favourable outcome for the Company.

9. The Group has earned a net profit (after comprehensive income) of Rs. 1,975.37 million for the quarter ended 30 June 2023, respectively, and as of that date, the Group has negative retained earnings of Rs. 72,747.52 million and negative net worth of Rs. 56,530.66 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 consolidated financial results for the quarter ended 30 June 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 6 and 8.

   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 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. 18,436.33 million for the quarter ended 30 June 2023 as compared to Rs. 18,451.82 million for the quarter ended 31 March 2023. Till 31 March 2023, the Company had received funds aggregating to Rs. 3,023.00 million under Emergency Credit Line Guarantee Scheme ('ECLGS') scheme. The Company has further received Rs. 3,412.96 million under ECLGS scheme during the quarter ended 30 June 2023. Subsequent to quarter-end, the Company received disbursement of additional funds aggregating to Rs. 2,000 million as eligible under ECLGS scheme and the Company has also initiated the process for issue of fresh equity/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 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 results have been prepared on the basis that the Group will continue as a going concern for the foreseeable future. The auditors have drawn 'Material Uncertainty Related to Going Concern' paragraph in their review report in this regard.

10. Foreign exchange gain of Rs. 25.17 million for the quarter ended 30 June 2023 (foreign exchange gain of Rs. 279.68 million and foreign exchange loss of Rs. 3,962.71 million for the quarter and year ended 31 March 2023, respectively, foreign exchange loss of Rs. 1,726,27 million for the quarter ended 30 June 2022), arising from restatement of lease liabilities.

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11. During the quarter ended 30 June 2023, no additional stock options were granted to employees and no stock options were exercised by eligible employees under employee stock option scheme of the Company.

12. Other non-current assets as at 30 June 2023 include Rs. 598.44 million (Rs. 582.44 million as on 31 March 2023) represents amount paid under protest towards Integrated Goods and Services Tax ('IGST') and Basic Customs duty, on re-import of various aircraft engine/equipment repaired 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. 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, aircraft engines and other certain aircraft parts. Accordingly, the above amounts paid under protest till 30 June 2023 have been shown as recoverable.

13. Previous periods'/year's figures have been regrouped/reclassified wherever considered necessary to conform to current periods'/year's presentation.

For SpiceJet Limited

Ajay Singh

Ajay Singh
Chairman and Managing Director

Place: Gurugram
Date: 14 August 2023

SpiceJet Limited

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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 1, which comprise the Consolidated Balance Sheet as at March 31, 2024, 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 material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us except for the effects of the 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, 2024, 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. We report that the Holding Company and its certain subsidiaries are in non-compliance with various laws and regulations applicable to the Holding Company and the said subsidiaries as detailed in Note 47 to the accompanying consolidated financial statements. Pending regularising of these non-compliances under the respective laws and regulations, the management is of the view that the impact of the aforesaid non-compliances on the accompanying consolidated financial statements is presently unascertainable. In the absence of necessary assessment of the impact of the aforesaid matter, including fines and penalties that may be levied, 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.

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

Material Uncertainty Related to Going Concern

5. We draw attention to Note 2A(a)(iii) to the accompanying consolidated financial statement which describes that the Group has incurred a net loss (after other comprehensive income) of Rs. 4,183.79 million for the year ended March 31, 2024, and, as of that date, the Group's accumulated losses amounts to Rs. 78,871.39 million which have resulted in complete erosion of its net worth and the current liabilities have exceeded its current assets by Rs. 65,892.40 million as at March 31, 2024. These conditions together with other matters as described in note 2A(a)(iii), indicates the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, 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 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.

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 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 consolidated financial statements with respect to this matter in accordance with the applicable accounting standards.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

6. We draw attention to Note 49 which describe the uncertainty relating to the outcome of ongoing litigation with erstwhile promoters which is pending with the Hon'ble High Court of New Delhi and certain resultant possible non-compliances of applicable provisions of the Act. Subsequent to year end, the Commercial Appellate Jurisdiction - Hon'ble High court, New Delhi vide order dated May 17, 2024, has set aside the judgement dated July 31, 2023 passed by the Single Judge of High court, New Delhi and has directed the appeal filed by the Holding Company under Section 34 of the Arbitration and Conciliation Act, 1996 to be considered afresh. The management basis their assessment and legal advice obtained, is of the view that no material liability is likely to arise out of the aforesaid matter and accordingly, no adjustment has been made to the accompanying consolidated financial statements in this respect. 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 period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

8. In addition to the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern 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(i) 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 consolidated financial statements for passenger revenue recognised during the year.
Provision for maintenance in relation to aircrafts	
We refer to notes 2A(n)(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,

Key audit matter	How our audit addressed the key audit matter
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, 2024, the Holding Company has recognised provisions for aircraft maintenance amounting to Rs. 2,950.58 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.	measurement and completeness of provision for maintenance in relation to aircrafts; • Evaluated the design and tested the operating effectiveness of the internal financial controls over maintenance process including accounting for provision for aircraft 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, 2024; and • Evaluated appropriateness and adequacy of the disclosures made in consolidated financial statements with respect to the provision for aircraft maintenance.
Impairment of non-financial assets We refer to notes 2A(g), 3 and 4 of the consolidated financial statements for accounting policies and information related to accounting judgements, assumptions and estimates relating to impairment of non-financial assets. During the current year, due to the 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 Group 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.	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;

Key audit matter	How our audit addressed the key audit matter
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 CGUs is higher than its carrying amount and accordingly, no impairment provision has been recorded as at March 31, 2024. 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.	• 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 consolidated financial statements with respect to impairment of non-financial assets.

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

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

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

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

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

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

10. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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. These financial statements 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

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

    - Obtain sufficient appropriate audit evidence regarding the financial information 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 period 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.

Other Matter

18. We did not audit the financial information of one subsidiary, whose financial information reflects total assets of Rs. 91.91 million as at 31 March 2024, total revenues of Rs. Nil and net cash flows amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. This financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

19. 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 subsidiaries 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 subsidiaries.

20. 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 31 March 2024 and covered under the Act, refer Annexure II for details of qualifications or adverse remarks given by us in the Order reports of such companies.

21. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) We have sought and except for the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the 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 of the Basis for Qualified Opinion section and except for the matters stated in paragraph 21(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) Except for the effects of the 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 of the Basis for Qualified Opinion section and paragraph 6 of the Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of the Holding Company. Further, the matters described in paragraph 5 under Material uncertainty related to Going concern section, in our opinion, may have an adverse effect on the functioning of the Holding Company, SpiceJet Technic Private Limited, SpiceTech System Private Limited, SpiceJet Merchandise Private Limited and SpiceXpress and Logistics Private Limited, the subsidiaries of the Holding Company;

f) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries and taken on record by the Board of Directors of the Holding Company and its subsidiaries respectively, none of the directors of the Group companies are disqualified as on March 31, 2024 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 with respect to the consolidated financial statements are as stated in paragraph 3 of the Basis for Qualified Opinion section, paragraph 21(b) above on reporting under section 143(3)(b) of the Act and paragraph 21(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries 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 46 to the consolidated financial statements;

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

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

iv. a. The respective managements of the Holding Company and its subsidiaries 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 62A 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 subsidiaries 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 subsidiaries ('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 subsidiaries 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 62B to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries 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 subsidiaries 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.

iv. The Holding Company and its subsidiaries have not declared or paid any dividend during the year ended March 31, 2024; and

v. As stated in Note 61 to the consolidated financial statements and based on our examination which included test checks, the Holding Company and its subsidiaries which are companies incorporated in India and audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiaries, in respect of financial year commencing on April 1, 2023, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software.

CHARTERED ACCOUNTANTS

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below.

1) The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Holding Company and one subsidiary.

2) The accounting software used for maintenance of all accounting records by eight subsidiaries have a feature of recording audit trail (edit log) facility. However, the audit trail feature was not enabled for all relevant transactions recorded in the software.

3) The accounting software used for maintenance of revenue and payroll records of the Holding Company, are operated by third-party software service providers. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation), we are unable to comment on whether audit trail feature with respect to the database level of the said software were enabled and operated throughout the year.

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

5) The audit trail feature was not enabled at the database level for the accounting software to log any direct data changes used for maintenance of all revenue records by one subsidiary for the period March 1, 2024 to March 31, 2024.

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Neeraj Goel
Partner
Membership No.: 099514

UDIN: 24099514BKCMXK7441

Place: Gurugram
Date: 15 July 2024

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, 2024

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. SpiceJet Shuttle Private Limited;
5. SpiceJet Club Private Limited;
6. Canvin Real Estate Private Limited;
7. SpiceXpress and Logistics Private Limited;
8. Spice Ground handling Services Private Limited;
9. SpiceTech System Private Limited; and
10. AS Air Lease 41 (Ireland) Limited (with effect from 19 October 2023)

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

Referred to in paragraph 20 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 (x) (b)
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	Spice Club Private Limited	U74999DL2019PTC356527	Subsidiary Company	Clause (vii) (a)
10	Spice Ground Handling Service Private Limited	U63030DL2020PTC371395	Subsidiary Company	Clause (vii) (a)
11	SpiceJet Interactive Private Limited	U72900DL2019PTC349253	Subsidiary Company	Clause (vii) (a)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure III 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, 2024

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

1. In conjunction with our audit of the 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, 2024, 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 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.

Annexure III 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, 2024 (cont'd)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified Opinion

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

   The Holding Company's and its three subsidiaries internal financial controls over estimation of consequences towards non-compliances with laws and regulations as more fully explained in Note 47 to the consolidated financial statements, were not operating effectively, which could potentially result in an inappropriate assessment of the accuracy and completeness of provision for fines/penalties. This could lead to potential material misstatement in the value of fines/penalties payable, and its consequential impact on the loss after tax, reserve and surplus and related disclosures respect thereof as at and for the year ended March 31, 2024.

   A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim 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, 2024, 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 Holding Company and its subsidiaries internal financial controls with reference to financial statements were operating effectively as at March 31, 2024.

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, 2024, 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

Neeraj Goel
Partner
Membership No.: 099514

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

UDIN: 24099514BKCMXK7441

Place: Gurugram
Date: 15 July 2024

SpiceJet Limited
Consolidated balance sheet as at March 31, 2024
(All amounts are in millions of Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	11,610.66	12,379.46
Capital work-in-progress	5A	72.40	204.07
Right of use assets	4	13,951.33	27,674.80
Intangible assets	5	144.70	10.26
Financial assets			
(i) Investments	6	0.25	0.25
(ii) Loans	7	6.46	-
(iii) Other financial assets	8	3,043.78	4,977.06
Income-tax assets (net)	9	1,646.73	1,399.27
Other non-current assets	10	9,145.23	9,649.78
Total non-current assets		**39,621.54**	**56,294.95**
Current assets			
Inventories	11	1,720.02	1,628.30
Financial assets			
(i) Investments	12	4.92	4.56
(ii) Trade receivables	13	1,581.89	1,597.78
(iii) Other receivables	14	8,512.56	9,454.82
(iv) Cash and cash equivalents	15A	2,031.08	337.01
(v) Bank balances other than (iv) above	15B	114.68	18.17
(vi) Loans	16A	2.50	-
(vii) Other financial assets	16	4,209.94	3,467.82
Other current assets	17	6,922.58	4,902.32
Total current assets		**25,100.17**	**21,410.78**
Total assets		**64,721.71**	**77,705.73**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	7,834.05	6,018.46
Other equity	19	(60,007.42)	(64,521.56)
Equity attributable to owners of the Holding Company		**(52,173.37)**	**(58,503.10)**
Non-controlling interests		(12.38)	(3.33)
Total equity		**(52,185.75)**	**(58,506.43)**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	8,923.49	4,659.89
(ii) Lease liabilities	21	15,000.68	28,440.69
(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		408.08	1,341.27
Provisions	23	1,498.20	1,626.92
Other non-current liabilities	24	84.44	101.53
Total non-current liabilities		**25,914.89**	**36,170.30**
Current liabilities			
Financial liabilities			
(i) Borrowings	25	2,597.61	7,197.77
(ii) Lease liabilities	26	27,266.05	33,191.95
(iii) Trade payables	27		
Total outstanding dues of micro enterprises and small enterprises		674.78	491.09
Total outstanding dues of creditors other than micro enterprises and small enterprises		33,149.74	30,734.12
(iv) Other financial liabilities	28	1,446.24	1,773.24
Other current liabilities	29	21,722.50	22,449.94
Provisions	30	4,135.65	4,203.75
Total current liabilities		**90,992.57**	**1,00,041.86**
Total liabilities		**1,16,907.46**	**1,36,212.16**
Total equity and liabilities		**64,721.71**	**77,705.73**

Summary of material accounting policies. 2

The accompanying notes form 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: July 15, 2024

For and on behalf of the Board of Directors

Ajay Singh
Chairman and Managing Director
Place: Gurugram
Date: July 15, 2024

Joyakesh Podder
Deputy Chief Financial Officer
Place: Gurugram
Date: July 15, 2024

Chandan Sand
Company Secretary
Place: Gurugram
Date: July 15, 2024

SpiceJet Limited
Consolidated statement of profit and loss for the year ended March 31, 2024
(All amounts are in millions of Indian Rupees, unless otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	31	70,853.06	88,735.93
Other income	32	14,102.15	9,682.96
Total income		84,955.21	98,418.89
Expenses			
Operating expenses	34A	54,249.06	73,679.35
Purchases of stock-in-trade	35B	731.05	997.28
Changes in inventories of stock-in-trade	35C	(24.86)	(72.73)
Employee benefits expense	35	8,208.56	8,800.07
Sales and marketing expenses	36	3,553.96	2,279.84
Other expenses	37	9,553.58	6,287.73
Foreign exchange loss (net)	39	1,020.12	6,823.62
Total expense		77,291.47	98,795.16
Earnings before interest, tax, depreciation and amortisation (EBITDA)		7,663.74	(376.27)
Depreciation and amortisation expense	40	(7,531.17)	(10,227.41)
Finance income	33	285.13	551.81
Finance costs	38	(4,654.85)	(5,077.60)
Loss before tax		(4,237.15)	(15,129.47)
Tax expense			
Loss for the year		(4,237.15)	(15,129.47)
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Remeasurement gain/(loss) on defined benefit obligations		53.36	(0.48)
Income tax impact		-	-
Other comprehensive income for the year		53.36	(0.48)
Total comprehensive income for the year		(4,183.79)	(15,129.95)
Net profit for the year attributable to:			
Owners of the Holding Company		(4,228.30)	(15,127.65)
Non-controlling interests		(8.85)	(1.82)
		(4,237.15)	(15,129.47)
Other comprehensive income for the year attributable to:			
Owners of the Holding Company		53.56	(0.48)
Non-controlling interests		(0.20)	-
		53.36	(0.48)
Total comprehensive income for the year attributable to:			
Owners of the Holding Company		(4,174.74)	(15,128.13)
Non-controlling interests		(9.05)	(1.82)
		(4,183.79)	(15,129.95)
Earnings per equity share (Rs.)	41		
Basic		(6.39)	(25.14)
Diluted		(6.39)	(25.14)
Summary of material accounting policies	2		

The accompanying notes form 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

Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: July 15, 2024

For and on behalf of the Board of Directors

Ajay Singh	**Joyakesh Podder**	**Chandan Sand**
Chairman and Managing Director	Deputy Chief Financial Officer	Company Secretary
Place: Gurugram	**Place:** Gurugram	**Place:** Gurugram
Date: July 15, 2024	**Date:** July 15, 2024	**Date:** July 15, 2024

SpiceJet Limited
Consolidated statement of cash flow for the year ended March 31, 2024
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from operating activities			
Loss before tax and exceptional items		**(4,237.15)**	**(15,129.47)**
Adjustments for:			
Depreciation and amortisation expense		7,531.17	10,227.41
Impairment of trade receivables		273.93	111.25
Loss/(profit) on sale of property, plant and equipment (net)		34.36	(7.62)
Impairment of advances and other advances/amounts written off		2,559.46	413.31
Impairment of capital advances		1,247.00	381.36
Share based payment expense		23.83	25.34
Liabilities/provision no longer required written back		(8,166.77)	(7,140.55)
Gain on de-recognition of lease liabilities and right of use assets		(5,784.30)	(2,423.31)
Interest on lease liabilities		2,179.68	3,129.94
Finance cost - others		2,475.17	1,947.65
Interest income from financial assets measured at amortised cost		(152.37)	(228.59)
Net gain on financial assets measured at fair value through profit or loss		(0.36)	(0.23)
Interest income		(132.76)	(323.22)
Unrealised foreign exchange loss		890.11	5,822.36
Operating loss before working capital changes		**(1,259.00)**	**(3,194.37)**
Movements in working capital:			
Trade and other receivables		(1,482.81)	(746.02)
Inventories		(91.72)	(119.58)
Other financial assets		(946.08)	(81.07)
Other assets		(3,871.21)	(3,280.75)
Trade payables		3,280.49	6,237.99
Other financial liabilities		191.04	439.16
Other liabilities		(1,750.53)	3,599.67
Provisions		176.82	(1,204.37)
Net cash (used in)/flows from operations		**(5,753.00)**	**1,650.67**
Income taxes paid (net of refunds)		(205.69)	(447.03)
Net cash (used in)/flows from operating activities	A	**(5,958.69)**	**1,203.64**
Cash flow from investing activities			
Purchase of property, plant and equipment and capital work-in-progress (net of capital advances)		(579.69)	(224.30)
Proceeds from sale of property, plant and equipment		237.81	56.74
Loans to director		(6.46)	-
Purchase of investments (net)		0.01	(0.08)
Movement in fixed deposits (net)		(96.51)	495.60
Movement in margin money (net)		679.42	4,484.59
Finance income received		123.72	302.68
Net cash flows from investing activities	B	**358.30**	**5,115.32**
Cash flow from financing activities			
Proceeds from issue of equity shares (including securities premium and net of transaction costs)		5,778.74	0.49
Proceeds from issue of share warrants (refer note 13)		2,391.97	-
Proceeds from long-term borrowings		5,411.82	2,629.92
Repayment of long-term borrowings		(477.00)	624.37
Movement in short-term borrowings (net)		(590.00)	(2,582.10)
Repayment of lease liabilities (including interest of Rs. 2,179.68 million (March 31, 2023: Rs. 3,129.94 million)*		(4,253.19)	(6,277.06)
Finance costs paid		(959.92)	(497.01)
Net cash flows from/(used in) financing activities	C	**7,302.42**	**(6,101.39)**
Net increase in cash and cash equivalents	(A+B+C)	**1,702.03**	**217.57**
Effects of exchange difference on cash and cash equivalents held in foreign currency		(7.96)	6.49
Cash and cash equivalents at the beginning of the year		337.01	112.95
Cash and cash equivalents at the end of the year		**2,031.08**	**337.01**

Notes :

Components of cash and cash equivalents (refer note 15A)		
Balances with banks		
In current accounts	2,029.36	231.85
In deposit accounts (with original maturity upto 3 months)	0.02	0.33
Cash on hand	1.70	104.83
	2,031.08	**337.01**

*Repayments for lease liabilities have first been attributed to interest expense for the year and balance to principal.

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

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

This is the consolidated cash flow statement 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: July 15, 2024

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director

Place: Gurugram
Date: July 15, 2024

Joyakesh Podder
Deputy Chief Financial Officer

Place: Gurugram
Date: July 15, 2024

Chandan Sand
Company Secretary

Place: Gurugram
Date: July 15, 2024

SpiceJet Limited

Consolidated statement of changes in equity for the year ended March 31, 2024

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

A. Equity share capital:

	Number	Amount
Equity shares of Rs 10 each issued, subscribed and fully paid		
As at April 01, 2022	60,17,96,615	6,017.97
Issued during the year pursuant to exercise of employee stock options	49,050	0.49
As at March 31, 2023	60,18,45,665	6,018.46
Issued during the year pursuant to preferential issue	18,13,61,852	1,813.62
Issued during the year pursuant to exercise of employee stock options	1,97,200	1.97
As at March 31, 2024	78,34,04,717	7,834.05

B. Other equity

For the year ended March 31, 2024

Particulars	Reserves and surplus			Money received against share warrants	Total other equity
	Securities premium	Share options outstanding account	Retained earnings		
As at April 01, 2023	10,140.54	58.97	(74,721.07)	-	(64,521.56)
Loss for the year	-	-	(4,228.30)	-	(4,228.30)
Other comprehensive income for the year	-	-	53.56	-	53.56
Total comprehensive income for the year	10,140.54	58.97	(78,895.81)	-	(68,696.30)
Transactions with owners in their capacity as owners:					-
Transfer to retained earnings on account of stock options lapsed	-	(24.42)	24.42	-	-
Share based payment expense	-	23.84	-	-	23.84
Movement during the year on account of issue of equity shares (preferential issue)	6,273.07	-	-	-	6,273.07
Transfer to securities premium on exercise of stock options	10.60	(10.60)	-	-	-
Money received against share warrants	-	-	-	2,391.97	2,391.97
As at March 31, 2024	16,424.21	47.79	(78,871.39)	2,391.97	(60,007.42)

For the year ended March 31, 2023

Particulars	Reserves and surplus			Money received against share warrants	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)

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

This is the consolidated 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

Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: July 15, 2024

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director

Place: Gurugram
Date: July 15, 2024

Jayakesh Podder
Deputy Chief Financial Officer

Place: Gurugram
Date: July 15, 2024

Chandan Sand
Company Secretary

Place: Gurugram
Date: July 15, 2024

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, 2024. 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 60. 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 July 15, 2024.

2. A. Summary of significant material 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, 2024 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules 2015, as amended.

The 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 (including other comprehensive income) Rs. 4,183.79 million for year ended March 31, 2024, and as of that date, the Group has negative retained earnings of Rs. 78,871.39 million and negative net worth of Rs. 52,173.37 million (excluding non-controlling interests) and the current liabilities have exceeded its current assets by Rs. 65,892.40 million as at March 31, 2024.

Losses over the last few years have been primarily driven by adjustments on account of implementation of Ind AS 116, adverse foreign exchange rates, operational disruption during Covid 19 followed by sub-optimal operations due to liquidity constraints faced by the Holding Company.

On account of its operational and financial position, the Group has deferred payments to various parties, including lessors and other vendors and its dues to statutory authorities as also described in Note 47. 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 further 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 49.

The aforesaid conditions indicate the existence of uncertainty that may create doubt about the Group's ability to continue as a going concern.

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. These initiatives are heavily dependent upon Group's ability to raise funds. During the year ended March 31, 2023, the Group had received funds aggregating to Rs. 4,498.17 million under Emergency Credit Line Guarantee Scheme ('ECLGS') scheme. The Group has further received Rs. 5,412.96 million under ECLGS scheme during the year ended March 31, 2024. During the year, Group has also issued fresh equity shares and equity warrants to the promoter group for value aggregating to Rs. 4,940.92 million and also issued equity shares to one of the large lessor against some of its outstanding dues. The Group has further issued fresh equity shares and equity warrants on preferential basis to various investors under non-promoter category aggregating to issue size of Rs. 10,600.00 million. The Group is also in ongoing discussions with certain potential investors for raising additional funds and is also expecting relief from certain lessors for settlement of their 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 raise funds as necessary and achieve profitable operations, 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) (j)(iii)(a) and 43 – estimates required for employee benefits.

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

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

Note 2(A) (n) and (r) – estimation of provision of maintenance.

Note 2(A) (s) – estimates/judgement required in impairment assessment.

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

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

Note 2(A) (y) – judgment relation to contingent liability.

Note 2(A) (w) – estimates/judgement required to determine grant date fair value of 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 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) Business combination and asset acquisition

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

In case, the acquisition of an asset or a group of assets that does not constitute a business, the acquirer identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition and recognition criteria for intangible assets) and liabilities assumed. The cost of the group (i.e. consideration paid) shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

d) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

The Group has identified twelve months as its operating cycle.

e) 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 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.

f) 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.

g) 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 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.

h) 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.

i) 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.

<u>Rendering of services</u>

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.

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.

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

iii. Post-employment benefits

The Group operates the following post-employment schemes:

a. Defined benefit plans – gratuity

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

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

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.

k) Taxes

Current income tax

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

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

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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.

l) Earnings per share

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

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

m) Leases

The Group's lease asset classes primarily consist of leases for aircrafts, aircraft components (including engines) and buildings. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

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

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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.

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

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

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.

n) 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.

o) 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.

p) 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.

q) Fair value measurement

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

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

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

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

The 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.

r) 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.

s) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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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.

t) 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.

u) 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 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.

v) 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.

w) 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.

x) 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.

y) 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.

z) 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 and new and amended accounting standards adopted by the Group

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

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

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

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

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

SpiceJet Limited
Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note 3 - Property, plant and equipment^

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, 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
Additions	0.84	190.92	0.87	8.53	3.23	-	20.49	827.17	-	1,052.05
Disposals	56.72	30.44	5.24	0.37	1.81	43.16	0.36	-	220.00	358.10
Exchange differences *	-	-	-	-	-	-	-	93.54	-	93.54
As at March 31, 2024	1,236.60	4,156.72	275.47	484.93	45.64	638.46	144.59	19,297.33	171.37	26,451.13
Accumulated depreciation										
As at April 01, 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
Depreciation charge for the year	87.81	253.58	31.27	25.15	3.55	68.73	12.89	813.65	-	1,296.63
Disposals	28.64	13.52	4.73	0.37	1.01	39.43	0.20	-	-	87.90
Exchange differences *	-	-	-	-	-	-	-	347.56	-	347.56
As at March 31, 2024	560.17	1,697.03	241.91	464.43	38.50	479.77	122.56	11,236.10	-	14,840.47
Net block										
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
As at March 31, 2024	676.43	2,459.69	33.56	20.50	7.14	158.69	22.03	8,061.23	171.37	11,610.66

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

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

^Refer note 20 for details of mortgage related to property, plant and equipment on various borrowings and refer note 45 for contractual commitments for the acquisition of property, plant and equipment.

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

Note 4 - Right of use assets

Particulars	Aircraft	Aircraft components	Buildings	Total
Gross block				
As at April 01, 2022	71,142.74	4,462.19	694.33	76,299.26
Additions	2,169.34	-	-	2,169.34
Deletions/modification	13,677.49	-	6.26	13,683.75
Balance as at March 31, 2023	59,634.59	4,462.19	688.07	64,784.85
Additions	127.44	-	161.26	288.70
Deletions/modification	18,037.19	1,853.71	22.67	19,913.57
Balance as at March 31, 2024	41,724.84	2,608.48	826.66	45,159.98
Accumulated depreciation				
As at April 01, 2022	31,561.54	2,250.90	258.99	34,071.43
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	33,948.87	2,808.43	352.75	37,110.05
Depreciation charge for the year	5,367.00	415.68	90.16	5,872.84
Deletions	10,413.53	1,347.36	13.35	11,774.24
Balance as at March 31, 2024	28,902.34	1,876.75	429.56	31,208.65
Net block				
As at March 31, 2023	25,685.72	1,653.76	335.32	27,674.80
As at March 31, 2024	12,822.50	731.73	397.10	13,951.33

Note 5 - Intangible assets

Particulars	Software	Total
Gross block		
As at April 01, 2022	418.41	418.41
Additions	7.70	7.70
Deletions	-	-
As at March 31, 2023	426.11	426.11
Additions	148.58	148.58
Deletions	-	-
As at March 31, 2024	574.69	574.69
Accumulated amortisation		
As at April 01, 2022	378.59	378.59
Amortisation charge for the year	37.26	37.26
Deletions	-	-
As at March 31, 2023	415.85	415.85
Amortisation charge for the year	14.14	14.14
Deletions	-	-
As at March 31, 2024	429.99	429.99
Net block		
As at March 31, 2023	10.26	10.26
As at March 31, 2024	144.70	144.70

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

Note No.	Particulars	As at March 31, 2024	As at March 31, 2023
5A	**Capital work-in-progress**		
	Capital work-in-progress ('CWIP')	72.40	204.07
		72.40	**204.07**

The following table represent ageing of capital work-in-progress as at March 31, 2024:

CWIP	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6.29	12.50	-	-	18.79
Projects temporarily suspended*	-	-	-	53.61	53.61
Total	**6.29**	**12.50**	**-**	**53.61**	**72.40**

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 of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	143.79	1.92	3.48	-	149.19
Projects temporarily suspended*	-	-	-	54.88	54.88
Total	**143.79**	**1.92**	**3.48**	**54.88**	**204.07**

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

Note No.	Particulars	As at March 31, 2024	As at March 31, 2023
6	**Non-current investments (fully paid up)**		
	Unquoted equity investments measured at fair value through profit or loss ('FVTPL')		
	1,517 (March 31, 2023: 1,976) equity shares of Aeronautical Radio of Thailand Limited	0.25	0.25
		0.25	**0.25**
	Aggregate amount of unquoted investments	0.25	0.25
	Aggregate amount of impairment in value of investments	-	-
7	**Non-current loans**		
	(Unsecured, considered good unless stated otherwise)		
	Loan to director of subsidiary company	6.46	-
		6.46	**-**

During the year, one of the subsidiary company has given loan to its director. The loan is recoverable in 48 installments starting from November 30, 2023 and carries an interest of 8% per annum. For details refer note 53.

Note No.	Particulars	As at March 31, 2024	As at March 31, 2023
8	**Other non-current financial assets**		
	(Unsecured, considered good)		
	Deposits with original maturity of more than 12 months (also refer note 15B)	818.11	1,497.53
	Security deposits	2,225.67	3,479.53
		3,043.78	**4,977.06**
9	**Income-tax assets**		
	Advance income-tax	1,646.73	1,399.27
		1,646.73	**1,399.27**
10	**Other non-current assets**		
	Deposit with Delhi High Court (also refer note 49)	7,394.83	5,955.99
	Goods and services tax paid under protest*	639.46	582.44
	Capital advances		
	Unsecured, considered good	1,110.94	3,111.35
	Unsecured, considered doubtful	130.92	109.32
		9,276.15	9,759.10
	Impairment allowance		
	Unsecured, considered doubtful	(130.92)	(109.32)
		(130.92)	**(109.32)**
		9,145.23	**9,649.78**

*Refer note note 46(b)(vii) for details. The balance also includes amount paid as pre-deposits for appeal filed in respect of goods and services tax dispute in various forums amounting to Rs. 19.88 million (March 31, 2023: Nil)

	March 31, 2024	March 31, 2023
Reconciliation of impairment allowance for capital advances are as follows:		
At the beginning of the year	109.32	109.32
Additions during the year	21.60	-
At the end of the year	**130.92**	**109.32**

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

Note No.	Particulars	As at March 31, 2024	As at March 31, 2023
11	**Inventories**		
	(valued at lower of cost or net realisable value)		
	Engineering stores and spares*	1,557.83	1,474.62
	Stock held in trade - in flight inventory	112.21	85.28
	Other stores and spares	49.98	68.40
		1,720.02	1,628.30
	*The above engineering stores and spares includes inventory for merchandise and others amounting to Rs. 63.02 million (March 31, 2023 Rs. 65.09 million)		
12	**Investments at fair value through profit or loss ('FVTPL')**		
	Quoted investment in mutual funds		
	7,122 (March 31, 2023: 7,122) units of ICICI Prudential Saving Funds - Direct Plan - Growth [NAV Rs. 499.55 (March 31, 2023: Rs. 462.59)]	3.30	3.29
	52,700.92 (March 31, 2023: 52,700.92) units of L&T Low Duration Fund - Direct Plan - Growth [NAV Rs. 25.82 (March 31, 2023: Rs. 24.05)]	1.62	1.27
		4.92	4.56
	Aggregate amount of quoted investments and market value thereof	4.92	4.56
13	**Trade receivables**		
	(Unsecured, considered good unless stated otherwise)		
	Trade receivables		
	Unsecured, considered good	1,660.77	1,673.54
	Unsecured, credit impaired	243.11	78.64
		1,903.88	1,752.18
	Impairment allowance		
	Unsecured, considered good	(78.88)	(75.76)
	Unsecured, credit impaired	(243.11)	(78.64)
		(321.99)	(154.40)
		1,581.89	1,597.78

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, is included in note 54. The Group's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 56.

As at March 31, 2024	Outstanding for following periods from due date of transaction					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	786.53	345.80	204.90	103.51	220.03	1,660.77
Undisputed trade receivables – credit impaired	0.13	33.84	15.58	20.24	173.32	243.11
Total	**786.66**	**379.64**	**220.48**	**123.75**	**393.35**	**1,903.88**

As at March 31, 2023	Outstanding for following periods from due date of transaction					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered 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**	**189.15**	**142.07**	**343.28**	**1,752.18**

Note No.	Particulars	As at March 31, 2024	As at March 31, 2023
14	**Other current receivables**		
	(Unsecured, considered good)		
	Maintenance receivables	3,620.88	4,638.31
	Other receivables	4,891.68	4,816.51
		8,512.56	9,454.82
15A	**Cash and cash equivalents**		
	Balances with banks:		
	– In current accounts	2,029.36	231.85
	– In deposit accounts (with original maturity upto 3 months)	0.02	0.33
	Cash on hand	1.70	104.83
		2,031.08	337.01
15B	**Bank balances other than cash and cash equivalents**		
	Deposits with original maturity for more than 3 months but less than 12 months	98.93	9.19
	Deposits with remaining maturity of less than 12 months	15.75	8.98
	Margin money/security against non-fund based facilities*	818.11	1,497.53
		932.79	1,515.70
	Less: Amount disclosed under other non-current asset (refer note 8)	(818.11)	(1,497.53)
		114.68	18.17
	*Margin money deposit have been placed with banks for non-fund based facilities sanctioned to the Holding Company		
16	**Other current financial assets**		
	(Unsecured, considered good)		
	Employee advances*	183.00	292.71
	Interest accrued on bank deposits	46.61	79.34
	Security deposits	3,689.97	2,642.35
	Contract asset	290.36	453.42
		4,209.94	3,467.82
	*Includes dues from related parties. Refer note 53.		
17	**Other current assets**		
	Prepaid expenses	551.60	655.22
	Balance with government authorities	3,953.68	3,341.72
	Advances to suppliers		
	Unsecured, considered good	2,417.30	905.38
	Unsecured, credit impaired	346.55	219.11
		7,269.13	5,121.43
	Impairment allowance		
	Unsecured, credit impaired	(346.55)	(219.11)
		(346.55)	(219.11)
		6,922.58	4,902.32
	Reconciliation of impairment allowance for advances to suppliers are as follows:		
	At the beginning of the year	219.11	159.26
	Additions during the year	127.44	59.85
	At the end of the year	**346.55**	**219.11**

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

Note No.	Particulars	Amount
18	**Equity share capital**	
	Authorised	
	(1,500,000,000 equity shares of Rs 10 each)	
	As at April 01, 2022	15,000.00
	Increase during the year	-
	As at March 31, 2023	**15,000.00**
	Increase during the year	-
	As at March 31, 2024	15,000.00
	Issued, subscribed and paid-up capital	
	Equity shares of Rs. 10 each issued, subscribed and fully paid	
	As at April 01, 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
	Issued during the year pursuant to exercise of employee stock options	1.97
	Issued during the year pursuant to preferential issue*	1,813.62
	As at March 31, 2024	7,834.05

A: Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Value (Rs.)	Number of shares	Value (Rs.)
Shares outstanding at the beginning of the year	60,18,45,665	6,018.46	60,17,96,615	6,017.97
Issued during the year pursuant to exercise of employee stock options (refer note 42)	1,97,200	1.97	49,050	0.49
Issued during the year pursuant to preferential issue*	18,13,61,852	1,813.62	-	-
Shares outstanding at the end of the year	**78,34,04,717**	**7,834.05**	**60,18,45,665**	**6,018.46**

*During the year ended March 31, 2024, the Holding Company has made following allotment on preferential basis in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

(a) On September 4, 2023, the allotment of 34,172,000 equity shares of the face value of Rs. 10 each and 131,408,514 warrants, having option to apply for and be allotted equivalent number of equity shares of the face value of Rs. 10 each at an issue price of Rs. 29.84 each on preferential basis to promoter group.

(b) On September 4, 2023, the allotment of 48,123,186 equity shares of the face value of Rs. 10 each at an issue price of Rs. 48.00 each on preferential basis to certain aircraft lessors, consequent upon conversion of their existing outstanding dues aggregating to Rs. 2,309.91 million, and

(c) During the month of January and February 2024, the allotment of 95,600,000 equity shares of the face value of Rs. 10 each and 116,400,000 warrants, having option to apply for and be allotted equivalent number of equity shares of the face value of Rs. 10 each at an issue price of Rs. 50.00 each on preferential basis to non-promoter category

B: Term/rights attached to equity shares

The Group 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 Group 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 Group, the holders of equity shares will be entitled to receive remaining assets of the Group, 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 Group:

Name of shareholders	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% against total number of shares	Number of shares	% against total number of shares
Mr. Ajay Singh	29,73,33,450	37.95%	30,43,33,450	50.57%
Mr. Ajay Singh (HUF)	4,63,81,937	5.92%	5,03,36,838	8.36%
Aries Opportunities Fund Limited	4,00,00,000	5.11%	-	0.00%
Total	**38,37,15,387**	**48.98%**	**35,46,70,288**	**58.93%**

As per records of the Group, 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:

(i) The Holding Company has issued total 2,592,682 shares (March 31, 2023 - 2,395,482) 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.

(ii) The Holding Company has issued 48,123,186 shares (March 31, 2023 - Nil) during the period of five years immediately preceding the reporting date for consideration other than cash

(iii) The Holding Company did not issue any bonus share and has not bought back any share in preceding five years

E. Details of promoter shareholding

Name of promoter	As at March 31, 2024		
	Number of shares	% of total shares	% change during the year
Mr. Ajay Singh	29,73,33,450	37.95%	-12.62%
Mr. Ajay Singh (HUF)	4,63,81,937	5.92%	-2.44%
Mrs. Kalpana Singh	2,79,505	0.05%	0.00%

Name of promoter	As at March 31, 2023		
	Number of shares	% of total shares	% change during the period
Mr. Ajay Singh	30,43,33,450	50.57%	0.00%
Mr. Ajay Singh (HUF)	5,03,36,838	8.36%	-0.42%
Mrs. Kalpana Singh	2,79,505	0.05%	0.00%

F. Shares reserved for issue under options

For details of shares reserved for issue under ESOP, refer note 42 for details.

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

Note No.	Particulars	As at March 31, 2024	As at March 31, 2023
19	**Other equity**		
	Money received against share warrants	2,391.97	-
	Reserves and surplus		
	Securities premium	16,424.21	10,140.54
	Share options outstanding account	47.79	58.97
	Retained earnings	(78,871.39)	(74,721.07)
		(60,007.42)	(64,521.56)
	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	10,140.54	10,134.09
	Additions during the year on exercise of stock options	10.60	6.45
	Additions during the year on issue of equity shares on preferential basis	6,273.07	-
	Balance at the end of the year	16,424.21	10,140.54
	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	58.97	40.20
	Share based payment expense	23.84	25.22
	Transfer to securities premium on exercise of stock options	(10.60)	(6.45)
	Transfer to retained earnings on account of stock options lapsed	(24.42)	-
	Balance at the end of the year	47.79	58.97
	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	(74,721.07)	(59,592.94)
	Loss for the year	(4,228.30)	(15,127.65)
	Other comprehensive income for the year	53.56	(0.48)
	Transferred from share options outstanding account on account of stock options lapsed	24.42	-
	Balance at the end of the year	(78,871.39)	(74,721.07)
	d. Money received against share warrants		
	This represents application money received on issue of share warrants		
	Balance at the beginning of the year	-	-
	Money received against share warrants	2,391.97	-
	Balance at the end of the year	2,391.97	-

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

Note No.	Particulars	As at March 31, 2024	As at March 31, 2023
20	**Long-term borrowings (secured)**		
	Term loans		
	Rupee loan from bank	9,638.70	4,498.17
	Less: Current maturities of long term borrowings (refer note 25)	(715.21)	(272.43)
		8,923.49	4,225.74
	Other loans		
	Term loan from Directors*	5.00	5.00
	External commercial borrowing	1,877.40	6,764.50
	Less: Current maturities of long term borrowings (refer note 25)	(1,882.40)	(6,335.35)
		-	434.15
		8,923.49	4,659.89

*During the previous year, one of the subsidiary company of the Group has entered into an agreement with the director on December 1, 2022 to obtain a loan of Rs 5 million which shall be repaid till May 31, 2024

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

a During the year, the Holding Company has availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from Yes Bank Limited amounting to Rs. 5,050.96 million (sanctioned amount Rs. 5,104.00 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% (1.00% 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 (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,
- Second charge on current assets and movable fixed assets of SpiceXpress and Logistics Private Limited (subsidiary entity); and
- 100% credit guarantee by National Credit Guarantee Trust Company Limited (NCGTC)

b During the previous year, the Holding Company had 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)

c During the previous year, the Holding Company had 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
- Second charge on existing credit facilities in terms of cash flow (including repayment); and
- 100% credit guarantee by National Credit Guarantee Trust Company Limited (NCGTC)

d During the previous year, the Holding Company had availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from Indian Bank Limited amounting to Rs. 913.20 million (sanctioned amount: INR 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%). During the year, the Holding Company has further received loan disbursement from Indian Bank amounting to 362.00 million (out of total sanctioned amount. INR 1,286.40 million). The loan is secured as follows:
- Second charge on existing credit facilities in terms of cash flow (including repayment) and securities including pledge of deposits, shares and fixed deposit;
- Second charge on current assets of the Holding Company, and
- 100% credit guarantee by National Credit Guarantee Trust Company Limited (NCGTC)

e 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 loan is secured as follows
- Second charge on movable fixed assets;
- 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)

f 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,
- Second charge on pledge of shares of the promoter of the Holding Company (1.0x cover); and
- 100% credit guarantee by National Credit Guarantee Trust Company Limited (NCGTC)

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

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. The interest on this ECB ranges from 3.79% to 5.36%. During the current and previous year, the Holding Company had negotiated revised payment schedule and repayment was to be commenced from July 2023. However, in the month of March 2024, the Holding Company has entered into settlement agreement with EDC wherein the ECB amounting to Rs. 7,554.55 million (inclusive of interest) appearing in the books of accounts has been settled at Rs. 1,872.68 million. The management of the Holding Company has recognised the resulting write back of Rs 5,681.87 million as 'other income'

Note No.	Particulars	As at March 31, 2024	As at March 31, 2023
21	**Non-current lease liabilities**		
	Lease liabilities (refer note 44 for details)	15,000.68	28,440.69
		15,000.68	28,440.69
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	408.08	1,341.27
		408.08	1,341.27
	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 (refer note 43 for details)	541.32	559.73
	Provision for aircraft redelivery (refer note 30 for details)	572.00	943.85
	Provision for aircraft maintenance (refer note 30 for details)	384.88	123.34
		1,498.20	1,626.92
24	**Other non-current liabilities**		
	Deferred incentive	101.68	118.77
	Less: Current portion (refer note 29)	(17.24)	(17.24)
		84.44	101.53

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

Note No.	Particulars	As at March 31, 2024	As at March 31, 2023
25	**Current borrowings (secured)**		
	Working capital demand loan from bank (refer note (a) and (b) below)	-	590.00
	Current maturities of long-term borrowings (refer note 21)	2,597.61	6,607.77
		2,597.61	**7,197.77**

At March 31, 2024, the Holding Company had available Rs 53.04 million (March 31, 2023 Rs. 2,064.00 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. The loan has been fully repaid during the current year.

Changes in liabilities arising from financing activities

Particulars	April 1, 2023	Cash flows	Foreign exchange impact	Others*	As at March 31, 2024
Non-current borrowings (including current maturities)	11,267.68	4,934.82	1.14	(4,682.54)	11,521.10
Current borrowings	590.00	(590.00)	-	-	-
Finance costs	579.25	(959.92)	-	440.16	59.49
Lease liabilities**	61,632.64	(4,253.19)	416.90	(15,529.62)	42,266.73
Total liabilities from financing activities	**74,069.57**	**(868.29)**	**418.04**	**(19,772.00)**	**53,847.32**

Changes in liabilities arising from financing activities

Particulars	April 1, 2022	Cash flows	Foreign exchange impact	Others*	As at March 31, 2023
Non-current borrowings (including current maturities)	8,325.89	2,402.36	539.43	-	11,267.68
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	(10,986.13)	61,632.64
Total liabilities from financing activities	**83,490.32**	**(6,311.91)**	**6,989.79**	**(10,098.63)**	**74,069.57**

* Refer note 21(g) for write back explanation related to EDC

** This includes inter-caption reclassification, lease additions, settlements and other adjustments

Note No.	Particulars	As at March 31, 2024	As at March 31, 2023
26	**Current lease liabilities**		
	Lease liabilities (refer note 44 for details)	27,266.05	33,191.95
		27,266.05	**33,191.95**
27	**Current trade payables**		
	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	674.78	491.09
	Total outstanding dues of creditors other than micro enterprises and small enterprises	33,149.74	30,734.12
		33,824.52	**31,225.21**

Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006")

Particulars	As at March 31, 2024	As at March 31, 2023
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	615.92	452.52
- Interest due on above	58.86	38.57
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	58.86	38.57
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, 2024

Particulars	Outstanding for following periods from date of transaction					Total
	Unbilled#	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*	58.85	542.90	47.29	15.32	10.42	674.78
(ii) Others	18,064.33	2,670.50	4,289.54	3,551.35	4,982.10	33,557.82

As at March 31, 2023

Particulars	Outstanding for following periods from date of transaction					Total
	Unbilled#	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*	38.57	399.75	20.05	12.15	20.57	491.09
(ii) Others	16,304.39	2,226.44	6,095.30	4,983.86	2,465.40	32,075.39

* MSME stands for micro enterprises and small enterprises.
\# Unbilled pertains to provision for expenses.

Note No.	Particulars	As at March 31, 2024	As at March 31, 2023
28	**Other current financial liabilities**		
	Employee related payables	1,300.55	1,132.16
	Book overdraft	5.32	5.75
	Security deposits received	73.03	43.96
	Interest accrued on borrowings	59.49	579.35
		1,446.24	**1,773.24**
29	**Other current liabilities (unsecured)**		
	Current portion of deferred incentives	17.24	17.24
	Amount due under order of Delhi High Court (refer note 46)	6,425.55	6,425.55
	Contract liabilities	4,207.34	4,957.24
	Advance received from agents	2,174.57	3,965.29
	Statutory dues (including interest thereon)	8,075.20	6,098.23
	Airport taxes payable	719.90	973.87
	Others liabilities	12.70	12.52
		21,722.50	**22,449.94**

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

30 Short-term provisions

Provision for employee benefits		
Provision for gratuity (refer note 43)	105.84	142.56
Provision for compensated absences	192.38	237.16
Provision for contingencies (refer note 46)	107.20	107.20
Provision for aircraft maintenance	2,565.70	2,791.19
Provision for aircraft redelivery	1,164.53	925.64
	4,135.65	**4,203.75**
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	2,914.53	3,816.00
Additions during the year	36.05	873.45
Utilisation/reversal during the year	-	(1,774.92)
At the end of the year	**2,950.58**	**2,914.53**
Provision for aircraft redelivery (current and non-current)		
At the beginning of the year	1,869.49	1,821.64
Additions during the year	219.19	227.04
Utilisation/reversal during the year	(352.14)	(179.19)
At the end of the year	**1,736.53**	**1,869.49**

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

Note No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
31	**Revenue from operations**		
	Sale of services		
	Passenger revenue	64,324.99	77,673.56
	Cargo revenue	3,249.13	7,860.67
	Sale of goods		
	Sale of food and beverages in flight	200.78	185.75
	Other operating revenues		
	Incentives received	32.63	82.47
	Income from training services	171.90	217.94
	Subsidies received under various schemes	1,250.71	1,285.15
	Ground handling services	1,553.28	1,299.31
	Others	54.91	83.56
		70,853.06	88,735.93
	India	47,043.11	66,576.72
	Outside India	23,809.95	22,159.21
		70,853.06	88,735.93

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		
Trade receivables	1,581.89	1,597.78
Contract assets	290.36	453.42
Contract liabilities*	4,297.34	4,957.24

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. 4,952.00 million (March 31, 2023: Rs. 4,204.53 million) (excludes amount collected on behalf of third parties and amount refunded due to cancellations).

Note No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
32	**Other income**		
	Net gain on financial assets measured at fair value through profit or loss	0.26	0.23
	Gain on derecognition of lease liabilities and right of use assets*	5,784.30	2,423.31
	Liabilities/provision no longer required written back**	8,166.77	7,140.45
	Profit on disposal of property, plant and equipment (net)	4.88	-
	Warranty claims from aircraft manufacturer/insurance claims	2.98	14.20
	Miscellaneous income	142.86	104.77
		14,102.15	9,682.96

*On account of early termination of lease
** Refer note 20(g) for write back explanation related to EDC.

Note No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
33	**Finance income**		
	Interest income on financial assets	152.37	228.59
	Interest income on		
	Bank deposits	90.99	289.57
	Others	41.77	33.65
		285.13	551.81
34A	**Operating expenses**		
	Aviation turbine fuel	29,868.98	47,716.55
	Lease charges - aircraft, engines and auxiliary power units (also refer note 44)	6,403.25	3,755.72
	Aircraft repairs and maintenance	2,952.62	5,273.73
	Supplemental lease charges - aircraft, engines and auxiliary power units	5,046.73	5,450.64
	Consumption of stores and spares	464.10	625.47
	Aviation insurance	736.19	1,003.87
	Landing, navigation and other airport charges	6,996.03	8,096.62
	Aircraft navigation software expenses	745.63	545.18
	Aircraft redelivery costs	84.57	105.27
	Cargo handling costs	506.40	798.11
	Other miscellaneous operating expenses	450.56	308.19
		54,249.06	73,679.35

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

Note No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
34B	**Purchases of stock-in-trade**		
	Inflight food and beverages held as stock-in-trade	731.05	957.83
	Merchandise and others	-	39.45
		731.05	**997.28**
34C	**Changes in inventories of stock-in-trade**		
	Inflight food and beverages		
	Inventory at the beginning of the year	85.28	30.36
	Less : Inventory at the end of the year	(112.21)	(85.28)
	Changes in inventories of stock-in-trade	**(26.93)**	**(54.92)**
	Merchandise and others		
	Inventory at the beginning of the year	65.09	47.28
	Less : Inventory at the end of the year	63.02	65.09
	Changes in inventories of stock-in-trade	**2.07**	**(17.81)**
35	**Employee benefits expense**		
	Salaries, wages and bonus	7,547.54	8,029.30
	Contribution to provident and other funds (refer note 43)	361.01	443.95
	Share based payment expense (refer note 42)	23.83	25.34
	Gratuity expense (refer note 43)	133.59	145.90
	Staff welfare	142.79	155.58
		8,208.56	**8,800.07**
36	**Sales and marketing expenses**		
	Commission to agents	2,808.95	1,833.77
	Business promotion and advertisement	745.01	446.07
		3,553.96	**2,279.84**
37	**Other expenses**		
	Rent (refer note 44)	661.95	826.23
	Rates and taxes	418.76	356.11
	Repairs and maintenance		
	Buildings	93.17	101.90
	Plant and machinery	43.33	21.78
	Others	520.78	472.50
	Crew accommodation cost	331.98	392.20
	Recruitment and training cost	279.47	387.44
	Communication	97.57	125.45
	Printing and stationery	72.78	93.51
	Travelling and conveyance	1,584.76	1,356.85
	Legal and professional fees*	790.96	506.20
	Power and fuel	92.03	112.17
	Impairment of advances and advances/amounts written off (including impairment of advances to suppliers of Rs 127.44 (March 31, 2023: Rs. 84.20)	2,559.46	413.31
	Impairment of capital advances (including capital advances written off of Rs. 21.60 (March 31, 2023: Rs. Nil)	1,247.00	381.36
	Impairment of trade receivables (including bad debt written off of Rs 91.99 (March 31, 2023: Rs. Nil)	273.93	111.25
	Insurance	179.84	163.17
	Credit card charges	154.64	207.99
	Bank charges	15.65	10.27
	Loss on sale of property, plant and equipment (net)	39.24	-
	Miscellaneous expenses	96.28	248.04
		9,553.58	**6,287.73**
38	**Finance costs**		
	Interest on		
	Term loan from banks	796.24	432.06
	Loan from others	351.17	418.96
	Interest on lease liabilities and redelivery provisions	2,179.68	3,129.94
	Other borrowing costs	1,327.76	1,096.64
		4,654.85	**5,077.60**
39	**Foreign exchange loss (net)**		
	Foreign exchange loss (net)*	1,020.12	6,823.62
		1,020.12	**6,823.62**

*Foreign exchange loss for the year ended March 31, 2024 includes Rs. 393.96 million (March 31, 2023: Rs. 3,962.71 million), pertaining to foreign exchange loss on restatement of lease liabilities

Note No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
40	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment (refer note 3)	1,644.19	1,741.17
	Depreciation on right of use assets (refer note 4)	5,872.84	8,448.98
	Amortisation on intangible assets (refer note 5)	14.14	37.26
		7,531.17	**10,227.41**

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

41. Earnings per share ('EPS')

a. Basic EPS is calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

b. Diluted EPS is calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Number of equity shares outstanding at the beginning of the year	60,18,45,665	60,17,96,615
Issued during the year pursuant to exercise of employee stock options	1,97,200	49,050
Issued during the year pursuant to issue of equity shares	18,15,61,852	-
Number of equity shares outstanding at the end of the year	78,34,04,717	60,18,45,665
Weighted average number of equity shares		
a. Basic	**66,35,38,313**	**60,18,63,331**
Effect of dilution: stocks options and share warrants^	-	-
b. Diluted#	**66,35,38,313**	**60,18,63,331**
Loss for the year	**(4,237.15)**	**(15,129.47)**
Earnings per share:		
-- Basic earnings per share (Rs.)	(6.39)	(25.14)
-- Diluted earnings per share (Rs.)#	(6.39)	(25.14)
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) and share warrants 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 49.

42. 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 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 recognised based on the fair value of option at the date of grant in accordance with the Black-Scholes method.

Grant date	Number 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	12,01,155	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	5,00,000	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	1,40,000	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	2,50,000	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	5,00,000	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	4,75,000	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	5,65,000	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	4,50,000	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.

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, 2024	Year ended March 31, 2023
Share based payment expense	19.38	25.34

Reconciliation of outstanding share options:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Options outstanding as at the beginning of the year	**16,68,750**	**10.00**	**7,02,800**	**10.00**
Add: Options granted during the year*	-	10.00	10,15,000	10.00
Less: Options lapsed during the year	3,05,000	10.00	-	10.00
Less: Options exercised during the year	1,97,200	10.00	49,050	10.00
Options outstanding as at the year end	**11,66,550**	**10.00**	**16,68,750**	**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, 2024 is 5.98 years (March 31, 2023: 6.41 years).

The weighted average share price on the date of exercise of stock options during the year was Rs. 60.57 (March 31, 2023: Rs. 46.42).

Option excersiable as at March 31, 2024 is 388,000 (March 31, 2023: 156,250).

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

Employees Stock Option Scheme, 2021

The shareholders at the Extraordinary General Meeting held on May 26, 2021, approved an Employee Stock Option Scheme ('ESOS') which provides for the grant of 1,000,000 stock options which will be granted to eligible employees of the subsidiary company determined by the Board, which are convertible into equivalent number of equity shares of Rs. 1 each as per the terms of the scheme. Upon vesting, the employees can acquire one common equity share of the subsidiary company for every option. The stock options were granted on the dates as mentioned in table below.

The share based payment expense has been recognized based on the fair value of option at the date of grant in accordance with the Black-Scholes method.

Grant date	Number of options	Fair value per option (In INR)	Exercise price (In INR)	Expected volatility	Expected life (in years)	Expected dividend	Risk free return
May 30, 2023	4,37,000	22.44	1.00	23.50%	3.50 to 5.50	Nil	6.81% to 6.89%

Expected volatility calculation is based on volatility of the Nifty Small Cap Indexs, corresponding to the expected life of the options.
The risk free return is the implied yield currently available on zero coupon government issues, with a remaining term equal to the expected term of the option being valued.
The above calculation is based on government yield on zero coupon bonds with 4 to 5 as term to maturity.
Expected life of the option have been calculated by adding the vesting period and half of the exercise period. Remaining vesting period for the scheme is 3 years.
The subsidiary 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, 2024	Year ended March 31, 2023
Share based payment expense	4.45	-

Reconciliation of outstanding share options:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Options outstanding as at the beginning of the year	-	-	-	-
Add: Options granted during the year	4,37,000	1.00	-	-
Less: Options exercised during the year	-	-	-	-
Options outstanding as at the year end	4,37,000	1.00	-	-

The weighted average remaining period of stock options as at March 31, 2024 is 2.16 years.
During the year, there were no options which were excercised or lapsed.

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

43. 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

(i) Amounts recognized in consolidated balance sheet

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Defined benefit obligation ('DBO')	647.16	702.29
Defined benefit obligation ('DBO')	**647.16**	**702.29**

Bifurcation of DBO at the end of the year - current and non-current

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Current liability	105.84	142.56
Non-current liability	541.32	559.73

(ii) Amount recognized in other comprehensive income

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Actuarial (gain)/loss	(53.36)	0.48
Actuarial (gain)/loss recognized in other comprehensive income	**(53.36)**	**0.48**

(iii) Expenses recognized in statement of profit and loss

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Current service cost	81.86	96.24
Interest cost on DBO	51.53	49.66
Expense recognised during the year	**133.39**	**145.90**

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

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Present value of defined benefit obligation at the beginning of the year	702.29	703.12
Current service cost	81.86	96.24
Interest cost	51.53	49.66
Benefits paid	(135.16)	(147.21)
Actuarial (gain)/loss		
a. Effect of changes in financial assumption	4.33	0.71
b. Effect of experience adjustments	(58.30)	0.40
c. Effect of changes in demographic assumptions	0.61	(0.63)
Present value of defined benefit obligation at the end of the year	**647.16**	**702.29**

(v) For determining the DBO liability the following actuarial assumptions were used:

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Discount rate	7.19%-7.25%	7.17%-7.41%
Salary escalation rate	4.50%-7.00%	4.50%-7.00%
Pre-retirement mortality	IALM(2012-14)	IALM(2012-14)
Attrition rate	23.7% (upto 30 years)	25% (Upto 30 years)
	14.2% (age 31-44)	14.30% (Age 31-44)
	2.5% (above age 44)	2.40% (above age 44)

(vi) Maturity profile of defined benefit obligation:

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Within the next 12 months	105.92	107.68
Between 1 and 5 years	268.12	273.73
Beyond 5 years	634.31	718.32

(vii) Sensitivity analysis for gratuity:

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Impact of the change in discount rate on present value of DBO as at the end of the year		
Discount rate + 50 Basis points	(21.41)	(22.95)
Discount rate - 50 Basis points	23.09	24.68
Impact of the change in salary increases on present value of DBO as at the end of the year		
Salary rate + 50 basis points	20.14	22.75
Salary rate - 50 basis points	(19.60)	(22.09)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these not calculated
Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable

(viii) Risk.

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

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

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, 2024	As at March 31, 2023
Discount rate	7.25%	7.30%
Future salary increase	7.00%	4.50%

C. Defined contribution plan:
During the year, the Group recognized Rs. 345.16 million (March 31, 2023 - Rs. 415.03 million) as provident fund expense under defined contribution plan and Rs. 15.85 million (March 31, 2023 - Rs. 28.92 million) for contributions to employee state insurance scheme in the Statement of profit and loss.

44. Lease liabilities
The Group's leased assets primarily consist of leases for aircraft, aircraft components (including engines) and buildings. The Group has several lease contracts that include extension and termination options and the management has considered both the options in determination of lease term. 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 presented under "Supplemental lease charges - aircraft, engines and auxiliary power units".

During the year ended March 31, 2024, the Group has recognized an expense of Rs. 7,065.20 million (March 31, 2023 Rs. 4,763.35 million) on account of short term leases which represents leased aircraft, engines and auxiliary power units having a remaining lease term of less than 12 months and other short-term leases. The portfolio of other short-term leases to which the Group is committed at the end of the reporting period is not materially different from the portfolio of other short-term leases for which expense has been recognized during the year ended March 31, 2024.

A. Amount recognised in the Statement of Profit and Loss

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation on right of use assets	5,872.84	8,448.96
Interest on lease liabilities (net off rent waiver)	2,179.68	2,290.78
Rent expense related to short term leases	7,065.20	4,763.35

Refer note 4 for additions to Right-of-use assets and the carrying amount of right of use assets as at March 31, 2024. Further, refer note 56 for maturity analysis of lease liabilities.

B. Total cash outflow of leases

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total cash outflow of leases	4,253.19	6,277.06

For maturity profile of lease payment obligation, refer note 56.

45. Capital and other commitments

a. As at March 31, 2024, the Holding Company has commitments (net of advance) of Rs. 606,470.29 million (March 31, 2023 - Rs. 597,094.13 million) relating to the acquisition of aircraft.

b. As at March 31, 2024, the Holding Company has commitments of Rs. 2,651.31 million (March 31, 2023 - Rs. 3,239.00 million) relating to the bank guarantees.

c. The Holding Company has issued support letter ('letter') to its subsidiaries (other than AS Air 41 Lease (Ireland) Limited) for providing operational and financial support for a period of 12 months from the date of said letter.

46. 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 46(b) below.

b) Contingent liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Demand arising out of legal cases filed against the Holding Company in various consumer courts and forums (refer note (i) below)	303.85	330.39
Demand arising out of other legal cases filed against the Holding Company (refer note (ii) below)	90.21	126.36
Liability arising out of goods and services tax related show cause notice and demand orders (refer note (iii) below)	117.09	112.30
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	3,541.77	3,541.77
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	649.58	582.44
Demand in respect of inter-corporate deposit received from Mallanpur Steels Limited (refer note (viii) below)	-	55.00
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	918.34
Liability arising out of customs related show cause notice and demand orders (refer note x below)	48.35	-

The Holding 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 Holding Company 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 likelihood 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 likelihood 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, claim of input tax credit for exempt supplies and discrepancies in returns filed.

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. 4.96 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 31). 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 financial statements.

vii. The Holding Company has received certain orders from customs authorities levying Integrated Goods and Services Tax ("IGST") and basic customs duty on re-import of various aircraft engines and aircraft equipment repaired/replaced outside India, which is in the opinion of the Management and based on expert advice obtained, is not subject to such levy. Accordingly, these amounts have been considered as recoverable. Further, in January 2021, the Holding Company has received favourable order in reference to one of the matters for which tax is paid under protest, from the Customs Excise and Service Tax Appellate Tribunal ("CESTAT"), New Delhi in respect of this matter. During the year, the customs authorities have filed an appeal before the Hon'ble Supreme Court of India (the Supreme Court')-against the CESTAT order. The matter is yet to be decided by the Supreme Court and no stay on CESTAT order has been granted by the Supreme Court till date. Further, the customs authorities vide customs amendment notification dated 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 Holding Company based on the legal advice from counsels, continues to believe that no IGST is payable on such re-import of repaired aircraft engines and related parts. Accordingly, the above amounts, which is paid under protest till March 31, 2024 i.e. Rs 619.58 million 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 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 Holding Company'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 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 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 financial statements.

x. The Holding 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 Holding Company is low, and accordingly has made no adjustments to the financial statements.

xi. The customs related demand pertains to custom duty on the entire quantity of the remaining aviation turbine fuel in fuel tank arriving from foreign airport.

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 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 Holding Company has certain disputes in the matter and the amounts claimed are disputed debts and accordingly the Holding 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.

47. Non-compliance of laws and regulations

a) There are delays in depositing Tax Deducted at Source ("TDS") and filing of TDS returns on time as per Income-tax Act, 1961 by the Holding Company, deposit of provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952 by the Holding Company and deposit of goods and services tax and filing of returns as applicable under Goods and Services Tax Act, 2017 ('GST Act') by the Holding Company and its two subsidiaries. Further, registration under the GST Act for aforementioned two subsidiaries have been suspended/cancelled on account of delays in payments related to goods and services tax and non-filing of returns. To the extent ascertained, the Holding Company and these two subsidiaries have made accrual for interest on delays in payment of above-mentioned statutory dues. There are foreign currency trade receivables and trade and other payables that are overdue beyond the timelines, however, the Holding Company is yet to seek extension from AD Bank or Reserve Bank of India ('RBI'), as the case may be, for settlement of such balances under foreign exchange management guidelines.

b) Consequent upon slump sale of cargo business undertaking of the Holding Company to its subsidiary (SpiceXpress and Logistics Private Limited) effective 1 April 2023, SpiceXpress and Logistics Private Limited has become unlisted material subsidiary and the Holding Company is yet to appoint one independent director of the Holding Company on the board of said unlisted material subsidiary.

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

48. There have been certain delays in appointment of a woman independent director on the Board of Directors of the Holding Company, holding of minimum number of committee meetings in the financial year ended March 31, 2024 under Companies Act, 2013 and issuing of financial results under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 during the year for the quarters ended September 30, 2023, December 31, 2023 and March 31 2024. These have been either condoned upon payment of necessary fee or exemption/waiver provided by relevant regulatory authority. The Holding Company further identified candidate for appointment as independent woman director subject to necessary security clearance and approvals. The impact of the above matters does not have any material impact in these consolidated financial statements in this respect.

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49. Advance money received against securities proposed to be issued

The Holding Company had, in earlier financial years, received amounts aggregating to Rs. 5,790.90 million from Mr. Kalanithi Maran and KAL Airways Private Limited (together, "Erstwhile Promoters") as advance money towards proposed allotment/subscription 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 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 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 of past interest-servicing charges. Consequent to the Award, and without prejudice to the rights and remedies it may have in the matter, the Holding Company accounted for Rs. 634.66 million as an exceptional item (net) during the year ended March 31, 2019, being the net effect of amounts referred to under (c) and counter claim receivable of Rs. 290.00 million, above.

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-claims of the Company. The Company has additionally paid in aggregate Rs. 1,500.00 million to the counterparties pursuant to Court orders dated August 24, 2023 and February 2, 2024 while keeping open the rights and contentions in pending litigations. All the payment made to the counterparties has been included under other non-current assets.

The Holding Company, its present promoter and the counterparties challenged various aspects of the Award, including the above-mentioned interest obligations and rights, under Section 34 of the Arbitration and Conciliation Act, 1996 which was dismissed by the Court vide its judgments dated July 31, 2023. Thereafter, the Company and its present promoter preferred an appeal under Section 37 of the Arbitration and Conciliation Act, 1996 before the Division Bench of the Court, inter-alia, challenging the payment of entire interest amount and payment of early refund of Rs. 2,708.70 million towards non-convertible cumulative redeemable preference shares. The Division Bench vide its judgment dated May 17, 2024 set aside the judgments dated July 31, 2023 of the Court and ordered to restore the petitions under Section 34 of the Arbitration and Conciliation Act, 1996 filed by the Company and present promoter before the appropriate Court for being considered afresh and bearing in mind the observations rendered by the Division Bench in its judgment dated May 17, 2024. Accordingly, this matter is sub-judice as on date.

In view of the foregoing and pending outcome of the aforesaid challenges at the Court and legal advice obtained, the management is of the view that no material liability is likely to arise from aforesaid matter and accordingly, no further adjustments have been made in this regard, to these consolidated financial statements. The auditors have included 'Emphasis of Matter' paragraph in their audit report 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 has been 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.

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(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:

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	70,499.74	3,248.32	313.19	74,061.25	(3,208.19)	70,853.06
Other income	14,186.66	-	309.36	14,496.02	(393.87)	14,102.15
Total revenue	**84,686.40**	**3,248.32**	**622.55**	**88,557.27**	**(3,602.06)**	**84,955.21**

	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)
Income /(expenses)						
Revenue from operations	70,499.74	3,248.32	313.19	74,061.25	(3,208.19)	70,853.06
Other income	14,186.66	-	309.36	14,496.02	(393.87)	14,102.15
Finance income	283.29	2.48	-	285.77	(0.64)	285.13
Operating expenses	(54,528.37)	(1,023.43)	(193.73)	(55,745.53)	1,496.47	(54,249.06)
Purchases of stock-in-trade	(731.05)	-	-	(731.05)	-	(731.05)
Changes in inventories of stock-in-trade	26.93	-	2.07	29.00	(4.14)	24.86
Employee benefits expense	(7,705.43)	(146.23)	(356.90)	(8,208.56)	-	(8,208.56)
Sales and marketing expenses	(3,535.28)	-	(18.68)	(3,553.96)	-	(3,553.96)
Other expenses	(9,518.23)	(102.92)	(83.61)	(9,704.76)	151.18	(9,553.58)
Foreign exchange (loss)/gain, (net)	(980.26)	1.70	(41.56)	(1,020.12)	-	(1,020.12)
Depreciation and amortisation expense	(7,479.13)	(25.61)	(26.43)	(7,531.17)	-	(7,531.17)
Finance costs	(4,613.26)	(0.81)	(40.78)	(4,654.85)	-	(4,654.85)
Segment (loss)/profit before exceptional items	**(4,094.39)**	**(46.50)**	**(137.07)**	**(4,277.96)**	**40.81**	**(4,237.15)**
Exceptional items						
Segment (loss)/profit after exceptional items	**(4,094.39)**	**(46.50)**	**(137.07)**	**(4,277.96)**	**40.81**	**(4,237.15)**

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)
Total assets	88,329.52	2,149.29	1,744.11	92,222.92	(27,501.21)	64,721.71
Total liabilities	1,13,680.77	28,229.02	2,523.35	1,44,433.14	(27,525.68)	1,16,907.46

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**

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)
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)**

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)
Total assets	76,677.20	647.22	381.31	77,705.73	-	77,705.73
Total liabilities	1,33,032.82	1,396.48	1,782.86	1,36,212.16	-	1,36,212.16

Revenue from external customers

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
India	47,043.11	66,111.30
Outside India	23,809.95	22,624.63
Total revenue as per statement of profit or loss	**70,853.06**	**88,735.93**

The revenue information above is based on the locations of the customers.

Non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
India	34,924.32	49,918.37
Outside India	-	-
Total	34,924.32	49,918.37

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.

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

52. Income tax expense

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Accounting loss before income tax	**(4,237.15)**	**(15,129.47)**
Loss before income tax multiplied by standard rate of corporate tax in India 25.168% (March 31, 2023: 25.168%)	(1,066.41)	(3,807.79)
Effects of:		
Set-off of brought forward losses and non-deductible expenses for tax purposes	1,066.41	3,807.79
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. 5,112.94 million as at March 31, 2024 (Rs. Rs. 6,917.39 million as at March 31, 2023).

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities	(5,112.94)	(6,917.39)
Deferred tax asset	5,112.94	6,917.39
Net deferred tax asset/ (liabilities)	-	-

Year ended March 31, 2024	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Closing balance
Property, plant and equipment	(6,917.39)	1,804.45	-	(5,112.94)
Brought forward losses	6,917.39	(1,804.45)	-	5,112.94
Total	-	-	-	-

Year ended March 31, 2023	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Closing balance
Property, plant and equipment	(7,048.57)	131.18	-	(6,917.39)
Brought forward losses	7,048.57	(131.18)	-	6,917.39
Total	-	-	-	-

Brought forward losses and unabsorbed depreciation for which no deferred tax assets have been recognized are as follows

Particulars	As at March 31, 2024	As at March 31, 2023
Unused tax losses *	31,511.49	24,220.05
Unabsorbed tax depreciation #	9,054.52	6,661.40
Net deferred tax asset/ (liabilities)	**40,566.01**	**30,881.45**

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
0-4 years	28,690.08	7,441.83
4-8 years	2,821.41	16,778.22
Total	31,511.49	24,220.05

The brought forward losses and unabsorbed depreciation considered above are based in the tax records and returns of the Group filed upto Assessment Year 2023-24 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 40.

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

53. Related party transactions

Relationship	Name of the party
Individual exercising control	Mr. Ajay Singh
Relatives of party exercising control	Ms. Shiwani Singh Ms. Avani Singh
Enterprises over which parties above have control/ joint control/significant influence ('Affiliates')	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 Financial Officer (from September 9, 2022, upto July 14, 2024) Mr. Joyakesh Podder, Deputy Chief Financial Officer (with effect from July 15, 2024) Mr. Chandan Sand, Company Secretary

Affiliates	March 31, 2024	March 31, 2023
Spice Healthcare Private Limited		
Transactions during the year		
Sale of services	-	13.70
Support service	-	6.15
Issue of equity shares	1,019.69	-
Issue of equity share warrants	980.31	-
Balances outstanding as at the year end		
Trade receivables	1.05	1.05
Equity shares capital	1,019.69	-
Money received against share warrants	980.31	-
I2N Technologies Private Limited		
Transactions during the year		
Legal and professional fees	-	1.72
Balances outstanding as at the year end		
Trade receivables	-	27.07
Contract liability	-	67.83

Key management personnel	March 31, 2024	March 31, 2023
Balances outstanding as at the year end		
Employee advances	12.54	12.54

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2024, the Holding Company has recorded impairment of INR nil against receivables and INR 106.78 million against loan to subsidiaries owed by related parties (March 31, 2023: INR 38.88 million against receivables and INR 60.74 million against loan to subsidiaries owed by related parties). 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

	Year ended March 31, 2024	Year ended March 31, 2023
Short-term employee benefits#	116.90	126.58
Provident fund contribution	2.37	2.31
Total	**119.27**	**128.89**
Sitting fees		
Mr. Anurag Bhargava	0.10	0.30
Ms. Shiwani Singh	0.30	0.10
Mr. Ajay Chhotelal Aggarwal	0.40	0.30
Mr. Manoj Kumar	0.40	0.30
Total	**1.20**	**1.00**
Total compensation paid to key management personnel**	**120.47**	**129.89**

#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

(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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial assets				
Investments - Non-current	0.25	0.25	0.25	0.25
Investments - Current	4.92	4.56	4.92	4.56
Loans	8.96	-	8.96	-
Other financial assets - Non-current	3,043.78	4,977.06	3,043.78	4,977.06
Other financial assets - Current	4,209.94	3,467.82	4,209.94	3,467.82
Trade receivables	1,381.89	1,597.78	1,381.89	1,597.78
Other receivables - Current	8,512.56	9,454.82	8,512.56	9,454.82
Cash and cash equivalents	2,145.76	355.18	2,145.76	355.18
Total	**19,508.06**	**19,857.47**	**19,508.06**	**19,857.47**
Financial liabilities				
Borrowings - Non-current	8,923.49	4,659.89	8,923.49	4,659.89
Borrowings - Current	2,597.61	7,197.77	2,597.61	7,197.77
Trade payables - Non-current	408.08	1,341.27	408.08	1,341.27
Trade payables - Current	33,824.52	31,225.21	33,824.52	31,225.21
Other financial liabilities - Current	1,446.24	1,773.24	1,446.24	1,773.24
Total	**47,199.94**	**46,197.38**	**47,199.94**	**46,197.38**

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.

55. Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for financial instruments
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: unobservable inputs for the asset or liability

Valuation techniques used to determine fair value
Level-1 - The use of net asset value for mutual funds on the basis of the statement received from investee party.
Level 3 - The investment in equity shares of Aeronautical Radio of Thailand Limited is not significant. Hence, the Group has considered carrying value as fair value.

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, 2024		
	Level 1	Level 2	Level 3
Investments in mutual funds	4.92	-	-
Unquoted equity investments	-	-	0.25

Particulars	Fair value hierarchy as at March 31, 2023		
	Level 1	Level 2	Level 3
Investments in mutual funds	4.56	-	-
Unquoted equity investments	-	-	0.25

There have been no transfers between level 1 and level 2 during the year.

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

56. Financial risk management objectives and policies

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

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. Market risk comprises three types of risk: price risk, interest rate risk and foreign currency risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

Price risk

The Group's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Group diversifies its portfolio of assets.

Sensitivity analysis

If price had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended March 31, 2024 would decrease/increase by Rs 0.25 million (March 31, 2023: decrease/increase by Rs. 0.23 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, 2024 approximately 83.70% of the Holding Company's borrowings are at a variable rate of interest (March 31, 2023 - 88.58%).

Interest rate sensitivity

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended March 31, 2024 would increase by Rs. 28.74 million and decrease by Rs. 86.50 million respectively (March 31, 2023: increase by Rs. 20.23 million and decrease by Rs. 47.82 million respectively).

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 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, 2024 would increase/decrease by Rs. 4,952.83 million (March 31, 2023: increase/decrease by Rs 1,611.32 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. Majority of the Group's passenger revenue and cargo revenue is 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, 2024, the Group had 34 customers (March 31, 2023: 45 customers) that owed the Group more than Rs. 10 million each and accounted for approximately 81% (March 31, 2023: 77%) 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 Group uses a simplified approach (lifetime expected credit loss model) for the purpose of computation of expected credit loss for trade receivables. The Group 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:

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	Trade receivables	Loans	Trade receivables	Loans
Balance at the beginning of the year	154.40	-	127.35	
Add: Impairment loss recognised	273.93	-	27.05	-
Less: Bad debts written off/reversed	106.34	-	-	-
Balance at the end of the year	321.99	-	154.40	-

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(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, 2024	Upto 1 year	1 to 5 years	> 5 years	Total
Financial liabilities (Non-current and current)				
Borrowings	2,592.61	8,516.29	412.20	11,521.10
Trade payables	33,824.52	408.08	-	34,232.60
Lease liabilities	27,281.11	16,458.90	507.27	44,247.28
Other current financial liabilities	1,446.24	-	-	1,446.24
Total	**65,144.48**	**25,383.27**	**919.47**	**91,447.22**

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	31,225.21	1,341.27	-	32,566.48
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	**71,875.57**	**34,262.99**	**11,994.97**	**1,18,133.53**

57. Capital management

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Group
The Group determines the amount of capital required on the basis of annual operating plans and long-term fleet expansion plans. The funding requirements are met through internal accruals and other long-term/short-term borrowings. The Group's policy is aimed at combination of short-term and long-term borrowings. The Group monitors capital employed using a debt equity ratio, which is total debt divided by total equity

The Group's policy is to keep the net debt to total equity ratio above (1.00)

Particulars	As at March 31, 2024	As at March 31, 2023
Long term borrowings	8,928.49	4,659.89
Short term borrowings	2,592.61	7,197.77
Cash and cash equivalents	(2,031.08)	(337.01)
Bank balances other than above	(114.68)	(18.17)
Net debt	9,375.34	11,502.48
Total equity	(52,185.75)	(58,506.47)
Net debt to total equity ratio	**(0.18)**	**(0.20)**

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

58. Details of Corporate social responsibility ('CSR') expenditure
The Holding 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 Holding Company to spend any amount under sub-section (5) of section 135 of the Act.

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

59. Additional information required by Schedule III of the Companies Act, 2013

As at March 31, 2024	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	
Name of the entity in the Group								
SpiceJet Limited (Consolidated)	100%	(52,185.75)	100%	(4,237.15)	100%	53.36	100%	(4,183.79)
Holding Company								
SpiceJet Limited	98%	(50,946.56)	153%	(6,488.11)	97%	52.01	154%	(6,436.10)
Subsidiaries								
SpiceJet Merchandise Private Limited	0%	(80.64)	1%	(22.64)	0%	-	1%	(22.64)
SpiceJet Technic Private Limited	2%	(1,014.35)	8%	(340.56)	3%	1.44	8%	(339.12)
Canvin Real Estate Private Limited	0%	2.80	0%	1.87	0%	-	0%	1.87
SpiceJet Interactive Private Limited	0%	0.09	0%	(0.11)	0%	-	0%	(0.11)
Spice Club Private Limited	0%	0.11	0%	(0.10)	0%	-	0%	(0.10)
Spice Shuttle Private Limited	0%	5.79	0%	(0.12)	0%	-	0%	(0.12)
SpiceXpress and Logistics Private Limited	0%	(14.72)	-68%	2,862.22	1%	0.54	-69%	2,862.76
SpiceTech System Private Limited	0%	(138.45)	6%	(241.09)	-1%	(0.63)	6%	(241.72)
Spice Ground Handling Services Private Limited	0%	0.47	0%	(0.11)	0%	-	0%	(0.11)
AS Air Lease 41 (Ireland) Limited (with effect from October 19, 2023)	0%	-	0%	(8.40)	0%	-	0%	(8.40)
Total	100%	(52,185.76)	100%	(4,237.15)	100%	53.36	100%	(4,183.79)

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	
Name of the entity in the group								
SpiceJet Limited (Consolidated)	100%	(58,506.43)	100%	(15,129.47)	100%	(0.48)	100%	(15,129.95)
Holding Company								
SpiceJet Limited	99%	(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	1%	(715.65)	5%	(1,011.44)	-4%	0.35	7%	(1,011.09)
Canvin Real Estate Private Limited	0%	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%	0.95	0%	(0.10)	0%	-	0%	(0.10)
Total	100%	(58,506.43)	100%	(15,129.47)	99%	(0.48)	100%	(15,129.95)

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

60. 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, 2024	March 31, 2023
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
10	AS Air Lease 41 (Ireland) Limited (with effect from 19 October 2023)	Leasing services	Ireland	100.00	-

61. Audit trail

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall only use such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The new requirement is applicable with effect from the financial year beginning on April 1, 2023.

The Group have used certain accounting software for maintenance of its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year, except for the instances mentioned below.

a) The Holding Company and its one subsidiary have used an accounting software for maintenance of its books of account which has a feature of recording audit trail (edit log) facility. The audit trail (edit log) feature for any direct changes made at the database level was not enabled for the said accounting software used for maintenance of all the accounting records by the Holding Company and its subsidiary. However, the audit trails (edit log) at the application level were operating for all relevant transactions recorded in the software.

b) The Holding Company has used software for maintenance of revenue records and payroll records which are operated by third-party software service providers and have a feature of recording audit trail (edit log) facility. Presently, the log has been activated at the application level. The database of both the software are operated by a third-party software service providers and the availability of audit trail (edit logs) are not covered in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation).

c) The accounting software used for maintenance of all accounting records of the eight subsidiaries have a feature of recording audit trail (edit log) facility. However, the audit trail feature was not enabled for all relevant transactions recorded in the software.

d) The audit trail feature was not enabled at the database level for the accounting software to log any direct data changes used for maintenance of all revenue records by one subsidiary for the period March 1, 2024 to March 31, 2024.

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

62. 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 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 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 (Restriction 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).

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
Kiwis - Bizease Systems For Commercial	Receivables	0.02	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.

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

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 July 15, 2024.

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: July 15, 2024

For and on behalf of the Board of Directors
SpiceJet Limited

Ajay Singh Chairman & Managing Director	**Joyakesh Podder** Deputy Chief Financial Officer	**Chandan Sand** Company Secretary
Place: Gurugram **Date:** July 15, 2024	**Place:** Gurugram **Date:** July 15, 2024	**Place:** Gurugram **Date:** July 15, 2024

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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;

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

- 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

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Key audit matter	How our audit addressed the key audit matter
	• 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. 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.	Our audit procedures in relation to provision for aircraft maintenance included, but not limited to the following: • Obtained an understanding from the management with respect to process and controls followed by the Holding Company to ensure appropriateness of recognition, measurement and completeness of provision for maintenance in relation to aircrafts; • Evaluated the design and tested the operating effectiveness of the internal 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.
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,	Our audit procedures in relation to impairment assessment included, but not limited to the following:

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Key audit matter	How our audit addressed the key audit matter
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	• Obtained an understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing and the management process of determining the Value-in-Use (VIU); • Evaluated design and tested the operating effectiveness of relevant internal financial controls implemented for impairment assessment; • Obtained and assessed the management's impairment assessment computation by testing the underlying assumptions used in determining the cash flow projections and VIU; • Together with our valuation specialists, challenged the management on the underlying key assumptions used for cash flow projections and discount rate, considering evidence available to support these assumptions and our understanding of the business; • Engaged in discussions with the management to assess the impact of Covid-19 on cash flow projections; • Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management; • Tested the arithmetical accuracy of the cash flow projections; and • Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements with respect to impairment of non-financial assets.

Information other than the 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.

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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;

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- 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;

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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

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(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 No.: 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.

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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)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure III 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

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

Annexure III 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 (cont'd)

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 No.: 099514

UDIN: 23099514BGSCPI2389

Place: Gurugram
Date: August 14, 2023

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

SpiceJet Limited
Consolidated balance sheet as at March 31, 2023
(All amounts are in millions of Indian Rupees, unless otherwise stated)

	Notes	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	25,586.83
(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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the Board of directors
SpiceJet Limited

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

Spicejet Limited *

SpiceJet Limited
Consolidated statement of profit and loss for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees, unless otherwise stated)

	Notes	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)		(376.27)	506.59
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

Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: August 14, 2023

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the Board of directors
SpiceJet Limited

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

Spicejet Limited *

SpiceJet Limited
Consolidated statement of cash flow 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
(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 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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the Board of Directors
SpiceJet Limited

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

Spicejet Limited

SpiceJet Limited
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	Reserves and surplus			
Particulars	**Securities premium**	**Share options outstanding account**	**Retained earnings**	**Total other equity**
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	Reserves and surplus			
Particulars	**Securities premium**	**Share options outstanding account**	**Retained earnings**	**Total other equity**
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 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

Neeraj Goel
Partner
Membership No. 099514

Place: Gurugram
Date: August 14, 2023

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the Board of directors
SpiceJet Limited

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

Spicejet Limited *

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.

Spicejet Limited

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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 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.

Spicejet Limited

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b) Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other voting right holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights; or
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the Group uses accounting policies other 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.

Spicejet Limited

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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 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

Spicejet Limited

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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.

Spicejet Limited

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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 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.

Spicejet Limited

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

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

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

Government grants

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

Other revenues

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

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

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

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

ii. Other long-term employee benefits

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

iii. Post-employment benefits

The Group operates the following post-employment schemes:

a. Defined benefit plans – gratuity

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

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

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

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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. 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

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

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

Aircrafts – 1 to 12 years
Aircraft components – 1 to 10 years
Buildings – 2 to 10 years

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

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

ii) Lease liabilities

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

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

iii) Lease term

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

iv) Sale and leaseback transactions

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

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

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

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.

<u>Initial recognition</u>

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.

<u>Conversion</u>

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

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

Exchange differences

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

p) Fair value measurement

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

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

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

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

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.

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

r) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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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 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

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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.

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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 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

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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 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.

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Notes to the consolidated financial statements for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note 3 - Property plant and equipment

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.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

Spicejet Limited

SpiceJet Limited

Notes to the consolidated financial statements for the year ended March 31, 2023

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

Note 4 - Right of use assets

Particulars	Aircraft	Aircraft components	Buildings	Total
Gross block				
As at April 1, 2021	75,466.37	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

Note 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

Spicejet Limited

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WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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

Note No.		As at March 31, 2023	As at March 31, 2022
5A	**Capital work-in-progress**		
	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 of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	143.79	-	-	-	143.79
Projects temporarily suspended	-	1.92	3.47	54.88	60.27
Total	**143.79**	**1.92**	**3.47**	**54.88**	**204.06**

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 of				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.

Note No.		As at March 31, 2023	As at March 31, 2022
6	**Non-current investments (fully paid up)**		
	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
9	**Other non-current assets**		
	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**

Spicejet Limited

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WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

Note No.		As at March 31, 2023	As at March 31, 2022
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.

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)		
	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

Spicejet Limited

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WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

Note No.		As at March 31, 2023	As at March 31, 2022
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		
16	**Other current financial assets**		
	(Unsecured, considered good)		
	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**

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

Note No.	Particulars	Amount
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**

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 Holding 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 Holding Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

C: Details of shareholders holding more than 5% in the Holding Company:

Name of shareholders	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% against total number of shares	Number of shares	% against total number of shares
Mr. Ajay Singh	304,333,450	50.57%	304,333,450	50.57%
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 Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

D. Aggregate number of bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

The Holding Company has issued total 2,395,482 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 Holding Company did not issue any bonus share and has not bought back any shares in preceeding financial year.

E. Details of promoter shareholding

Name of promoter	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%

Name of promoter	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

Spicejet Limited

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

Note No.		As at March 31, 2023	As at March 31, 2022
19	**Other equity**		
	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)**

Spicejet Limited

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WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

Note No.		As at March 31, 2023	As at March 31, 2022
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 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;
- 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.

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

Note No.		As at March 31, 2023	As at March 31, 2022
21	**Non-current lease liabilities**		
	Lease liabilities	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

Note No.		As at March 31, 2023	As at March 31, 2022
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
		-	-
		101.53	118.58
25	**Current borrowings (secured)**		
	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.

Note No.		As at March 31, 2023	As at March 31, 2022
26	**Current lease liabilities**		
	Lease liabilities	33,191.95	29,202.83
		33,191.95	29,202.83

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

Note No.		As at March 31, 2023	As at March 31, 2022
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 the date of transaction					
	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 the date of transaction					
	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.

Note No.		As at March 31, 2023	As at March 31, 2022
28	**Other current financial liabilities**		
	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.

Note No.		As at March 31, 2023	As at March 31, 2022
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**

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Notes to the consolidated financial statements for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note No.	Year ended March 31, 2023	Year ended March 31, 2022
31 Revenue from operations		
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		
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		
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

33 Finance income		
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
34A 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
34B 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
34C 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

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

Note No.	Year ended March 31, 2023	Year ended March 31, 2022
35 Employee benefits expenses		
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 equipment 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
38 Finance costs		
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 (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.

Note No.	Year ended March 31, 2023	Year ended March 31, 2022
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

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

42. Earnings per share ('EPS')

a. Basic EPS is calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year

b. Diluted EPS is calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
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
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	Number of options	Vesting period	Market value per share (In Rs)	Fair value per option (In Rs)	Exercise price (In Rs)	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.

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	
	Number of options	Weighted average exercise price (Rs.)	Number 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 forfeited during the year	-	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 exercisable as at March 31, 2023 is 156,250 (March 31, 2022- 20,300)

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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.

(i) Amounts recognized in standalone balance sheet

Particulars	As at March 31, 2023	As at March 31, 2022
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

Particulars	As at March 31, 2023	As at March 31, 2022
Current liability	142.56	93.58
Non-current liability	559.73	609.54

(ii) Amount recognized in other comprehensive income

Particulars	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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	106.05	114.17
Interest cost on DBO	50.89	42.42
Expense recognized during the year	**156.94**	**156.59**

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

Particulars	As at March 31, 2023	As at March 31, 2022
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 (loss)/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:

Particulars	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	6.79	7.73

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(vi) Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2023	As at March 31, 2022
Within the next 12 months (next annual reporting period)	107.65	93.58
Between 1 and 5 years	273.78	209.41
Beyond 5 years	698.46	400.13

(vii) Sensitivity analysis for gratuity:

Particulars	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

(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	As at March 31, 2023	As at 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

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow of leases	6,241.36	7,992.19

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.

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

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	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.

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 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.

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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.

47(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 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.

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.

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Segment Information:

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

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)
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)

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)
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

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

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)
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)
Purchase of traded goods	-	-	(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)

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)
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

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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

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	-	-	-	-

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

Particulars	As at March 31, 2023	As at March 31, 2022
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.

Spicejet Limited

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

53. Related party transactions

Relationship	Name of the party
Party exercising control	Mr. Ajay Singh
Relatives of party exercising control	Ms. Shiwani Singh Ms. Avanee Singh
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

Affiliates	31-Mar-23	31-Mar-22
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	31-Mar-23	31-Mar-22
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

	Year ended March 31, 2023	Year ended March 31, 2022
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.

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Spicejet Limited

SpiceJet Limited
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	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
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.
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 liquidation 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).

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Notes to the consolidated financial statements for the year ended March 31, 2023

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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.

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.

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

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. 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)

Spicejet Limited

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

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)

Spicejet Limited

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SpiceJet Limited
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	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	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 (Restriction 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.

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.

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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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the Board of Directors
SpiceJet Limited

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

Spicejet Limited *

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Independent Auditor's Report

To the Members of SpiceJet Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of SpiceJet Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure A, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in Note 49 to the accompanying consolidated financial statements, the management of the Holding Company had recognized recoverable of Rs. 15,549.03 million over the period up to September 30, 2021 for recovery of rent, maintenance and other expenses incurred on Boeing 737 Max aircrafts, which had been grounded since March 2019. As further explained in the said note, the Holding Company has settled the aforesaid claims with Boeing and 737 Max aircraft lessors during the quarter ended December 31, 2021 and has recognised further amounts as 'other income'. In our assessment, there was no virtual certainty to recognise any recoverable until September 30, 2021, as required under Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets' and accordingly, upon settlement of the said claims, the Holding Company should have restated the comparative periods to reverse the recoverable along with consequent reversal of 'other income' and related 'foreign exchange gain/ (loss)' impact recorded in such earlier periods, and should have recorded

the entire settlement amount in the year ended March 31, 2022 in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Had the Holding Company recognised the entire settlement gain during the year ended March 31, 2022 with restatement of earlier periods, the reported loss for the year ended March 31, 2022 would have been lower by Rs. 12,419.18 million. Our opinion for the year ended March 31, 2021 was also qualified in respect of this matter.

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

Material Uncertainty Related to Going Concern

5. We draw attention to Note 2(A)(a)(iii) to the accompanying consolidated financial statement which describes that the Group has incurred a net loss (after other comprehensive income) of Rs. 17,410.03 million during the year ended March 31, 2022 and, as of that date, the Group's accumulated losses amount to Rs. 59,592.94 million which have resulted in complete erosion of its net worth of the Group and the current liabilities have exceeded its current assets by Rs. 64,464.98 million as at March 31, 2022. These conditions and other matters set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, based on the factors mentioned in the foresaid note including re-negotiation of payment terms to various parties, management is of the view that the going concern basis of accounting is appropriate.

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

   - Obtained an understanding of the management's process for identification of events or conditions that may cast significant doubt over the Group's ability to continue as a going concern and the process to assess the corresponding mitigating factors existing against each such event or condition;
   - Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management;
   - Obtained the cash flow projections for the next twelve months from the management, basis their future business plans;
   - Held discussions with the management personnel to understand the assumptions used and estimates made by them for determining the cash flow projections for the next twelve months;
   - Evaluated the reasonableness of the key assumptions such as expected growth in the revenue, expected saving in the costs etc. based on historical data trends, future market trends, existing market conditions, business plans and our understanding of the business and the industry;
   - Tested the arithmetical accuracy of the calculations and performed sensitivity analysis around possible variation in the above key assumptions; and

- Evaluated the appropriateness and adequacy of disclosures in the consolidated financial statements with respect to this matter in accordance with the applicable accounting standards.

Our opinion is not modified in respect of this matter.

Emphasis of Matters

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

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

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

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Key audit matter	How our audit addressed the key audit matter
Recognition of passenger revenue	
We refer to notes 2 and 31 to the consolidated financial statements for accounting policies and disclosures relating passenger revenue. The Holding Company recognizes passenger revenue on flown basis i.e., when the service is rendered. Till that time, the money received is presented as deferred revenue (i.e., contract liabilities) in the balance sheet under the head other current liabilities and is measured basis the net sales price to the customer. In accounting for its passenger revenue, the Holding Company relies on the effectiveness of the integrated Information Technology ('IT')	Our procedures in relation to passenger revenue included, but not limited to the following: • Obtained and updated our understanding of the revenue business process for each stream of revenue; • Understood the revenue recognition policy of the Holding Company and ensured that it is in line with Ind AS 115 'Revenue from Contracts with Customers'; • Involved our IT specialists to evaluate design and test operating effectiveness of IT general controls and key automated controls of the Holding

Key audit matter	How our audit addressed the key audit matter
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.	Company's IT system and third-party systems (assessed the SSAE 16 assurance report) which govern revenue recognition and tested key manual internal controls over passenger revenue recognition; • Verified the reconciliation of data between the third-party system and the general ledger (financial reporting IT system) to corroborate the completeness of revenue; • Performed data analytics to identify unusual patterns by comparing the trend in monthly revenue, sector-wise revenue and average revenue per passenger; • For samples selected during the year and samples selected in reference to cut-off procedures, tested supporting documents; and • Evaluated the appropriateness and adequacy of the disclosures made in the consolidated financial statements for passenger revenue recognized during the year.
Provision for maintenance in relation to aircraft We refer to notes 2, 23 and 30 of the consolidated financial statements for accounting policies, disclosures and information related to accounting judgements, assumptions and estimates relating to provision for aircraft maintenance. The Holding Company operates aircrafts held under lease arrangements and incurs liabilities for maintenance costs in respect of these aircrafts during the term of the lease. As at March 31, 2022, the Holding Company has recognized provisions for aircraft maintenance amounting to Rs. 3,816.00 million. These costs arise from regulatory and contractual obligations relating to the condition of the aircrafts and/or specific components when they are returned to the lessors. At each reporting date, the calculation of the maintenance provision includes a number of variable factors and assumptions including: anticipated utilization of the aircraft; the cost of the expected heavy maintenance check; the condition of the aircraft engine, contractual return	Our audit procedures in relation to provision for aircraft maintenance included, but not limited to the following: • Obtained an understanding from the management with respect to process and controls followed by the Holding Company to ensure appropriateness of recognition, measurement and completeness of provision for maintenance in relation to aircrafts; • Evaluated the design and tested the operating effectiveness of the internal controls over maintenance process including accounting for provision for aircrafts maintenance held under the lease contract; • Read the maintenance contracts with third parties to gain an understanding of the significant terms relating to maintenance of aircrafts and its components; • Obtained information from engineering department about the aircrafts utilization pattern (basis analysis of historical flight hours) and

Key audit matter	How our audit addressed the key audit matter
condition and the expected draw down 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.	expected condition of the aircraft (basis underlying engine inspections and results) in reference to the expected future maintenance event dates and expected estimated cost of maintenance work; • Evaluated the consistency and reasonableness of the above judgements, assumptions and estimates by testing the input data basis historical available trends/information, contract terms and Holding Company's past experience; • Tested the arithmetical accuracy of the calculation for provision balance outstanding as at March 31, 2022; and • Evaluated appropriateness and adequacy of the disclosures made in consolidated financial statements with respect to the provision for aircrafts maintenance.
Accounting of lease rent concessions/ modifications We refer to notes 2 and 45 of the consolidated financial statements for accounting policies and disclosures relating to leases. During the current year, due to the impact of Covid-19, the Holding Company has negotiated various concession/benefits with the various lessors in respect of aircrafts and engines taken on lease. These amendments in lease agreements included extension in lease period, rent waivers, rent reduction, deferment of payment and change in the nature of rent. The management evaluated each lease addendum for application of practical expedient guidance prescribed in amendments related to Ind AS 116 and wherever it's met, the Holding Company has recognized the benefit in statement of profit and loss and wherever it's not met, the Holding Company applied the modification principles prescribed in Ind AS 116 and accordingly accounted. The Holding Company has recognized Rs. 718.98 million in statement of profit and loss and Rs. 774.37 million in the carrying value of right-of-use assets for 'modification'.	Our audit procedures in relation to lease rent concession/modifications included, but not limited to the following: • Obtained an understanding from the management with respect to process and controls followed by the Holding Company to ensure appropriateness of accounting of lease rent concessions; • Evaluated the design and tested the operating effectiveness of the internal controls over accounting of leases as per the requirement of Ind AS 116; • Obtained the lease addendums and held discussions with appropriate client personnel to understand the revised terms; • Evaluated whether each lease addendum met the practical expedient guidance or modification related principles as prescribed in Ind AS 116; • Obtained Holding Company's calculation of revised right of use assets and lease liabilities for such concessions/modification and tested the calculations and arithmetical accuracy for the balance outstanding as at March 31, 2022; and

Independent Auditor's Report to the members of SpiceJet Limited on the consolidated financial statements for the year ended March 31, 2022 (cont'd)

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Considering the judgement involved in assessment of appropriate accounting, such lease rent concessions/modifications has been identified as a key audit matter for the current year's audit.</td><td>Evaluated appropriateness and adequacy of the disclosures made in consolidated financial statements with respect to lease rent concessions/modification.</td></tr>
<tr><td>Impairment of non-financial assets

We refer to notes 2, 3 and 4 of the consolidated financial statements for accounting policies and information related to accounting judgements, assumptions and estimates relating to impairment of non-financial assets.

During the current year, due to the Covid-19 pandemic, impairment indicators were identified in reference to non-financial assets namely right-of-use (ROU) assets and property, plant and equipment (PPE).

The Holding Company has identified its fleet of passenger aircrafts and freighter aircrafts as separate cash generating units (CGUs) and accordingly performed impairment assessment in accordance with the accounting principles and determined the value-in-use of its cash generating units (CGUs) and compared with the carrying values of the respective assets.

The future cash flow projections and its discounting involved significant inputs such as expected fuel prices, foreign exchange rates, growth rate and discount rate, the determination of these inputs were inherently uncertain due to Covid-19 related travel restrictions and resultant decrease in travel demand.

The management has concluded that the recoverable amount of the CGU is higher than its carrying amount and accordingly, no impairment provision has been recorded as at March 31, 2022.

Considering significant management judgements involved in determination of said inputs used in computation, impairment of non-financial assets has been identified as a key audit matter for the current year's audit.</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 by the management in determining the cash flow projections and VIU;
Together with our valuation specialists, challenged the management on the underlying key assumptions used for cash flow projections and discount rate, considering evidence available to support these assumptions and our understanding of the business;
Engaged in discussions with the management to assess the impact of Covid-19 on cash flow projections;
Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management;
Tested the arithmetical accuracy of the cash flow projections; and
Evaluated the appropriateness and adequacy of the disclosures made in the consolidated financial statements with respect to impairment of non-financial assets.</td></tr>
</table>

Independent Auditor's Report to the members of SpiceJet Limited on the consolidated financial statements for the year ended March 31, 2022 (cont'd)

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

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

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

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

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

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

10. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

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

12. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

13. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

    - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors.

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

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

17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be

communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that nine subsidiary companies incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.

19. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements for the year ended March 31, 2022 and covered under the Act we report that:

    A) Following are the qualifications/adverse remarks reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended March 31, 2022, for which such order reports have been issued till date:

S No	Name	CIN	Holding Company/ subsidiary	Clause number of the CARO report which is qualified or adverse
1	SpiceJet Limited	L51909DL1984PLC288239	Holding Company	Clause (v)
2	SpiceJet Limited	L51909DL1984PLC288239	Holding Company	Clause (vii) (a)
3	SpiceJet Limited	L51909DL1984PLC288239	Holding Company	Clause (ix) (a)
4	Canvin Real Estate Private Limited	U70109DL2017PTC326068	Subsidiary Company	Clause (vii) (a)
5	SpiceJet Merchandise Private Limited	U52520DL2016PTC303136	Subsidiary Company	Clause (vii) (a)
6	Spice Shuttle Private Limited	U62100DL2019PTC356667	Subsidiary Company	Clause (vii) (a)
7	SpiceTech System Private Limited	U72900DL2020PTC373102	Subsidiary Company	Clause (vii) (a)
8	SpiceJet Technic Private Limited	U74999DL2016PTC306819	Subsidiary Company	Clause (vii) (a)
9	SpiceXpress and Logistics Private Limited	U63030DL2019PTC359462	Subsidiary Company	Clause (vii) (a)

20. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

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

Independent Auditor's Report to the members of SpiceJet Limited on the consolidated financial statements for the year ended March 31, 2022 (cont'd)

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, except for the effects of the matter described in paragraph 3 of the Basis for Qualified Opinion section with respect to the consolidated financial statements of the Holding Company;

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

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

e) The matters described in paragraph 3 and 6(a) under the Basis for Qualified Opinion section and Emphasis of Matters section respectively, in our opinion, may have an adverse effect on the functioning of the Holding Company. Further, the matters described in paragraph 5 and 6(b) under the Material Uncertainty Related to Going Concern section and Emphasis of Matters section respectively, in our opinion, may have an adverse effect on the functioning of the Holding Company and SpiceJet Technic Private Limited, a subsidiary of the Holding Company;

f) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies, and taken on record by the Board of Directors of the respective companies none of the directors of the Group companies are disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act.

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

h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed a modified opinion; and,

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

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 46 and 47 to the consolidated financial statements;

   ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2022;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies covered under the Act, during the year ended March 31, 2022;

   iv. (a) The respective managements of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in Note 61A to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

Holding Company, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.

(b) The respective managements of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 61B to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. The Holding Company and its subsidiary companies have not declared or paid any dividend during the year ended March 31, 2022

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

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514

UDIN: 22099514AQKHOE5653

Place: Gurugram
Date: August 31, 2022

Independent Auditor's Report to the members of SpiceJet Limited on the consolidated financial statements for the year ended March 31, 2022 (cont'd)

Annexure A to the Independent Auditor's Report of even date to the members of SpiceJet Limited on the consolidated financial statements for the year ended March 31, 2022

List of entities included in the Consolidated Financial Statements

Subsidiary companies

1. SpiceJet Merchandise Private Limited;
2. SpiceJet Technic Private Limited;
3. SpiceJet Interactive Private Limited;
4. Spice Shuttle Private Limited;
5. Spice Club Private Limited;
6. Canvin Real Estate Private Limited;
7. SpiceXpress and Logistics Private Limited;
8. Spice Ground Handling Services Private Limited; and
9. SpiceTech System Private Limited

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

Annexure B to the Independent Auditor's Report of even date to the members of SpiceJet Limited on the consolidated financial statements for the year ended March 31, 2022

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 consolidated financial statements of SpiceJet Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

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

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

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

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Annexure B to the Independent Auditor's Report of even date to the members of SpiceJet Limited on the consolidated financial statements for the year ended March 31, 2022 (cont'd)

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Holding Company's internal financial controls with reference to financial statements as at March 31, 2022:

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

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

9. In our opinion, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements as at March 31, 2022, based on internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal controls stated in the Guidance Note issued by the ICAI, and except for the effect of the material weakness described above on the achievement of the objectives of the control criteria, the Group's internal financial controls with reference to financial statements were operating effectively as at March 31, 2022.

Annexure B to the Independent Auditor's Report of even date to the members of SpiceJet Limited on the consolidated financial statements for the year ended March 31, 2022 (cont'd)

10. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022, consolidated financial statements of the Group, and the material weakness has affected our audit of the consolidated financial statements of the Group and we have issued a qualified opinion on the aforesaid consolidated financial statements.

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

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514

UDIN: 22099514AQKHOE5653

Place: Gurugram
Date: August 31, 2022

SpiceJet Limited
Consolidated Balance Sheet as at March 31, 2022
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,424.61	14,792.13
Capital work-in-progress	6	63.42	58.35
Right of use assets	4	42,227.83	55,411.94
Intangible assets	5	39.82	123.16
Financial assets			
(i) Investments	7	0.17	0.61
(ii) Other financial assets	8	9,783.10	9,828.88
Income-tax assets	9	952.24	304.46
Other non-current assets	10	7,393.09	7,134.13
Total non-current assets		73,884.28	87,653.66
Current assets			
Inventories	11	1,508.72	1,672.92
Financial assets			
(i) Investments	12	4.33	4.16
(ii) Trade receivables	13	2,532.79	3,211.19
(iii) Other receivables	14	9,888.85	16,933.84
(iv) Cash and cash equivalents	15A	112.95	330.91
(v) Bank balances other than (iv) above	15B	513.86	24.33
(vi) Other financial assets	16	2,705.41	1,720.57
Other current assets	17	4,394.37	1,965.33
Total current assets		21,661.28	25,863.25
Total assets		95,545.56	1,13,516.91
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	6,017.97	6,009.37
Other equity	19	(49,418.65)	(32,051.82)
Equity attributable to owners of the Holding Company		(43,400.68)	(26,042.45)
Non-controlling interests		(1.90)	-
Total equity		(43,402.58)	(26,042.45)
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	3,128.81	3,026.74
(ii) Lease liabilities	21	43,325.65	53,635.92
(iii) Trade payables	22		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		3,473.29	2,263.13
Provisions	23	2,775.55	2,792.21
Other non-current liabilities	24	118.58	135.62
Total non-current liabilities		52,821.88	61,853.62
Current liabilities			
Financial liabilities			
(i) Borrowings	25	7,664.95	7,652.38
(ii) Lease liabilities	26	29,202.83	30,862.03
(iii) Trade payables	27		
- total outstanding dues of micro enterprises and small enterprises		542.60	518.22
- total outstanding dues of creditors other than micro enterprises and small enterprises		25,586.82	19,488.95
(iv) Other financial liabilities	28	943.47	422.18
Other current liabilities	29	18,222.87	16,265.32
Provisions	30	3,962.72	2,496.66
Total current liabilities		86,126.26	77,705.74
Total liabilities		1,38,948.14	1,39,559.36
Total equity and liabilities		95,545.56	1,13,516.91
Summary of significant accounting policies	2		

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

As per our report of even date.

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

Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: August 31, 2022

For and on behalf of the Board of directors

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

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

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

SpiceJet Limited

SpiceJet Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2022
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	31	66,035.94	51,714.48
Other income	32	9,681.21	7,800.38
Total income		75,717.15	59,514.86
Expenses			
Operating expenses	34A	57,071.36	38,990.47
Purchases of stock-in-trade	34B	943.97	948.44
Changes in inventories of stock-in-trade	34C	64.33	(37.51)
Employee benefits expense	35	7,536.42	6,852.78
Sales and marketing expenses	36	1,219.46	766.76
Other expenses	37	5,153.19	4,570.29
Foreign exchange loss/(gain), (net)	39	2,621.83	(2,237.63)
Total expense		75,210.56	49,853.60
Earnings before interest, tax, depreciation and amortisation (EBITDA)		506.59	9,661.26
Depreciation and amortisation expense	40	(12,933.36)	(15,611.93)
Finance income	33	588.27	468.38
Finance costs	38	(4,829.61)	(4,816.57)
Loss for the year before exceptional items and tax		(16,668.11)	(10,298.86)
Exceptional items	41	(774.58)	-
Loss before tax		(17,442.69)	(10,298.86)
Tax expense		-	-
Loss for the year		(17,442.69)	(10,298.86)
Other comprehensive income:			
Items that will not be reclassified to statement of profit and loss:			
Remeasurement gains on defined benefit obligations		32.56	16.99
Income tax impact		-	-
Other comprehensive income for the year		32.56	16.99
Total comprehensive income for the year		(17,410.13)	(10,281.87)
Net profit for the year attributable to:			
- Owners of the Holding Company		(17,440.79)	(10,298.86)
- Non-controlling interests		(1.90)	-
		(17,442.69)	(10,298.86)
Other comprehensive income for the year attributable to:			
- Owners of the Holding Company		32.56	16.99
- Non-controlling interests		-	-
		32.56	16.99
Total comprehensive income for the year attributable to:			
- Owners of the Holding Company		(17,408.23)	(10,281.87)
- Non-controlling interests		(1.90)	-
		(17,410.13)	(10,281.87)
Earnings per equity share	42		
- Basic		(29.01)	(17.14)
- Diluted		(29.01)	(17.14)
Summary of significant accounting policies	2		

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

As per our report of even date.

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

Neeraj Goel
Partner
Membership No. 099514

Place: Gurugram
Date: August 31, 2022

For and on behalf of the Board of directors

Ajay Singh
Chairman & Managing Director

Place: Gurugram
Date: August 31, 2022

Chandan Sand
Company Secretary

Place: Gurugram
Date: August 31, 2022

Joyakesh Podder
Senior Vice President - Finance

Place: Gurugram
Date: August 31, 2022

SpiceJet Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2022
(All amounts are in millions of Indian Rupees, unless otherwise stated)

A. Equity share capital:

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

B. Other equity

For the year ended March 31, 2022	Reserves and surplus					
Particulars	**Securities premium**	**General reserve**	**Share options outstanding account**	**Retained earnings**	**Foreign currency monetary item translation difference account (FCMITDA)**	**Total other equity**
As at April 01, 2021	10,054.58	-	78.31	(42,184.71)	-	(32,051.82)
Loss for the year	-	-	-	(17,440.79)	-	(17,440.79)
Other comprehensive income	-	-	-	32.56	-	32.56
Total comprehensive income	10,054.58	-	78.31	(59,592.94)	-	(49,460.05)
Share based payment expense	-	-	41.40	-	-	41.40
Movement during the year	-	-	-	-	-	-
Transfer to securities premium on exercise of stock options	79.51	-	(79.51)	-	-	-
Recognised in the statement of profit and loss	-	-	-	-	-	-
Others	-	-	-	-	-	-
As at March 31, 2022	10,134.09	-	40.20	(59,592.94)	-	(49,418.65)

For the year ended March 31, 2021	Reserves and surplus					
Particulars	**Securities premium**	**General reserve**	**Share options outstanding account**	**Retained earnings**	**Foreign currency monetary item translation difference account (FCMITDA)**	**Total other equity**
As at April 01, 2020	9,949.45	49.09	131.15	(31,952.26)	17.83	(21,804.74)
Loss for the year	-	-	-	(10,298.86)	-	(10,298.86)
Other comprehensive income	-	-	-	16.99	-	16.99
Total comprehensive income	9,949.45	49.09	131.15	(42,234.13)	17.83	(32,086.61)
Transfer to retained earnings	-	(49.09)	-	49.09	-	-
Share based payment expense	-	-	52.29	-	-	52.29
Transfer to securities premium on exercise of stock options	105.13	-	(105.13)	-	-	-
Recognised in the statement of profit and loss	-	-	-	-	(17.83)	(17.83)
Others	-	-	-	0.33	-	0.33
As at March 31, 2021	10,054.58	-	78.31	(42,184.71)	-	(32,051.82)

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

As per our report of even date.

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

Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: August 31, 2022

For and on behalf of the Board of directors

Ajay Singh
Chairman & Managing Director

Place: Gurugram
Date: August 31, 2022

Chandan Sand
Company Secretary

Place: Gurugram
Date: August 31, 2022

Joyakesh Podder
Senior Vice President - Finance

Place: Gurugram
Date: August 31, 2022

SpiceJet Limited
Consolidated Statement of Cash Flow for the year ended March 31, 2022
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities		
Loss before tax and exceptional items	**(17,442.69)**	**(18,298.86)**
Adjustments for:		
Depreciation and amortisation expense	12,933.36	15,611.93
Impairment of trade receivables	58.27	21.25
Property, plant and equipment written off	53.70	-
Loss on sale of property, plant and equipment (net)	6.13	0.90
Advances/other balances written off	128.52	26.59
Share based payment expense	41.40	52.29
Liabilities/provision no longer required written back	(1,538.64)	(1,690.40)
Interest on lease liabilities	2,905.07	2,825.35
Finance costs - others	1,924.54	1,991.22
Interest income from financial assets measured at amortised cost	(253.37)	(15.39)
Interest income	(334.90)	(452.99)
Net gain on financial assets measured at fair value through profit or loss	(0.17)	(0.27)
Unrealised foreign exchange loss/(gain)	2,918.14	(2,367.49)
Operating profit before working capital changes	**1,399.36**	**5,704.13**
Movements in working capital:		
Trade and other receivables	(829.82)	(4,369.70)
Inventories	164.20	142.95
Other financial assets	416.40	268.29
Other assets	(581.97)	102.75
Trade payables	6,453.35	369.42
Other financial liabilities	409.78	(150.04)
Other liabilities	1,940.51	409.77
Provisions	1,313.02	(568.65)
Cash flows from operations	**10,684.83**	**1,908.92**
Income taxes (paid)/received (net of refunds)	(647.78)	374.18
Net cash flows from operating activities (A)	**10,037.05**	**2,283.10**
Cash flow from investing activities		
Purchase of property, plant and equipment and capital work-in-progress (including capital advances)	(371.80)	(769.40)
Proceeds from sale of property, plant and equipment	51.79	130.05
Sale/(purchase) of investments	0.44	(0.11)
Movement in bank deposits (net)	(489.53)	95.89
Movement in margin money (net)	(1,011.56)	1,976.02
Finance income received	330.62	689.33
Net cash (used in)/flows from investing activities (B)	**(1,490.04)**	**2,121.78**
Cash flow from financing activities		
Proceeds from issue of equity shares on exercise of stock options	8.60	8.61
Proceeds long-term borrowings	1,475.18	-
Movement in short-term borrowings (net)	(1,708.23)	(75.27)
Repayment of lease liabilities (including interest)	(8,011.36)	(3,801.10)
Finance costs paid	(542.16)	(499.61)
Net cash used in financing activities (C)	**(8,777.97)**	**(4,367.37)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(230.96)**	**37.51**
Effects of exchange difference on cash and cash equivalents held in foreign currency	13.00	(4.68)
Cash and cash equivalents at the beginning of the year	330.91	298.08
Cash and cash equivalents at the end of the year	**112.95**	**330.91**

Notes :

Components of cash and cash equivalents (refer note 15A)		
Balance with banks in current accounts	110.10	276.06
Fixed deposits	0.43	1.06
Cash on hand	2.42	53.79
	112.95	**330.91**

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

As per our report of even date.

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514

Ajay Singh
Chairman & Managing Director

Chandan Sand
Company Secretary

Joyakesh Podder
Senior Vice President - Finance

Place: Gurugram
Date: August 31, 2022

Place: Gurugram
Date: August 31, 2022

Place: Gurugram
Date: August 31, 2022

Place: Gurugram
Date: August 31, 2022

1. Corporate information

The consolidated financial statements comprises of financials statement of SpiceJet Limited ('SpiceJet' or 'the Company' or 'the Holding Company') and its subsidiaries (collectively, 'the Group') for the year ended March 31, 2022. The Holding Company was incorporated on February 9, 1984, as a limited company under the Companies Act and is listed on the BSE Limited ('BSE'). The registered office of the Holding Company is located at Indira Gandhi International Airport, Terminal 1D, New Delhi – 110037.

The Group is engaged principally in the business of providing air transport services for the carriage of passengers and cargo and other allied activities. Information on the Group's structure is provided in Note 59. Information on other related party relationships of the Group is provided in Note 53.

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

2. A. Summary of significant accounting policies

a) Basis of preparation of financial statements

i. Statement of compliance

The consolidated financial statements (also referred as 'financial statements') of the Group for the year ended March 31, 2022 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules 2015, as amended.

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

iii. Going concern assumption

The Group has incurred a net loss (after other comprehensive income) of Rs.17,410.13 million for the year ended March 31, 2022, and as of that date, the Group has negative retained earnings of Rs. 59,594.84 million and negative net worth (except non-controlling interests) of Rs. 43,400.68 million. The negative retained earnings have been primarily driven by adjustments on account of implementation of Ind AS 116 during financial year 2019-20, adverse foreign exchange rates, fuel prices, pricing pressures, other business factors and the impact of Covid-19, whose effects have continued to have an impact on the financial statements for the year ended March 31, 2022.

On account of its operational and financial position, and the impact of the ongoing Covid-19 pandemic, the Group has deferred payments to various parties, including lessors and other vendors and its dues to statutory authorities. Where determinable, the Group has accrued for additional liabilities, if any, on such delays in accordance with contractual terms/applicable laws and regulations and based on necessary estimates and assumptions. Additionally, the Group has also accounted for liabilities arising out of various litigation settlements. The impact arising out of event mentioned in Note 62 has also been considered by the management in its evaluation. However, it is not practically possible to determine the amount of all such costs or any penalties or other similar consequences resulting from contractual or regulatory non-compliances. The management is confident that they will be able to negotiate settlements in order to minimize/avoid any or further penalties. In view of the foregoing, no amounts of such penalties have been recorded in these financial statements.

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

With increase in freighter operation and yields, the Group has earned revenue of Rs. 19,436.10 million for the year ended March 31, 2022 as compared to Rs. 11,175.39 million for the year ended March 31, 2021. The Group has earned revenue from passenger business of Rs. 46,340.52 million for the year ended March 31, 2022 as compared to Rs. 40,501.91 million for the year ended March 31, 2021. During the year ended March 31, 2022, the Group has able to raise funds for an amount of Rs. 1,470.00 million, under Emergency Credit Line Guarantee Scheme ('ECLGS') scheme. Further, the Group is in continuous discussions with banks/financial institution to raise additional funds under ECLGS 3.0 (extension) scheme and such discussions are in advance stage. Further, the Board has also approved for raising of fresh capital through issue of eligible securities to qualified institutional buyer, in accordance with applicable law. Based on the foregoing and their effect on business plans and cash flow projections, the management is of the view that the Group will be able to achieve profitable operations and raise funds as necessary, in order to meet its liabilities as they fall due. These conditions indicate the existence of uncertainty that may create doubt about the Group's ability to continue as a going concern. However, based on the factors mentioned in this note including re-negotiation of payment terms to various parties, the management is of the view that the going concern basis of accounting is appropriate. The auditors have included 'Material Uncertainty Related to Going Concern' paragraph in their audit report.

iv. Critical accounting estimates and judgements

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

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

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

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

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

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

Note 2(A) (m) and (q) – estimation of provision of maintenance.

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

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

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

Note 2(A) (x) – judgment relation to contingent liability.

b) Basis of Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other voting right holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights; or
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group entity's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Consolidation procedures

i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full) including related tax impacts. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

iv. Non-controlling interests, presented as a part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss balance (including other comprehensive income ('OCI') is attributed to the equity holders of the Holding Company and to the non-controlling interests, basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

c) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

The Group has identified twelve months as its operating cycle.

d) Property, plant and equipment

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

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

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

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

Depreciation

The Group, based on technical assessment made by experts and management estimates, depreciates certain items of property, plant and equipment over-estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

Asset description	Useful life estimated by the management (years)
Plant and equipment	15
Rotable and tools	20
Office equipment	5
Computers	3 – 6
Furniture and fixtures	10
Motor vehicles	8
Leasehold improvements	Over the period of lease
Aircraft, engines and landing gear (excluding cost of major inspection)	8 – 20
Cost of major inspection	Over the expected period from current shop visit to next shop visit

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

c) Intangible assets

Recognition and measurement
Intangible assets (software) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Depreciation
Costs incurred towards purchase of computer software are amortised using the straight-line method over a period based on management's estimate of useful lives of such software being 2/3 years, or over the license period of the software, whichever is shorter.

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

f) Impairment of non-financial assets

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

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

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

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

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

g) Borrowing Costs

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

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

h) Revenue from contracts with customers

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

<u>Rendering of services</u>

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

When another party is involved in providing services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer.

The Group is a principal and records revenue on a gross basis if it controls the promised services before providing them to the customer. However, if the Group's role is only to arrange for another entity to provide the services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

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

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

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

Government grants

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

Other revenues

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

Contract assets

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

Sale of food and beverages

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

Sale of products

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Training income

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

Interest

Interest income is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in finance income in the statement of profit and loss.

i) Employee benefits

i. Short-term employee benefits

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

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

ii. Other long-term employee benefits

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

iii. Post-employment benefits

The Group operates the following post-employment schemes:

a. <u>Defined benefit plans – gratuity</u>

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

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

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

b. <u>Defined contribution plan – provident fund</u>

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

j) Taxes

Current income tax

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

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

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

Deferred tax

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

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

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

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

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

k) Earnings per share

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

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

l) Leases

The Group's lease asset classes primarily consist of leases for aircrafts, aircraft components (including engines) and buildings. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

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

i) Right of use assets

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

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

Aircrafts – 1 to 12 years
Aircraft components – 1 to 10 years
Buildings – 2 to 10 years

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

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

ii) Lease liabilities

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

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

iii) Lease term

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

iv) Sale and leaseback transactions

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

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

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

Group as a lessor

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

m) Supplementary rentals and aircraft repair and maintenance

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

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

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

n) Cash and cash equivalents

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

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

o) Foreign currency transactions

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

Initial recognition

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

Conversion

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

Exchange differences

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

p) Fair value measurement

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

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

q) Provisions

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

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

r) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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

a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b. The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

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

Equity investments

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

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

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

Derecognition

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

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

Impairment of financial assets

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

Subsequent measurement

All financial liabilities (except derivatives and fair value liabilities) are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition

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

Offsetting of financial instruments

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

s) Inventories

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

t) Manufacturers' incentives

Cash incentives

The Group receives incentives from original equipment manufacturers ('OEMs') of aircraft components in connection with acquisition of aircraft and engines. In case of owned aircraft, incentives are recorded as a reduction to the cost of related aircraft and engines. In case of aircraft held under leases, the incentives are recorded as reduction to the carrying amount of right to use assets at the commencement of lease of the respective aircraft.

Non-cash incentives

Non-cash incentives relating to aircraft are recorded as and when due to the Group by setting up a deferred asset and a corresponding deferred incentive. These incentives are recorded as a reduction to the cost of related aircraft and engines in case of owned aircraft. In case of aircraft held under leases, the incentives are recorded as reduction to the carrying amount of right to use assets at the commencement of lease of the respective aircraft. The deferred asset explained above is reduced on the basis of utilization against purchase of goods and services.

u) Commission to agents

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

v) Share-based payment expense

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised as employee benefits expense, together with a corresponding increase in stock options outstanding account in equity over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense (or reversal) for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of equity-settled transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

x) Contingent liabilities and contingent assets

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

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

y) Measurement of earnings before interest, tax, depreciation and amortization ('EBITDA')

The Group has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization, finance income, finance costs and tax expense. .

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

New and amended standards applied

Covid-19 related rent concessions beyond June 30, 2021, amendment notified vide notification dated June 18, 2021

Further, the Group has also elected to apply another practical expedient whereby it has assessed all the rent concessions occurring as a direct consequence of the Covid-19 pandemic, basis the following conditions prescribed under the standard:

a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) any reduction in lease payments affects only payments originally due on or before the 30 June 2022; and
c) there is no substantive change to other terms and conditions of the lease.

If all the rent concessions meet the above conditions, then, the related rent concession has been recognised in statement of profit and loss. The amendment prescribed the early application if the financial statements are yet to be approved before the date of amendment and accordingly, the Group has applied this amendment effective April 1, 2020.

Amendments to Schedule III of the Act

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

Recent accounting pronouncement [as applicable]

Amendment to Ind AS 16, Property, Plant and Equipment

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The Group is evaluating the requirement of the said amendment and its impact on these financial statements.

Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The Group is evaluating the requirement of the said amendment and its impact on these financial statements.

Amendment to Ind AS 103, Business Combinations

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities. The Group is evaluating the requirement of the said amendment and its impact on these financial statements.

Amendment to Ind AS 109, Financial Instruments

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 109 which clarifies which fees an entity should include when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The Group is evaluating the requirement of the said amendment and its impact on these financial statements.

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

Note 3 - Property plant and equipment

Particulars	Plant and equipment**	Rotable and tools**	Office equipment	Computers	Furniture and fixtures	Motor vehicles**	Leasehold improvements	Aircraft ^	Land	Total
Gross block										
As at April 01, 2020	1,375.19	3,623.60	205.94	413.50	40.35	844.00	91.08	20,299.18	391.37	27,284.21
Additions #	48.04	135.74	49.29	43.43	1.97	35.97	16.73	254.73	-	585.90
Disposals	13.97	5.75	0.21	6.06	0.14	18.97	-	2,853.50	-	2,898.60
Exchange differences *	-	-	-	-	-	-	-	(188.42)	-	(188.42)
As at March 31, 2021	**1,409.26**	**3,753.59**	**255.02**	**450.87**	**42.18**	**861.00**	**107.81**	**17,511.99**	**391.37**	**24,783.09**
Additions #	0.86	132.59	23.62	20.46	4.28	0.01	13.04	170.06	-	364.92
Disposals	37.31	69.14	0.85	2.81	2.02	86.93	-	61.30	-	260.36
Exchange differences *	-	-	-	-	-	-	-	216.44	-	216.44
As at March 31, 2022	**1,372.81**	**3,817.04**	**277.79**	**468.52**	**44.44**	**774.08**	**120.85**	**17,837.19**	**391.37**	**25,104.09**
Accumulated depreciation										
At April 1, 2020	270.35	726.54	99.01	225.11	27.73	348.40	51.34	9,136.52	-	10,885.00
Depreciation charge for the year	101.12	242.94	37.62	91.55	4.09	104.79	20.12	1,060.10	-	1,662.33
Disposals	9.23	0.32	0.16	5.90	0.14	18.94	-	2,853.50	-	2,888.19
Exchange Differences *	-	-	-	-	-	-	-	331.82	-	331.82
As at March 31, 2021	**362.24**	**969.16**	**136.47**	**310.76**	**31.68**	**434.25**	**71.46**	**7,674.94**	-	**9,990.96**
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**
Net Block										
As at March 31, 2021	**1,047.02**	**2,784.43**	**118.55**	**140.11**	**10.50**	**426.75**	**36.35**	**9,837.05**	**391.37**	**14,792.13**
As at March 31, 2022	**927.85**	**2,616.24**	**100.42**	**81.40**	**10.87**	**298.45**	**29.85**	**8,968.16**	**391.37**	**13,424.61**

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

Additions to aircraft comprise of capitalisation of overhaul cost of Rs. 170.06 million for the year ended March 31, 2022 and Rs. 254.73 million for the year ended March 31, 2021.

**Rotables and tools, ground support equipment and motor vehicles with net block are subject to a first charge to secure the facilities provided by Indian Bank (erstwhile Allahabad Bank).

Refer note 20 for details of first charge on property, plant and equipment on various loans.

Refer note 46 for contractual commitments for the acquisition of property, plant and equipment

SpiceJet Limited
Notes to the consolidated financial statements for the year ended March 31, 2022
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note 4 - Right of use assets

Particulars	Aircraft	Aircraft components	Buildings	Total
Gross block				
As at April 1, 2020	78,502.10	4,682.07	1,593.65	84,777.82
Deletions/modifications	3,035.83	208.12	411.87	3,655.82
Balance as at March 31, 2021	**75,466.27**	**4,473.95**	**1,181.78**	**81,122.00**
Additions	1,089.10	-	27.96	1,117.06
Deletions/modifications	5,413.63	11.76	515.41	5,940.80
Balance as at March 31, 2022	**71,141.74**	**4,462.19**	**694.33**	**76,298.26**
Accumulated depreciation				
As at April 1, 2020	13,317.79	698.84	201.93	14,218.56
Depreciation charge for the year	12,437.77	886.55	175.55	13,499.87
Deletions	1,880.34	27.97	100.06	2,008.37
Balance as at March 31, 2021	**23,875.22**	**1,557.42**	**277.42**	**25,710.06**
Depreciation charge for the year	10,178.66	693.48	140.60	11,012.74
Deletions	2,493.34	-	159.03	2,652.37
Balance as at March 31, 2022	**31,560.54**	**2,250.90**	**258.99**	**34,070.43**
Net block				
As at March 31, 2021	**51,591.05**	**2,916.53**	**904.36**	**55,411.94**
As at March 31, 2022	**39,581.20**	**2,211.29**	**435.34**	**42,227.83**

Note 5 - Intangible assets

Particulars	Software	Total
Gross block		
As at April 01, 2020	356.42	356.42
Additions	61.99	61.99
Disposals	-	-
As at March 31, 2021	418.41	**418.41**
Additions	-	-
Disposals	-	-
As at March 31, 2022	418.41	**418.41**
Accumulated amortisation		
As at April 01, 2020	177.34	177.34
Amortisation charge for the year	117.91	117.91
Disposals	-	-
As at March 31, 2021	**295.25**	**295.25**
Amortisation charge for the year	83.34	83.34
Disposals	-	-
As at March 31, 2022	**378.59**	**378.59**
Net Block		
As at March 31, 2021	123.16	123.16
As at March 31, 2022	**39.82**	**39.82**

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

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
6	**Capital work-in-progress**		
	Capital work-in-progress	63.42	58.35
		63.42	58.35

The following table represent ageing of capital work-in-progress as at March 31, 2022:

CWIP	Amount in capital work-in-progress for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5.07	-	-	-	5.07
Projects temporarily suspended	-	3.47	50.83	4.05	58.35
Total	5.07	3.47	50.83	4.05	63.42

The following table represent ageing of capital work-in-progress as at March 31, 2021:

CWIP	Amount in capital work-in-progress for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	3.47	50.83	4.05	-	58.35
Total	3.47	50.83	4.05	-	58.35

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
7	**Non-current investments (fully paid up)**		
	Unquoted equity investments, at fair value through profit or loss ('FVTPL')		
	750 (March 31, 2021: 2,988) equity shares of Aeronautical Radio of Thailand Limited	0.17	0.61
		0.17	0.61
	Aggregate amount of unquoted investments	0.17	0.61
8	**Other non-current financial assets**		
	(Unsecured, considered good unless stated otherwise)		
	Deposits with original maturity of more than 12 months (also refer note 15B)	5,982.12	4,970.56
	Security deposits	3,800.98	4,858.32
		9,783.10	9,828.88
9	**Income-tax assets**		
	Advance income-tax	952.24	304.46
		952.24	304.46
10	**Other non-current assets**		
	Deposit with Delhi High Court (also refer note 48)	3,187.02	3,187.02
	Goods and services tax paid under protest (refer note 47(iv))	580.70	2,556.29
	Capital advances		
	Unsecured, considered good	3,625.37	1,390.82
	Unsecured, considered doubtful	109.32	109.32
		7,502.41	7,243.45
	Impairment allowance		
	Unsecured, considered good	-	-
	Unsecured, considered doubtful	(109.32)	(109.32)
		(109.32)	(109.32)
		7,393.09	7,134.13

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

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
11	**Inventories**		
	(valued at lower of cost or net realisable value)		
	Engineering stores and spares	1,391.91	1,494.80
	Stock in trade - merchandise and others	57.99	114.64
	Stock in trade - in flight inventory	30.36	38.04
	Other stores	28.46	25.44
		1,508.72	1,672.92
12	**Investments at fair value through profit or loss ('FVTPL')**		
	Quoted investment in mutual funds		
	7,122 (March 31, 2021: 7,122) units of ICICI Prudential Saving Funds - Direct Plan- Growth [NAV Rs. 437.71 (March 31, 2021: Rs.419.69)]	3.12	2.99
	52,700.92 (March 31, 2021: 52,700.92) units of L&T Low Duration Fund-Direct Plan-Growth [NAV Rs. 22.97 (March 31, 2021: Rs.22.18)]	1.21	1.17
		4.33	4.16
	Aggregate amount of quoted investments and market value thereof	4.33	4.16
13	**Trade receivables**		
	(Unsecured, considered good unless stated otherwise)		
	Trade receivables		
	Unsecured, considered good	2,605.17	3,262.16
	Unsecured, credit impaired	54.97	74.26
		2,660.14	3,336.42
	Impairment allowance		
	Unsecured, considered good	(72.38)	(50.97)
	Unsecured, credit impaired	(54.97)	(74.26)
		(127.35)	(125.23)
		2,532.79	3,211.19

For information related to trade receivables from related parties, refer note 53

For details of contract balances refer to note 31.

The carrying amount of trade receivables approximates their fair value, is included in note 54. The Group's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 56.

As at March 31, 2021	Outstanding from the due date of invoice						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	711.68	343.92	743.20	400.23	68.09	205.67	2,532.79
Undisputed trade receivables – credit impaired	-	-	20.44	12.55	43.67	50.69	127.35
Total	711.68	343.92	763.64	472.78	111.76	256.36	2,660.14

As at March 31, 2021	Outstanding from the due date of invoice						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	820.82	1,158.60	890.54	26.57	104.88	209.78	3,211.19
Undisputed trade receivables – credit impaired	-	8.80	-	8.74	24.82	82.87	125.23
Total	820.82	1,167.40	890.54	35.31	129.70	292.65	3,336.42

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

Note No.	Particulars	As at 31-Mar-2022	As at 31-Mar-2021
14	**Other receivables**		
	(Unsecured, considered good unless stated otherwise)		
	Maintenance receivables	2,312.36	1,984.21
	Insurance claim receivables	100.48	100.48
	Other receivables (refer note 49)	7,476.01	14,849.15
		9,888.85	**16,933.84**
15A	**Cash and cash equivalents**		
	Balances with banks:		
	– In current accounts	110.10	276.06
	– In deposit accounts (with original maturity upto 3 months)	0.43	1.06
	Cash on hand	2.42	53.79
		112.95	**330.91**
15B	**Bank balances other than cash and cash equivalents**		
	Deposits with original maturity of more than 3 months but less than 12 months	11.39	23.72
	Deposits with original maturity of more than 12 months	2.47	0.61
	Margin money/security against fund and non-fund based facilities*	6,482.12	4,970.56
		6,495.98	**4,994.89**
	Less: Amount disclosed under other non-current asset (refer note 8)	(5,982.12)	(4,970.56)
		513.86	**24.33**
	*Margin money deposit have been placed with banks for non-fund based facilities sanctioned to the Group.		
16	**Other current financial assets**		
	(Unsecured, considered good)		
	Employee advances	127.21	155.50
	Interest accrued on fixed deposits	182.65	178.37
	Security deposits	1,804.53	356.22
	Contract asset	591.02	1,030.48
		2,705.41	**1,720.57**
17	**Other current assets**		
	Prepaid expenses	454.99	675.96
	Balance with government authorities	3,237.14	276.58
	Advances to suppliers		
	Unsecured, considered good	702.24	1,012.79
	Unsecured, credit impaired	159.26	159.26
		4,553.63	**2,124.59**
	Impairment allowance		
	Unsecured, considered good	-	-
	Unsecured, credit impaired	(159.26)	(159.26)
		(159.26)	**(159.26)**
		4,394.37	**1,965.33**

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

Note No. Particulars

18 Equity share capital

Authorised	
(1,500,000,000 equity shares of Rs.10 each)	
As at April 01, 2020	15,000.00
Increase during the year	-
As at March 31, 2021	15,000.00
Increase during the year	-
As at March 31, 2022	**15,000.00**
Issued, subscribed and paid-up capital	
Equity shares of Rs. 10 each issued, subscribed and fully paid	
As at April 01, 2020	6,000.76
Issued during the year pursuant to exercise of employee stock options	8.61
As at March 31, 2021	6,009.37
Issued during the year pursuant to exercise of employee stock options	8.60
As at March 31, 2022	**6,017.97**

A: Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	**As at March 31, 2022**		**As at March 31, 2021**	
	Numbers of shares	**Value (Rs.)**	**Numbers of shares**	**Value (Rs.)**
Shares outstanding at the beginning of the year	600,936,903	6,009.37	600,076,299	6,000.76
Issued during the year	859,712	8.60	860,604	8.61
Shares outstanding at the end of the year	**601,796,615**	**6,017.97**	**600,936,903**	**6,009.37**

B: Term/rights attached to equity shares

The Holding Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C: Details of shareholders holding more than 5% in the Holding Company:

Name of shareholders	**As at March 31, 2022**		**As at March 31, 2021**	
	Numbers of shares	**% against total number of shares**	**Numbers of shares**	**% against total number of shares**
Mr. Ajay Singh	304,333,450	50.57%	304,333,450	50.64%
Mr. Ajay Singh (HUF)	52,846,838	8.78%	52,846,838	8.79%
Total	**357,180,288**	**59.35%**	**357,180,288**	**59.44%**

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

D. Aggregate number of bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

The Holding Company has issued total 2,346,432 shares (March 31, 2021 - 1,486,720) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan ('ESOP').

E. Details of promoter shareholding

Name of promoter	**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%

Name of promoter	**As at March 31, 2021**		
	Number of shares	**% of total shares**	**% change during the year**
Mr. Ajay Singh	304,333,450	50.64%	0.00%
Mr. Ajay Singh (HUF)	52,846,838	8.79%	0.00%
Mrs. Kalpana Singh	279,505	0.05%	0.00%

F. Shares reserved for issue under options
For details of shares reserved for issue under ESOP, refer note 43

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

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
19	**Other equity**		
	Reserves and surplus		
	Securities premium	10,134.09	10,054.58
	General reserve	-	-
	Share options outstanding account	40.20	78.31
	Retained earnings	(59,592.94)	(42,184.71)
	Foreign currency monetary item translation difference account	-	-
		(49,418.65)	(32,051.82)
	a. Securities premium		
	Securities premium is used to record the premium on issue of shares and the same is utilised in accordance with the provisions of the Act.		
	Balance at the beginning of the year	10,054.58	9,949.45
	Additions during the year	79.51	105.13
	Balance at the end of the year	10,134.09	10,054.58
	b. General reserve		
	General reserve is a free reserve, created in earlier years as a transfer from profits to meet future obligation		
	Balance at the beginning of the year	-	49.09
	Transferred to retained earnings	-	(49.09)
	Balance at the end of the year	-	-
	c. Share options outstanding account		
	The balance represents reserves created to the extent of vested options based on the Employees Stock Option Scheme, 2017.		
	Balance at the beginning of the year	78.31	131.15
	Share based payment expense	41.40	52.29
	Transfer to securities premium on exercise of stock options	(79.51)	(105.13)
	Balance at the end of the year	40.20	78.31
	d. Retained earnings		
	Retained earnings comprises of current year and prior periods undistributed earning or losses after tax.		
	Balance at the beginning of the year	(42,184.71)	(31,952.26)
	Loss for the year	(17,440.79)	(10,298.86)
	Other comprehensive income	32.56	16.99
	Transferred from general reserve	-	49.09
	Others	-	0.33
	Balance at the end of the year	(59,592.94)	(42,184.71)
	e. Foreign currency monetary item translation difference account		
	Represents the exchange differences arising on other long-term foreign currency monetary item amortised to the statement of profit and loss over the remaining life of the concerned monetary item.		
	Balance at the beginning of the year	-	17.83
	Recognised in the statement of profit and loss during the year	-	(17.83)
	Balance at the end of the year	-	-

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

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
20	**Non-current borrowings (secured)**		
	Term loans		
	Rupee loan from bank	1,975.17	500.00
	Less: Current maturities of long term borrowings (refer note 25)	(500.00)	(500.00)
		1,475.17	-
	Other loans		
	External commercial borrowing	6,350.72	6,134.33
	Less: Current maturities of long term borrowings (refer note 25)	(4,697.08)	(3,107.59)
		1,653.64	**3,026.74**
		3,128.81	**3,026.74**

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

a. The Holding Company had taken a loan of 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 MCIR plus a spread of 3%. The loan has been secured by first pari-passu charge on the land of the Holding Company and one of the subsidiary company and pledge on equity shares of the Holding Company for 1.0x of total facility. The loan agreement requires the Holding Company to maintain debt service coverage ratio of 1.25. The Holding Company have not complied with this financial covenant and accordingly, the borrowing have been reclassified to current maturities of long term borrowings.

b. During the year, the Holding Company has availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from Yes Bank Limited amounting to 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 loan is secured as follows:
- Second charge on movable fixed assets of the Holding Company;
- Second charge on current assets of the Holding Company (both present and future) including all receipts in foreign currency and rupee credit (except lien marked deposits);
- Second charge on pledge of shares of the Holding Company held by the Promoter; and
- 100% credit guarantee by National Credit Guarantee Trust Company Limited (NCGTC)

c. During the year, the Holding Company has availed term loan under Electronic Credit Line Guarantee Scheme ('ECLGS') from IDFC Bank Limited ("IDFC Bank") amounting to 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 company;
- Second charge on pledge of shares of the Holding Company (1.0x cover); and
- 100% credit guarantee by National Credit Guarantee Trust Company Limited (NCGTC)

Repayment terms (including current maturities) and security details for external commercial borrowings

d. The External Commercial Borrowing ('ECB') relates to the acquisition of 'Bombardier Q400 Aircrafts', accordingly, secured against these aircrafts. The ECB has been approved by the Reserve Bank of India and is granted through a structure between the Holding Company and Maple Leaf Financing Limited with lending from Export Development Canada ('EDC'). As per the terms of the agreement, the Holding Company may opt for either fixed or a floating rate of interest benchmarked to LIBOR for each drawdown, which coincides with the delivery of each aircraft. Accordingly, the interest on these ECBs ranges from 3.79% to 4.91%. During the year, due to impact of Covid-19 on business, the Holding Company has negotiated revised payment schedule and the repayment will now commence w.e.f April 1, 2022. Accordingly, the Holding Company has updated classification of the borrowing amount in current and non-current.

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
21	**Non-current lease liabilities**		
	Lease liabilities	43,325.65	53,635.92
		43,325.65	**53,635.92**
22	**Non-current trade payables**		
	Trade payables		
	- total outstanding dues of micro enterprises and small enterprises	-	-
	- total outstanding dues of creditors other than micro enterprises and small enterprises	3,473.29	2,263.13
		3,473.29	**2,263.13**

Terms and conditions of the above financial liabilities:

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

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
23	**Non-current provisions**		
	Provision for gratuity (also refer note 44)	609.54	572.51
	Provision for aircraft redelivery	768.25	1,533.61
	Provision for aircraft maintenance	1,397.76	686.09
		2,775.55	**2,792.21**

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

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
24	**Other non-current liabilities**		
	Deferred incentive	135.82	152.86
	Less: Current portion	(17.24)	(17.24)
		118.58	135.62
25	**Current borrowings (secured)**		
	Working capital demand loan from bank	1,000.00	1,000.00
	Pre-shipment credit foreign currency loan	1,467.87	3,044.79
	Current maturities of long-term borrowings (also refer note 20)	5,197.08	3,607.59
		7,664.95	7,652.38

At March 31, 2022, the Group had Rs. 32.13 million (March 31, 2021: Rs. 185.70 million) of undrawn committed borrowing facilities.

Repayment terms and security details for short term borrowings

a. Working capital demand loan from bank is secured by fixed deposits placed by the erstwhile promoter and is repayable on demand. The loan carries an interest rate of 12.75% per annum.

b. During the year, on working capital demand loan of Holding Company has been recalled by the City Union Bank Limited ('the Bank') and then, the Bank has issued an application dated April 4, 2022 to classify the said overdraft facility as 'Special Mention Account'. In reply to this, on April 28, 2022, the Holding Company had filed an application for stay order restraining the Bank from declaring the loan as non-performing asset on the grounds that the Bank had illegally recalled the said overdraft facility extended to the Holding Company without any plausible reasons. On April 28, 2022, the 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. 750 million in financial year 2022-23 and balance on June 30, 2023."

c. Pre-shipment credit foreign currency loan from bank is secured by fixed deposits placed by the Holding Company having a carrying value of Rs. 375 million and is repayable within 6 months from each drawdown. The loan carries an interest rate benchmarked to the LIBOR rate at each drawdown. The interest rate on these borrowings ranges between 3.15% to 4.05% per annum.

Changes in liabilities arising from financing activities

Particulars	April 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	77.23	(542.16)	-	653.67	188.74
Lease liabilities	84,497.95	(8,011.35)	1,724.37	(5,682.49)	72,528.48
Total liabilities from financing activities	**95,254.30**	**(8,786.56)**	**2,072.06**	**(5,028.82)**	**83,510.98**

Particulars	April 1, 2020	Cash flows	Foreign exchange impact	Others*	March 31, 2021
Non-current borrowings (including current maturities)	6,822.70	-	(188.37)	-	6,634.33
Current borrowings	4,144.38	(75.27)	(24.32)	-	4,044.79
Finance costs	77.17	(499.61)	-	499.67	77.23
Lease liabilities	89,589.61	(3,801.10)	2,236.43	(3,526.99)	84,497.95
Total liabilities from financing activities	**100,633.86**	**(4,375.98)**	**2,023.74**	**(3,027.32)**	**95,254.30**

*This includes inter-caption reclassification, lease addition and modifications, rent concessions and other adjustments.

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
26	**Current lease liabilities**		
	Lease liabilities	29,202.83	30,862.03
		29,202.83	30,862.03

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

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
27	**Current trade payables**		
	Trade payables		
	- total outstanding dues of micro enterprises and small enterprises	542.60	518.22
	- total outstanding dues of creditors other than micro enterprises and small enterprises	25,586.82	19,488.95
		26,129.42	20,007.17
	Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)		
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount due to micro and small enterprises	518.49	489.21
	- Interest due on above	24.12	29.01
	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
	The amount of interest accrued and remaining unpaid at the end of each accounting year	24.12	29.01
	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

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

Ageing of non-current and current trade payables:

As at March 31, 2022

Particulars	Outstanding for following periods from date of invoice					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	24.11	483.18	12.47	19.60	3.24	542.60
(ii) Others	12,171.30	7,340.31	3,615.29	2,061.71	3,871.49	29,060.10

As at March 31, 2021

Particulars	Outstanding for following periods from date of invoice					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	500.98	16.59	0.66	-	518.23
(ii) Others	9,368.56	2,265.24	6,105.55	2,578.83	-	20,318.18
(iii) Disputed dues – Others	-	-	-	-	1,433.89	1,433.89

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
28	**Other current financial liabilities**		
	Employee related payables	543.16	109.55
	Capital creditors	12.52	-
	Book overdraft	109.21	116.63
	Security deposits received	89.84	118.77
	Interest accrued and due on borrowings	9.77	10.49
	Interest accrued but not due on borrowings	178.97	66.74
		943.47	422.18
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	4,214.25	2,604.32
	Advance received from agents	3,542.67	4,205.85
	Statutory dues (including interest thereon)	3,156.14	2,289.95
	Airport taxes payable	855.21	710.74
	Others liabilities	11.81	11.67
		18,222.87	16,265.32

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

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
30	**Short-term provisions**		
	Provision for employee benefits		
	-Provision for gratuity (also refer note 44)	93.58	51.79
	-Provision for compensated absences	290.30	305.48
	Provision for contingencies (also refer note 47)	107.20	107.20
	Provision for aircraft maintenance	2,418.24	1,776.73
	Provision for aircraft redelivery	1,053.40	255.46
		3,962.72	**2,496.66**
	Provision for contingencies:		
	At the beginning of the year	107.20	107.20
	At the end of the year	**107.20**	**107.20**
	Provision for aircraft maintenance		
	At the beginning of the year	2,462.82	3,335.34
	Additions during the year	1,353.18	225.58
	Utilisation/reversal during the year	-	(1,098.10)
	At the end of the year	**3,816.00**	**2,462.82**
	Provision for aircraft redelivery		
	At the beginning of the year	1,789.07	1,795.43
	Additions during the year	140.10	28.63
	Utilisation/reversal during the year	(107.52)	(34.99)
	At the end of the year	**1,821.65**	**1,789.07**

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

Note No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
31	**Revenue from operations**		
	Sale of services		
	Passenger revenue*	43,050.54	35,281.98
	Cargo revenue	20,564.14	14,191.68
	Sale of products	483.59	394.41
	Other operating revenues		
	Incentives received	26.93	287.98
	Income from training services	184.59	384.02
	Subsidies received under various schemes	1,088.50	581.35
	Others**	637.65	593.06
		66,035.94	**51,714.48**
	India	43,411.31	34,845.99
	Outside India	22,624.63	16,868.49
		66,035.94	**51,714.48**

* Includes sale of food and beverages in flight.
** Others mainly includes income from ground handling services.

Contract balances

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

Trade receivables	2,532.79	3,211.19
Contract assets	591.02	1,030.48
Contract liabilities	4,214.25	2,604.32

Contract liabilities comprise of consideration from sale of tickets not yet flown, Contract assets relates to unbilled revenue.

* Revenue recognised from amount included in contract liabilities at the beginning of the year amounts to Rs. 2,604.32 million (March 31, 2021: Rs. 3,626.17 million) (excludes amount collected on behalf of third parties and amount refunded due to cancellations).

Note No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
32	**Other income**		
	Net gain on financial assets measured at fair value through profit or loss	0.17	0.27
	Liabilities/provision no longer required written back	1,538.64	1,690.41
	Warranty claims from aircraft manufacturer/insurance claims (refer note 49)	7,550.24	5,851.53
	Miscellaneous income	592.16	258.17
		9,681.21	**7,800.38**
33	**Finance income**		
	Interest income on financial assets	253.37	15.39
	Interest income		
	- on bank deposits	313.93	401.84
	- others	20.97	51.15
		588.27	**468.38**

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

Note No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
34A	**Operating expenses**		
	Aviation turbine fuel	29,457.78	15,288.35
	Lease charges - aircraft, engines and auxiliary power units (also refer note 45)	5,992.26	2,662.55
	Aircraft repairs and maintenance	4,657.93	4,021.21
	Supplemental lease charges - aircraft, engines and auxiliary power units	5,616.86	6,437.61
	Aviation insurance	1,091.43	1,251.69
	Landing, navigation and other airport charges	7,590.66	6,469.95
	Consumption of stores and spares	505.87	534.70
	Aircraft navigation software expenses	351.63	632.99
	Aircraft redelivery costs	44.17	27.18
	Cargo handling costs	1,903.47	1,360.29
	Other operating expenses	459.30	303.95
		57,671.36	**38,990.47**
34B	**Purchases of stock-in-trade**		
	Merchandise and others	601.24	697.60
	In flight inventory	342.73	250.84
		943.97	**948.44**
34C	**Changes in inventories of stock-in-trade**		
	Merchandise and others		
	Inventory at the beginning of the year	114.64	40.00
	Less : Inventory at the end of the year	(57.99)	(114.64)
	Changes in inventories of stock-in-trade - Merchandise and others	**56.65**	**(74.64)**
	Inflight food and beverages		
	Inventory at the beginning of the year	38.04	75.17
	Less : Inventory at the end of the year	(30.36)	(38.04)
	Decrease in stock-in-trade Inflight food and beverages	**7.68**	**37.13**
	Total changes in inventories of stock-in-trade	**64.33**	**(37.51)**
35	**Employee benefits expenses**		
	Salaries, wages and bonus	6,726.89	6,108.87
	Contribution to provident and other funds	357.68	361.49
	Share based payment expense (also refer note 43)	41.40	52.29
	Gratuity expense (also refer note 44A)	156.59	163.74
	Staff welfare	253.86	166.39
		7,536.42	**6,852.78**
36	**Sales and marketing expenses**		
	Commission to agents	817.49	486.82
	Business promotion and advertisement	401.97	279.94
		1,219.46	**766.76**

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

Note No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
37	**Other expenses**		
	Rent	719.72	799.85
	Rates and taxes	206.33	594.27
	Repairs and maintenance		
	- buildings	96.39	87.31
	- plant and machinery	17.52	11.28
	- others	534.15	479.10
	Crew accommodation cost	286.02	281.83
	Recruitment and training cost	395.58	361.22
	Communication	130.14	116.38
	Printing and stationery	84.79	113.64
	Travelling and conveyance	1,238.10	802.21
	Legal, and professional fees*	542.92	450.32
	Power and fuel	105.17	107.61
	Advances/other balances written off	128.52	26.59
	Impairment of trade receivables	58.27	21.25
	Insurance	141.05	152.95
	Credit card charges	152.48	86.87
	Bank charges	37.68	11.21
	Loss on sale of property, plant and equipment (net)	6.13	0.90
	Property, plant and equipment written off	53.70	-
	Miscellaneous expenses	218.53	65.50
		5,153.19	**4,570.29**
	***Payment to auditor**		
	As auditor		
	Statutory audit fees	9.74	8.73
	Tax audit fees	0.81	0.65
	Limited review	3.00	3.45
	In other capacity		
	Other services (certification fees)	0.08	2.86
	Reimbursement of expenses	0.06	-
38	**Finance costs**		
	Interest		
	- on term loan from banks	376.17	325.16
	- on loan from others	174.11	174.51
	Interest on lease liabilities and redelivery provisions	2,905.07	2,825.35
	Other borrowing costs	1,374.26	1,491.55
		4,829.61	**4,816.57**
39	**Foreign exchange loss/(gain), (net)**		
	Foreign exchange loss/(gain), (net)*	2,621.83	(2,237.63)
		2,621.83	**(2,237.63)**

*Foreign exchange loss for the year ended March 31, 2022 includes Rs.1,749.26 million (March 31, 2021 : loss of Rs. 2,246.99 million), pertaining to foreign exchange loss on restatement of lease liabilities.

Note No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
40	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment (refer note 3)	1,837.28	1,994.15
	Depreciation on right of use assets (refer note 4)	11,012.74	13,499.87
	Amortisation of intangible assets (refer note 5)	83.34	117.91
		12,933.36	**15,611.93**
41	**Exceptional items**		
	Settlement with aircraft manufacturer (refer note 47 (b) (vii))	774.58	-
		774.58	**-**

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

42. Earnings per share ('EPS')

a. Basic EPS is calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

b. Diluted EPS is calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Number of equity shares outstanding at the beginning of the year	600,936,903	600,076,299
Number of equity shares issued	859,712	860,604
Number of equity shares outstanding at the end of the year	601,796,615	600,936,903
Weighted average number of equity shares		
a. Basic	**601,349,055**	**600,322,354**
Effect of dilution: stocks options	574,552	1,106,553
b. Diluted	**601,923,607**	**601,428,907**
Loss for the year	**(17,442.69)**	**(10,298.86)**
Earnings per share :		
-- Basic earnings per share (Rs.)	(29.01)	(17.14)
-- Diluted earnings per share (Rs.)	(29.01)	(17.14)
Face value per share (Rs.)	10.00	10.00

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

c. Having regard to the status of the matters relating to the allotment and conversion of share warrants, as stated in note 48, it is not possible to determine the dilutive effect, if any, of those on diluted earnings per share calculations. Accordingly, diluted earnings per share do not include the dilutive impact on the allotment and conversion of share warrants stated in note 48.

43. Employee stock option plans

The following share-based payment arrangements were in existence during the current and previous year :

Employees Stock Option Scheme, 2017

The shareholders at the Annual General Meeting held on November 27, 2017, approved an Employee Stock Option Scheme ('ESOS') which provides for the grant of 10,000,000 stock options which will be granted to eligible employees of the Holding Company determined by Nomination and Remuneration Committee, which are convertible into equivalent number of equity shares of 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 method.

Grant date	Number of options	Vesting period	Market value per share (In INR)	Fair value per option (In INR)	Exercise price (In INR)	Expected volatility	Expected life (in years)	Expected dividend	Risk free return
February 7, 2018	1,201,155	2 years 10 months and 24 days	129.35	122.29	10.00	58.50% to 57.61%	3.50 to 5.40	Nil	7.53% to 7.51%
May 28, 2019	500,000	1 year 7 months and 3 days	145.75	138.26	10.00	48.66% to 51.32%	3.50 to 4.10	Nil	6.92%
May 28, 2019	85,000	2 years 6 months and 2 days	145.75	138.26	10.00	48.66% to 57.76%	3.50 to 5.00	Nil	6.92% to 7.03%
August 9, 2019	140,000	4 years	135.95	128.81	10.00	46.37% to 56.21%	3.50 to 6.50	Nil	6.33% to 6.54%
November 13, 2019	250,000	4 years	115.05	107.96	10.00	46.56% to 55.64%	3.50 to 6.50	Nil	6.32% to 6.92%
February 14, 2020	500,000	2 years	84.70	76.90	10.00	46.50% to 50.93%	3.50 to 4.50	Nil	6.00% to 6.02%
November 11, 2020	75,000	3 years	51.35	43.79	10.00	48.89% to 51.46%	3.50 to 5.50	Nil	5.02% to 5.86%
February 10, 2021	475,000	3 years	86.85	79.26	10.00	50.385 to 52.33%	3.50 to 5.50	Nil	5.75% to 6.13%

Expected volatility calculation is based on daily volatility of the share prices over a period prior to the date of grant, corresponding to the expected life of the options.

The risk free return is the implied yield currently available on zero coupon government issues, with a remaining term equal to the expected term of the option being valued.

The above calculation is based on government yield on zero coupon bonds with 4 to 5 as term to maturity.

Expected life of the option have been calculated by adding the vesting period and half of the exercise period.

The Holding Company has not declared any dividend from last several years. Therefore, expected dividend yield is taken as Nil.

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Share based payment expense	41.40	52.29

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

Reconciliation of outstanding share options:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Options outstanding as at the beginning of the year	1,562,512	10.00	2,050,039	10.00
Add: Options granted during the year*	-	10.00	550,000	10.00
Less: Options forfeited during the year	-	10.00	176,923	10.00
Less: Options exercised during the year	859,712	10.00	860,604	10.00
Options outstanding as at the year end	702,800	10.00	1,562,512	10.00

*Includes only options granted to employees who have fulfilled the related conditions in respect of such grant.

The weighted average remaining period of stock options as at March 31, 2022 is 6 years (March 31, 2021: 5 years).
The weighted average share price at the date of exercise of stock options during the year was Rs. 72.38 (March 31, 2021 Rs. 72.84).
Option excersiable as at March 31, 2022 is 20,300 (March 31, 2021: 486,012)

44. Employee benefits obligation

A. Gratuity
The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of 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.

(i) Amounts recognized in balance sheet

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation ('DBO')	703.12	624.30
Defined benefit obligation ('DBO')	**703.12**	**624.30**

Bifurcation of DBO at the end of the year - current and non-current

Particulars	As at March 31, 2022	As at March 31, 2021
Current liability	93.58	51.79
Non-current liability	609.54	572.51

(ii) Amount recognized in other comprehensive income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial gain	(32.56)	(16.99)
Actuarial gain recognized in other comprehensive income	**(32.56)**	**(16.99)**

(iii) Expenses recognized in Statement of profit and loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	114.17	129.74
Interest cost	42.42	34.00
Expense recognized during the year	**156.59**	**163.74**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation at the beginning of the year	**624.30**	**503.40**
Current service cost	114.17	129.74
Interest cost	42.42	34.00
Benefits paid	(45.21)	(25.87)
Actuarial (loss)/gain		
a. Effect of changes in financial assumption	(33.88)	(38.22)
b. Effect of experience adjustments	(41.22)	15.30
c. Effect of changes in demographic assumptions	42.54	5.95
Present value of defined benefit obligation at the end of the year	**703.12**	**624.30**

(v) For determining the DBO liability the following actuarial assumptions were used:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	4.87%-7.26%	6.76%
Salary escalation rate	4.5%-7.00%	4.50%
Pre-retirement mortality	IALM(2012-14)	IALM(2012-14)
Attrition rate	21.50% (Upto 30 years) 11.20% (Age 31-44) 1.5% (above age 44)	10.30% (Upto 30 years) 3.90% (Age 31-44) 0.80% (above age 44)
Number of employees	12,345	14,578
Retirement age (years)	58.00	58.00
Average age (years)	32.23	31.38
Average past service (years)	4.29	3.64
Average remaining working life (years)	25.77	26.62
Total monthly salary (Lakhs)	3,015.82	3,336.70
Weighted average duration of DBO	7.73	14.94

(vi) Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2022	As at March 31, 2021
Within the next 12 months (next annual reporting period)	93.58	51.31
Between 2 and 5 years	209.41	97.08
Beyond 5 years	400.13	470.03

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

(vii) Sensitivity analysis for gratuity:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Impact of the change in discount rate on present value of DBO as at the end of the year		
Discount rate + 50 Basis points	(24.36)	(34.60)
Discount rate - 50 Basis points	26.21	38.03
Impact of the change in salary increases on present value of DBO as at the end of the year		
Salary rate + 50 basis points	25.30	38.70
Salary rate - 50 basis points	(24.19)	(35.48)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these not calculated.
Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(viii) Risk

Salary increases – Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk – If Plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

B. Compensated absences

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

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	7.26%	6.76%
Future salary increase	4.50%	5.00%

C. Defined contribution plan:
During the year, the Group recognized Rs. 319.94 million (March 31, 2021 - Rs. 324.83 million) as provident fund expense under defined contribution plan and Rs. 37.73 million (March 31, 2021 - Rs. 36.66 million) for contributions to employee state insurance scheme in the Statement of profit and loss.

45. Lease liabilities
The Group's leased assets primarily consist of leases for aircraft, aircraft components (including engines) and buildings. The Group has several lease contracts that include extension and termination options. The management has included termination options in determination of lease term for contracts having such option. Extension options have not been included in determination of lease term since the management is reasonably certain not to exercise these options. Potential cash flows in relation to such extension options cannot be ascertained since the cash outflow for the extended period will depend on the negotiations with the lessors in the event of exercising the extension options. Under certain lease arrangements of aircraft, the Group incurs variable payments towards maintenance of the aircraft which are disclosed under "Supplemental lease charges - aircraft, engines and auxiliary power units".

During the year ended March 31, 2022, the Group has recognized an expense of Rs. 6,711.98 million (March 31, 2021 Rs. 2,662.55 million) on account of short term leases which represents leased aircraft, engines and auxiliary power units having a remaining lease term of less than 12 months and other short-term leases. The portfolio of other short-term leases to which the Group is committed at the end of the reporting period is not materially different from the portfolio of other short-term leases for which expense has been recognized during the year ended March 31, 2022.

A. Amount recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on right of use assets	11,012.74	13,499.87
Interest on lease liabilities (net off rent waiver)	2,789.91	2,935.94
Rent expenses related to short term leases	6,711.98	3,462.40

Refer note 4 for additions to Right-of-use assets and the carrying amount of right of use assets as at March 31, 2022. Further, refer note 56 for maturity analysis of lease liabilities.

B. Total cash outflow of leases

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total cash outflow of leases	8,011.36	3,801.10

C. Pursuant to the renegotiations with lessors, the Group has recognised the impact (as reduction in cost) of Rs. 718.98 million for the year ended March 31, 2022, arising from rental concessions concluded in the current year, in line with the guidance prescribed in Ind AS 116, read with the amendment thereto vide Ministry of Corporate Affairs notification dated July 24, 2020 and June 18, 2021, relating to Covid-19-Related Rent Concessions

46. Capital and other commitments

a. As at March 31, 2022, the Group has commitments of Rs. 550,358.71 million (March 31, 2021 - Rs. 533,786.89 million) relating to the acquisition of aircraft.

b. Under certain long-term maintenance contracts for the management, maintenance, repair and overhaul of aircraft components and spares, the Group incurs an agreed power-by-the-hour cost based on aircraft/component utilization.

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

47. Litigations and claims

a) Summary
i) Matters wherein management has concluded the liability to be probable have been provided for in the books. Refer note 30.
ii) Matters wherein management has concluded the liability to be possible have been disclosed under note 47 (b) below.

b) Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Liability arising out of legal cases filed against the Group in various Courts/Consumer Redressal Forums, Consumer Courts, disputed by the Group	210.11	171.56
Liability arising out of goods and service tax related show cause notice	124.75	63.86
Liability arising out of custom tariff classification	112.10	-
Demand in respect of provident fund dues for international workers as explained in note (i) below	142.37	142.37
Demand in respect of service tax (including interest and penalty) as explained in note (ii) below	170.70	170.70
Show cause notice received in respect of service tax as explained in note (iii) below	3,458.92	3,458.92
Liability arising out of Integrated Goods and Services Tax ('IGST'), on overseas repairs and replacement of various aircraft equipment as explained in note (iv) below	580.70	2,556.29
Liability in respect of inter-corporate deposit received from Mallanpur Steels Limited (refer note (v) below)	35.00	35.00
Demand in respect of order from the Competition Commission of India as explained in note (vi) below	51.00	51.00
Liability arising out of legal case filed against the Holding Company by aircraft manufacturer as explained in note (vii) below	-	3,200.00

The Group has various demands arising from Income tax assessments pertaining to Assessment year 2006-07 to 2014-15. The litigations are currently pending at various forums and such sum contested after adjusting the brought forward losses and depreciation was computed to be Nil. Consequently, without prejudice to its legal defence on these matters, the Group has not disclosed the same as a contingent liability.

i. The Holding Company has received a demand notice from the Regional Provident Fund Commissioner, Gurgaon for 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.

ii. 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.

iii The Holding Company has received certain show cause notices from the service tax authorities, citing various defaults, including failure/delay in remitting service tax collected, over past financial years as well as alleged failure in remittance of service tax on certain other items. Based on their assessment of the contentions of the service tax authorities, management has submitted a detailed reply to the notice, and based on legal advice obtained, believes that the likelihood of this liability devolving on the Holding Company is low, and accordingly has made no adjustments to the financial statements.

iv. The Holding Company has received certain orders from customs authorities levying Integrated Goods and Services Tax ('IGST') and basic customs duty on re-import of various aircraft engines and aircraft equipment repaired/replaced outside India, which is in the opinion of the Management and based on expert advice obtained, is not subject to such levy. Accordingly, these amounts have been considered as recoverable. Further, in January 2021, the Holding Company has received favourable order in reference to one of the matters for which tax is paid under protest, from the Customs Excise and Service Tax Appellate Tribunal ('CESTAT'), New Delhi in respect of this matter. During the year, the customs authorities have filed an appeal before the Hon'ble Supreme Court of India ("the Supreme Court") against the CESTAT order. The matter is yet to be decided by the Supreme Court and no stay on CESTAT order has been granted by the Supreme Court till date. Further, the customs authorities vide customs amendment notification dated July 19, 2021 has amended earlier customs exemption notification to reiterate their position that IGST is applicable on re-import of goods after repair. However, the Holding Company based on the legal advice from counsels, continues to believe that no IGST is payable on such re-import of repaired aircraft engines and related parts. Accordingly, the above amounts, which is paid under protest till March 31, 2022 have been shown as recoverable.

v. M/s Hindustan Development Corporation Limited ("HDCL") (now renamed as Mallanpur Steels Limited) who had lent 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 Company'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 financial statements

vi. The Competition Commission of India ("CCI") passed an order dated November 17, 2015 against, inter alia, the Holding Company, which included a demand of Rs 424.80 million. The Holding Company's appeal against this order with Competition Appellate Tribunal ("COMPAT") was disposed of by the COMPAT, which set aside the impugned order 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 Holding Company. The Holding Company has filed an appeal before COMPAT and based on legal advice received, management is confident of a favourable outcome in this matter and accordingly no adjustments are considered necessary in the financial statements.

vii. The aircraft manufacturer of Q400 aircraft initiated a claim against the Holding Company in the foreign court amounting to approximately 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 the Hon'ble High Court of Delhi (the "High Court") for execution of the said summary judgement. During the year, the Holding Company has entered into a settlement agreement with the aircraft manufacturer which has resulted in a one-time expense of Rs. 774.58 million on account of this settlement. Accordingly, the execution petition filed before the High Court is dismissed as withdrawn on July 5, 2022.

viii. The Assistant Commissioner of Income-Tax ("ACIT") has filed a complaint against the Holding Company and its erstwhile Chairman and Managing Director in their individual capacity, over delayed payment of tax deducted at source in contravention of section 276B of the Income-tax Act, 1961 for financial years 2013-14 and 2014-15. The matter is sub-judice as on date and based on professional advice, the management is confident of a favourable outcome in this matter in so far as it relates to the Holding Company. Accordingly, no adjustments are considered necessary in the financial statements.

48. Advance money received against securities proposed to be issued

The Holding Company had, in earlier financial years, received amounts aggregating to 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 Delhi High Court ("Court") between the Erstwhile Promoters, the present promoter and the Holding Company, the Holding Company was required to secure an amount of 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.

The parties to the aforementioned litigation concurrently initiated arbitration proceedings before a three-member arbitral tribunal (the "Tribunal"), which pronounced its award on 20 July 2018 (the "Award"). In terms of the Award, the 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 of past interest/servicing charges. Consequent to the Award, and without prejudice to the rights and remedies it may have in the matter, the Holding Company accounted for 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 interest/servicing charges 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 have challenged various aspects of the Award, including the above-mentioned interest obligations and rights, petitions for which have been admitted by the Court, as a result of which the matter is currently sub-judice.

Further, the Court vide its order dated September 2, 2020 in the said matter, directed the Holding Company to deposit an amount of 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 against the aforesaid Order and the Hon'ble Supreme Court of India pursuant to its order dated November 6, 2020, has stayed the deposit of Rs. 2,429.37 million. Accordingly, based on the foregoing and also legal advice obtained by management, no additional amounts have been accounted for in this regard.

In view of the foregoing and pending outcome of the aforesaid challenges at the Court, the management is of the view that it is not possible to determine the effects of any such obligations and rights (including any additional/consequential obligations and rights). Accordingly, no further adjustments have been made in this regard, to these financial statement.

The effects of the matter stated above may attract the consequent provisions (including penal provisions) of applicable provisions of law, including deeming provisions, relating to acceptance of deposits. Based on their assessment and legal advice obtained, the management is of the view that any possible consequential effects (including penal consequences and any compounding thereof), of past events and actions in relation to the foregoing, are not likely to have a material impact on the financial statements of the Group. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

49. Claims on the aircraft manufacturer

The Holding Company had thirteen Boeing 737 Max aircraft in its fleet prior to the worldwide grounding of these aircraft during March 2019 due to technical reasons. Despite its inability to undertake revenue operations, the Holding Company continued to incur various costs with respect to these aircraft. As a result, and to reflect the true operational parameters of its operating fleet, the management of the Holding Company recognised claim recoverable for such expenses which accumulated to 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. While the Boeing 737 Max aircraft were approved by the Federal Aviation Administration in November 2020, the same was only approved by the Director General of Civil Aviation (DGCA) in August 2021 subject to accomplishment of certain compliances and modifications. The aircraft type was finally recertified by DGCA in November 2021. During the current year, the Holding Company concluded its settlement agreement with the aircraft manufacturer and 737 max aircraft lessors whereby the Holding Company is entitled for certain cash and non-cash accommodations over a period of time including waiver of past due lease rentals on these Boeing 737 Max aircraft, resulting in re-induction of twelve of these aircraft into its fleet. Accordingly, basis the various terms of settlement agreed with the aircraft manufacturer and the 737 Max aircraft lessors, the Holding Company has recognised those amounts under the head 'other income'. Upon execution of the settlement agreement and various accommodations extended, the assessment of the management about the recoverability of its claims for these aircraft stands substantiated. In auditors' assessment, the Holding Company should have recognised such accommodations in its entirety during the current year on completion of settlement and hence, the auditors have qualified their audit report to that extent.

50. Impact of Covid-19

The impact of Covid-19 has led to significant disruptions and dislocations for individuals and businesses and has had consequential impact of grounding the passenger airline operations. The Group is required to adhere to various regulatory restrictions, which severely impacts its operations and have their own additional financial implications. As per Government guidelines, the Group had stopped all passenger travel from March 25, 2020 to May 24, 2020. The Government allowed operations of the domestic flights effective May 25, 2020 in a calibrated manner. The operation was ramping up in a phased manner in accordance with Government directions, however starting March 2021, the second wave of the Covid-19 has hit the country which leads to significant drop in demand and as per revised Government guidelines the domestic operation was also restricted which continued to have severe impact on the Group's revenue and profitability for the quarters ended June 30, 2021 and September 30, 2021. Subsequently, the third wave of the Covid-19 in December 2021/January 2022 has again impacted the passenger load factor and consequently Group's revenue and profitability for the quarter ended March 31, 2022.

However, post above specified period domestic and international passenger airline business witness significant improvement in passenger traffic due to relaxation of restrictions in operation consequent to substantial reduction in Covid cases across the country. With the above developments and various measures taken by the Group, the financial performance is expected to improve substantially in subsequent quarters.

The impact of Covid-19 is not specific to the Group but is applicable across the entire aviation industry within and outside India. While there is uncertainty in the revenue operation in the short-term which is expected to normalise in the long-term. It is also to be noted that while generally the passenger business was either suspended or very low demand during the lockdown period and/or restricted operation period, the Group further enhanced its cargo operations which were fulfilled by dedicated fleet of freighter aircraft and passenger converted aircraft.

Further, the Group is in negotiations with lessors/lenders regarding deferment of dues and other waivers (including, in particular, contracts with aircraft lessors), and also assessed the recoverability and carrying values of its assets while preparing the consolidated financial statements for the year ended March 31, 2022. The management is confident that they have considered all known potential impacts arising from the Covid-19 pandemic on the Group's business, and where relevant, have accounted for the same in these consolidated financial statements. However, the Company will continue to closely monitor any material changes to future economic conditions on account of Covid-19 to assess any possible impact on the Company. The auditors have drawn an 'emphasis of matter' in their audit report in this regard.

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

51. Segment reporting

Operating segments of the Group are Air Transport Services, Freighter and Logistics Services and other services. Air Transport Services includes, inter alia, passenger transport and ancillary cargo operations arising from passenger aircraft operations. Accordingly, segment information provided below, including in respect of comparative periods, is based on such operating segments described above.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole and are not allocable to any segment. Expenses that are directly identifiable to segments are considered for determining the segment results. Expenses which relate to the Group as a whole and are not allocable to segments are included under unallocated corporate expenses.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment Information:

Year ended March 31, 2022

Particulars	Air transport	Freighter and logistics services	Others	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	1,671.77	67,448.26	(1,412.32)	66,035.94
Other income	9,872.33	-	10.41	9,882.74	(201.53)	9,681.21
Total revenue	**56,212.73**	**19,436.10**	**1,682.18**	**77,331.00**	**(1,613.85)**	**75,717.15**

Particulars	Air transport	Freighter and logistics services	Others	Total segments	Inter segment	Total
	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)	(in Rs. millions)
Income /(expenses)						
Revenue from operations	46,340.40	19,436.10	1,671.77	67,448.26	(1,412.32)	66,035.94
Other income	9,872.33	-	10.41	9,882.74	(201.53)	9,681.21
Finance income	640.81	-	0.18	640.99	(52.72)	588.27
Operating expenses	(39,777.71)	(18,165.08)	(910.80)	(58,853.59)	1,182.23	(57,671.36)
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)	(276.40)	(7,550.39)	13.97	(7,536.42)
Sales and marketing expenses	(1,146.64)	(73.85)	(3.34)	(1,223.82)	4.36	(1,219.46)
Other expenses	(4,906.79)	(470.92)	(158.79)	(5,536.50)	383.31	(5,153.19)
Foreign exchange loss/(gain), (net)	(2,621.83)	-	-	(2,621.83)	-	(2,621.83)
Depreciation and amortisation expense	(12,877.12)	(20.20)	(36.04)	(12,933.36)	-	(12,933.36)
Finance costs	(4,825.79)	-	(56.52)	(4,882.31)	52.70	(4,829.61)
Segment (loss)/profit before exceptional items	**(16,331.26)**	**460.98**	**(767.82)**	**(16,638.11)**	**(30.00)**	**(16,668.11)**
Exceptional items	(774.58)	-	-	(774.58)		(774.58)
Segment (loss)/profit after exceptional items	**(17,105.84)**	**460.98**	**(767.82)**	**(17,412.69)**	**(30.00)**	**(17,442.69)**

Particulars	Air Transport	Freighter and Logistics Services	Others	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	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

Year ended March 31, 2021

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	40,486.84	11,175.39	1,052.50	52,714.73	(1,000.25)	51,714.48
Other income	8,124.96	-	3.32	8,128.28	(327.90)	7,800.38
Total revenue	**48,611.80**	**11,175.39**	**1,055.82**	**60,843.01**	**(1,328.15)**	**59,514.86**

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)
Income /(expenses)						
Revenue from operations	40,486.84	11,175.39	1,052.50	52,714.73	(1,000.25)	51,714.48
Other income	8,124.96	-	3.32	8,128.28	(327.90)	7,800.38
Finance income	538.57	-	1.10	539.67	(71.29)	468.38
Operating expenses	(30,955.80)	(8,208.65)	(453.79)	(39,618.24)	627.78	(38,990.46)
Purchase of traded goods	(697.60)	-	(255.53)	(953.13)	4.69	(948.44)
Changes in inventories of stock-in-trade	(37.13)	-	74.64	37.51	-	37.51
Employee benefits expense	(6,413.09)	(349.42)	(104.13)	(6,866.64)	13.86	(6,852.78)
Sales and marketing expenses	(753.02)	(5.33)	(8.48)	(766.83)	0.07	(766.76)
Other expenses	(4,592.56)	(246.66)	(321.90)	(5,161.12)	590.83	(4,570.30)
Foreign exchange loss/(gain), (net)	2,088.76	148.42	0.46	2,237.63	-	2,237.63
Depreciation and	(14,717.21)	(862.35)	(32.37)	(15,611.93)	-	(15,611.93)
Finance costs	(4,467.49)	(342.39)	(77.99)	(4,887.87)	71.29	(4,816.57)
Segment loss	**(11,394.77)**	**1,309.01**	**(122.17)**	**(10,207.94)**	**(90.92)**	**(10,298.86)**

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)
Total assets	112,253.84	1,348.05	936.94	114,538.83	(1,021.92)	113,516.91
Total liabilities	137,865.62	1,539.17	1,420.31	140,825.10	(1,265.75)	139,559.36

SpiceJet Limited
Notes to the consolidated financial statements for the year ended March 31, 2022
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Other information:

Revenue from external customers

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
India	43,411.31	34,845.99
Outside India	22,624.63	16,868.49
Total revenue as per statement of profit or loss	66,035.94	51,714.48

The revenue information above is based on the locations of the customers

Non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
India	63,148.77	77,519.71
Outside India	-	-
Total	63,148.77	77,519.71

Non-current assets for this purpose consist of property, plant and equipment, capital work-in-progress, right of use assets, intangible assets and other non-current assets.

There are no sales to external customers more than 10% of total revenue.

52. Income tax expense

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021 :

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting loss before income tax	(17,442.69)	(10,298.86)
Loss before income tax multiplied by standard rate of corporate tax in India 25.168% (March 31, 2021: 25.168%)	(4,389.98)	(2,592.02)
Effects of:		
Income exempted from tax	-	-
Non-deductible expenses for tax purposes	(866.00)	(485.40)
Set-off of brought forward losses	5,255.97	3,077.41
Net effective income tax	-	-

The Group has recognized deferred tax assets arising on account of brought forward tax losses and unabsorbed depreciation to the extent of the deferred tax liability arising on account of the temporary difference on depreciation of Rs. 2,454.73 million as at March 31, 2022 (Rs. 2,647.69 million as at March 31, 2021).

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities	(2,454.73)	(2,647.69)
Deferred tax asset	2,454.73	2,647.69
Net deferred tax asset/ (liabilities)	-	-

Year ended March 31, 2022	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(2,647.69)	192.96	-	(2,454.73)
Brought forward losses	2,647.69	(192.96)	-	2,454.73
Total	-	-	-	-

Year ended March 31, 2021	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(4,016.14)	1,368.45	-	(2,647.69)
Brought forward losses	4,016.14	(1,368.45)	-	2,647.69
Total	-	-	-	-

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

Particulars	As at March 31, 2022	As at March 31, 2021
Unused tax losses *	20,060.48	10,742.61
Unabsorbed tax depreciation #	17,642.66	16,597.03
Net deferred tax asset/ (liabilities)	37,703.14	27,339.64

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
0-4 years	9,143.82	2,014.20
4-8 years	10,916.66	8,728.42
Total	20,060.48	10,742.62

The brought forward losses and unabsorbed depreciation considered above are based in the tax records and returns filed upto Assessment Year 2021-22 and does not consider the potential effect of matters under dispute/litigation with the tax authorities which are currently sub-judice at various levels. Also refer note 47.

(This space has been intentionally left blank)

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

53. Related party transactions

Relationship	Name of the party
Party exercising control	Mr. Ajay Singh
Relatives of party exercising control	Ms. Shiwani Singh Ms. Avanee Singh
Enterprises over which parties above or their relatives have control/significant influence ('Affiliates')	Spice Healthcare Private Limited
Key management personnel	Mr. Ajay Singh, Chairman and Managing Director Ms. Shiwani Singh, Non-Executive Promoter Director Mr. Anurag Bhargava, Independent Director Mr. Ajay Chhotelal Aggarwal, Independent Director Mr. Manoj Kumar, Independent Director Mr. Kiran Koteshwar, Chief Financial Officer (Upto August 31, 2020) Mr. Sanjeev Taneja, Chief Financials Officer (from November 11, 2020 till August 31, 2022) Mr. Chandan Sand, Company Secretary

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

Affiliates	March 31, 2022	March 31, 2021
Spice Healthcare Private Limited		
Transactions during the year		
Rendering of services	25.43	70.29
Sale of products	258.57	2.64
Reimbursement of expenses	-	8.23
Balances outstanding as at the year end		
Trade receivables	8.45	72.82
Contract assets	-	10.20
Contract liabilities	69.69	-

Key management personnel	March 31, 2022	March 31, 2021
Transactions during the year		
Advance given/(received) (net)	-	5.62
Balances outstanding as at the year end		
Employee advances#	12.54	24.80

#Includes balance of erstwhile Chief Financial Officer upto 31 August 2020.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables.

Compensation of key management personnel of the Group

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits#	55.05	74.00
Share-based payment transactions*	-	(12.16)
Provident fund contribution	1.66	1.30
Total	**56.71**	**63.14**
Sitting fees		
Mr. Anurag Bhargava	0.40	0.40
Ms. Shiwani Singh	0.50	0.40
Mr. Ajay Chhotelal Aggarwal	0.40	0.40
Mr. Manoj Kumar	0.50	0.40
Total	**1.80**	**1.60**
Total compensation paid to key management personnel**	**58.51**	64.74

#As the liabilities for gratuity and compensated absences are provided on actuarial basis, the amounts pertaining to the key management personnel are not included above.

*Includes a reversal of employee stock option scheme expense of Rs. Nil million (31 March 2021: Rs. 17.65) during the year towards forfeiture of employee stock options granted.

**The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

54. Fair values

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities.

Particulars	Carrying value		Fair value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets				
Investments - non-current	0.17	0.61	0.17	0.61
Investments - current	4.33	4.16	4.33	4.16
Other financial assets - non-current	9,783.10	9,828.88	9,783.10	9,828.88
Other financial assets - current	2,705.41	1,720.57	2,705.41	1,720.57
Trade receivables	2,532.79	3,211.19	2,532.79	3,211.19
Other receivables	9,888.85	16,933.84	9,888.85	16,933.84
Cash and cash equivalents	626.81	355.24	626.81	355.24
Total	**25,541.46**	**32,054.49**	**25,541.46**	**32,054.49**
Financial liabilities				
Borrowings - non-current	3,128.81	3,026.74	3,128.81	3,026.74
Borrowings - current	7,664.95	7,652.38	7,664.95	7,652.38
Trade payables - non-current	3,473.29	2,263.13	3,473.29	2,263.13
Trade payables - current	26,129.42	20,007.17	26,129.42	20,007.17
Other current financial liabilities	943.47	422.18	943.47	422.18
Total	**41,339.94**	**33,371.60**	**41,339.94**	**33,371.60**

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

The Management considers that the carrying amounts of financial assets and financial liabilities (except lease liability) recognised in the financial statements approximate their fair values. The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables, and other current and non-current financial liabilities and financial assets approximate their carrying amounts largely due to the short-term maturities of these financial instruments. The borrowings of the Group do not have any comparable instrument having the similar terms and conditions with related security being pledged and hence the carrying value of the borrowings represents the best estimate of fair value.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

55. Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for financial instruments
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: unobservable inputs for the asset or liability

Valuation techniques used to determine fair value
Level 1 – The use of net asset value for mutual funds on the basis of the statement received from investee party.

Level 3 - The use of adjusted net asset value method for equity investment.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities are measured at fair value in the Balance Sheet.

Particulars	Fair value hierarchy as at March 31, 2022		
	Level 1	Level 2	Level 3
Investments in mutual funds	4.33	-	-
Equity investments*	-	-	0.17

Particulars	Fair value hierarchy as at March 31, 2021		
	Level 1	Level 2	Level 3
Investments in mutual funds	4.16	-	-
Equity investments*	-	-	0.61

There have been no transfers between level 1 and level 2 during the year.
* The difference between current and last year represents liquadation during the year.

56. Financial risk management objectives and policies

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

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. Market risk comprises three types of risk: interest rate risk, currency risk and foreign currency risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

Price risk
The Group's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Group diversifies its portfolio of assets.

Sensitivity analysis
If price had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended March 31, 2022 would decrease/increase by Rs. 0.22 million (March 31, 2021: decrease/increase by Rs 0.21 million).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because it borrows funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. As at March 31, 2022 approximately 78.96% of the Group's borrowings are at a variable rate of interest (March 31, 2021 - 57.90%)

Sensitivity analysis

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended March 31, 2022 would increase by Rs. 30.33 million and decrease by Rs. 36.73 million respectively. (March 31, 2021: increase/decrease by Rs. 35.95 million).

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

Foreign currency risk

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

Foreign currency sensitivity

The following demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates, with all other variables held constant. The impact on the Group's loss before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The sensitivity analysis includes only outstanding unhedged foreign currency denominated monetary items.

If the foreign currency rates had been 5% higher/lower and all other variables were held constant, the Group's loss for the year ended March 31, 2022 would increase/decrease by Rs. 5,542.14 million (March 31, 2021: increase/decrease by Rs. 5,504.91 million).

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

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

Credit risk

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

The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Trade receivables are typically unsecured and are primarily derived from cargo and other revenue streams. Majority of the Group's passenger revenue is are made against deposits made by agents. Trade receivables primarily comprise of domestic customers, which are fragmented and are not concentrated to individual customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored. At March 31, 2022, the Group had 43 customers (March 31, 2021: 38 customers) that owed the Group more than Rs. 10 million each and accounted for approximately 88% (March 31, 2021: 86%) of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are widely dispersed and operate in largely independent markets. The average credit period ranges between 30 and 90 days.

Credit risk related to cash and cash equivalents and bank deposits is managed by only investing in deposits with highly rated banks and financial institutions and diversifying bank deposits and accounts in different banks. Credit risk related to other financial assets is managed by monitoring the recoverability of such amounts continuously. Credit risk is considered low because the Group is in possession of the underlying asset (in case of security deposit) or as per trade experience (in case of unbilled revenue). Further, the Group creates provision by assessing individual financial asset for expectation of any credit loss basis 12 month expected credit loss model.

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	125.23	161.18
Add: Impairment loss recognised	58.27	21.25
Less: Bad debts written off/reversed	56.15	57.20
Balance at the end of the year	127.35	125.23

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Group also constantly monitors funding options available in the debt markets with a view to maintaining financial flexibility.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments

Year ended March 31, 2022	Upto 1 year	1 to 5 years	> 5 years	Total
Financial liabilities (Non-current and current)				
Borrowings	7,664.95	3,128.81	-	10,793.76
Trade payables	26,129.42	3,473.29	-	29,602.71
Lease liabilities	35,392.08	49,366.76	27,574.87	112,333.72
Other current financial liabilities	943.47	-	-	943.47
Total	70,129.92	55,968.86	27,574.87	153,673.66

Year ended March 31, 2021	Upto 1 year	1 to 5 years	> 5 years	Total
Financial liabilities (Non-current and Current)				
Borrowings	7,652.38	3,026.74	-	10,679.12
Trade payables	20,007.17	2,263.13	-	22,270.30
Lease liabilities	37,139.99	51,105.90	16,422.56	104,627.46
Other current financial liabilities	413.31	-	-	422.18
Total	65,212.85	56,395.77	16,422.56	137,999.06

57. Capital management

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Group.

The Group determines the amount of capital required on the basis of annual operating plans and long-term fleet expansion plans. The funding requirements are met through internal accruals and other long-term/short-term borrowings. The Group's policy is aimed at combination of short-term and long-term borrowings. The Group monitors capital employed using a debt equity ratio, which is total debt divided by total equity

The Group's policy is to keep the net debt to total equity ratio above (1.00).

Particulars	As at March 31, 2022	As at March 31, 2021
Long term borrowings	3,128.81	3,026.74
Short term borrowings	7,664.95	7,652.38
Cash and cash equivalents	(112.95)	(330.91)
Bank balances other than above	(513.86)	(24.33)
Net debt	10,166.95	10,323.88
Total equity	(43,402.58)	(26,042.45)
Net debt to total equity ratio	(0.23)	(0.40)

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

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

58. Additional information required by Schedule III of the Companies Act, 2013

As at March 31, 2022

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit / (loss) for the year		Share in other comprehensive income (net of tax)		Share in total comprehensive income for the year	
SpiceJet Limited (Consolidated)	100%	(43,402.58)	100%	(17,442.69)	100%	32.56	100%	(17,410.13)
Holding Group								
SpiceJet Limited	100%	(43,568.51)	94%	(16,420.23)	109%	35.63	99%	(17,219.02)
Subsidiaries								
SpiceJet Merchandise Private Limited	0%	31.93	0%	6.96	0%	0.10	0%	7.06
SpiceJet Technic Private Limited	0%	(109.39)	5%	(882.09)	-4%	(1.22)	5%	(883.31)
Canvin Real Estate Private Limited	-1%	220.59	0%	(0.11)	0%	-	0%	(0.11)
SpiceJet Interactive Private Limited	0%	(0.13)	0%	(0.11)	0%	-	0%	(0.11)
Spice Club Private Limited	0%	(0.13)	0%	(0.11)	0%	-	0%	(0.11)
Spice Shuttle Private Limited	0%	7.54	0%	(0.18)	0%	-	0%	(0.18)
SpiceXpress and Logistics Private Limited	0%	2.63	0%	(0.19)	0%	-	0%	(0.19)
SpiceTech System Private Limited	0%	12.94	1%	(146.54)	-6%	(1.96)	1%	(148.50)
Spice Ground Handling Services Private Limited	0%	(0.05)	0%	(0.08)	0%	-	0%	(0.08)
Total	**100%**	**(43,402.58)**	**100%**	**(17,442.68)**	**100%**	**32.56**	**100%**	**(17,410.13)**

As at March 31, 2021

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit / (loss) for the year		Share in other comprehensive income (net of tax)		Share in total comprehensive income for the year	
SpiceJet Limited	100%	(26,042.45)	100%	(10,298.86)	100%	16.99	100%	(10,281.87)
Holding Group								
SpiceJet Limited	99%	(25,764.66)	95%	(9,792.72)	100%	16.99	95%	(9,775.73)
Subsidiaries								
SpiceJet Merchandise Private Limited	0%	22.05	0%	30.81	1%	0.10	0%	30.91
SpiceJet Technic Private Limited	1%	(348.76)	4%	(457.08)	-1%	(0.10)	4%	(457.18)
Canvin Real Estate Private Limited	0%	126.84	0%	(0.10)	0%	-	0%	(0.10)
SpiceJet Interactive Private Limited	0%	(0.00)	0%	(0.09)	0%	-	0%	(0.09)
Spice Club Private Limited	0%	(0.00)	0%	(0.08)	0%	-	0%	(0.08)
Spice Shuttle Private Limited	0%	(85.60)	0%	(32.94)	0%	-	0%	(32.94)
SpiceXpress and Logistics Private Limited	0%	0.08	0%	(0.35)	0%	-	0%	(0.35)
SpiceTech System Private Limited	0%	6.97	0%	(46.25)	0%	-	0%	(46.25)
Spice Ground Handling Services Private Limited	0%	0.04	0%	(0.06)	0%	-	0%	(0.06)
Total	**100%**	**(26,042.45)**	**100%**	**(10,298.86)**	**100%**	**16.99**	**100%**	**(10,281.87)**

59 Group information

Information about subsidiaries
The financials statements of the Group includes subsidiaries listed in the table below:

S. No	Name of entity	Principal activities	Country of incorporation	% equity interest	
				March 31, 2022	March 31, 2021
1	SpiceJet Merchandise Private Limited	Business of consumer merchandise and goods through various	India	100.00	100.00
2	SpiceJet Technic Private Limited	Engineering related service including but not limited to maintenance, repair and overhaul services of aircraft and its parts	India	100.00	100.00
3	Canvin Real Estate Private Limited	Real estate	India	100.00	100.00
4	SpiceJet Interactive Private Limited	Information and communication technology	India	100.00	100.00
5	Spice Club Private Limited	Loyalty and rewards programme management	India	100.00	100.00
6	Spice Shuttle Private Limited	Charter operation by aeroplanes and/or helicopters	India	100.00	100.00
7	SpiceXpress and Logistics Private Limited	Cargo transportation and logistics	India	98.00	100.00
8	SpiceTech System Private Limited	Information and communication technology	India	68.00	68.00
9	Spice Ground Handling Services Private Limited	Ground handling services	India	100.00	100.00

60. As at March 31, 2022 the composition of the Board of Directors of the Holding Company is not as per the requirement of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the Holding Company has not appointed one independent woman director and the total number of directors are less than six. The Holding Company is in the process of identifying suitable candidate for the vacant position. Post appointment of one independent woman director, the Holding Company will comply Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

61. Other statutory information

A. The Group has not advanced or loaned or invested funds to any person or any entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Group (Ultimate Beneficiaries); or
(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B. The Group has not received any fund from any person or any entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Funding Party (Ultimate Beneficiaries); or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

62. In an old matter between the Holding Company and Credit Suisse emanating from an agreement dated 24 November 2011 between the Holding Company and SRT Technics ("SRT") for provision of engine maintenance services ("Agreement"), the Madras High Court has allowed the petition for winding up of the Holding Company for non-payment of amounts aggregating to USD 24.01 million (equivalent to Rs 1,787.30 million) to Credit Suisse, as assignee of SRT. The Holding Company opposed the petition inter-alia on the grounds that there is no legally enforceable debt because SRT, did not possess the relevant Directorate General of Civil Aviation ("DGCA") approval for provision of services under the Agreement. However, the Madras High Court despite holding that SRT did not have a valid authorization from DGCA to carry out engine maintenance during the period of the Agreement, rejected the Holding Company's defence and ordered winding up of the Holding Company. The winding up Order of Madras High Court was immediately stayed on the condition of Holding Company providing security of USD 5 million (equivalent to Rs. 373.20 million) and to allow the Holding Company to appeal against the order. The challenge before the Division Bench of the Madras High Court was also rejected while maintaining the stay of winding up order and subsequently the Holding Company preferred a Special Leave Petition before the Hon'ble Supreme Court of India ("the Supreme Court"). The Supreme Court on January 28, 2022 stayed the order of winding up to facilitate settlement between the parties. The parties entered into a settlement on May 23, 2022 and have filed the settlement consent terms with the Supreme Court for appropriate order and disposal of the matter. Consequently, the Supreme Court on August 18, 2022 has dismissed the Special Leave Petition as withdrawn and directed the parties to abide by the settlement terms.

63. Previous period/year numbers have been regrouped/reclassified wherever considered necessary.

Prior year comparative amounts in these financial statements have been reclassified wherever applicable to confirm to current year's presentation.

Balance sheet	As at March 31, 2021 (Reported)	Adjustments	As at March 31, 2021 (Reclassified)
Assets			
Non-current assets			
Financial assets			
- Loans	4,858.32	(4,858.32)	-
- Other financial assets	4,970.56	4,858.32	9,828.88
Current assets			
Financial assets			
- Loans	356.22	(356.22)	-
- Other financial assets	1,364.35	356.22	1,720.57
Other current assets	2,124.59	(159.26)	1,965.33
Liabilities			
Non-current liabilities			
Financial liabilities			
- Trade payables			
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	2,263.13	2,263.13
Provisions	5,055.34	(2,263.13)	2,792.21
Current liabilities			
Financial liabilities			
- Borrowings	4,044.79	3,607.59	7,652.38
- Trade payables			
- total outstanding dues of creditors other than micro enterprises and small enterprises	16,767.28	2,721.67	19,488.95
- Other financial liabilities	4,029.77	(3,607.59)	422.18
Provisions	5,377.59	(2,880.93)	2,496.66

Statement of profit and loss	For the year ended March 31, 2021 (Reported)	Adjustments	For the year ended March 31, 2021 (Reclassified)
Other income	9,335.59	(1,210.62)	8,124.97
Finance costs	(6,020.50)	1,210.62	(4,809.88)

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64. Adoption of accounts

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

As per our report of even date.

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

Neeraj Goel
Partner
Membership No: 099514

Place: Gurugram
Date: August 31, 2022

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director

Place: Gurugram
Date: August 31, 2022

Chandan Sand
Company Secretary

Place: Gurugram
Date: August 31, 2022

Joyakesh Podder
Senior Vice President - Finance

Place: Gurugram
Date: August 31, 2022

GENERAL INFORMATION

Our Company was initially incorporated as "Genius Leasing Finance and Investment Company Limited", under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the Companies Delhi & Haryana at New Delhi ("**RoC**") on February 9, 1984. Subsequently, the name of our Company was changed to "*M.G. Express Limited*" and a fresh certificate of incorporation consequent on change of name was issued by the RoC on February 17, 1993. Later, the name of our Company was changed to "*Modiluft Limited*" and a fresh certificate of incorporation consequent on change of name was issued by the RoC on April 12, 1994. Further, the name of our Company was changed to "Royal Airways Limited" and a fresh certificate of incorporation consequent on change of name was issued by the RoC on January 9, 2002. Consequently, our Company's name was changed to its present name, "SpiceJet Limited" and a certificate of change of name under Companies Act, 1956 was issued by the RoC on April 29, 2005.

1. The Equity Shares of our Company have been listed on listed on BSE since February 25, 1994.

2. Our Company has received in-principle approval to list the Equity Shares to be issued pursuant to the Issue from BSE on September 16, 2024, under Regulation 28(1) of the SEBI Listing Regulations.

3. Our Registered Office is situated at Indira Gandhi International Airport Terminal 1D, New Delhi- 110037, India and our Corporate Office is situated at 319, Udyog Vihar Phase-IV, Gurgaon -122016, Haryana, India.

4. The CIN of our Company is L51909DL1984PLC288239

5. The website of our Company is www.spicejet.com.

6. The authorised equity share capital of our Company is ₹ 15,000,000,000 divided into 1,500,000,000 Equity Shares of ₹10 each. The paid-up capital of our Company is ₹ 7,946,727,170 divided into 794,672,717 Equity Shares of ₹10 each and 233,226,848 outstanding warrants convertible into 233,226,848 Equity Shares.

7. The Issue was authorised and approved by the Board pursuant to the resolution dated July 23, 2024 and by our Shareholders pursuant to the special resolution passed though postal ballot dated September 13, 2024.

8. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

9. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) during the Issue Period at our Registered and Corporate Office.

10. Except as disclosed in this Preliminary Placement Document, our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

11. Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" on page 110, there has been no material change in the financial position of our Company since June 30, 2024, included in this Preliminary Placement Document.

12. Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "*Legal Proceedings*" on page 284.

13. The Issue will not result in a change in control of our Company.

14. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

15. The Floor Price is ₹ 64.79 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Board resolution dated July 23, 2024 and the shareholders of our Company pursuant to a special resolution passed by way of postal ballot on September 13, 2024 and Regulation 176(1) of the SEBI ICDR Regulations.

16. Our Company and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including websites of our Company and our Subsidiaries, would be doing so at their own risk.

17. Chandan Sand is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Chandan Sand
319, Udyog Vihar, Phase – IV, Gurugram -122 016, Haryana, India
Telephone: +91 124 3913939
E-mail: investor@spicejet.com

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole and absolute discretion of our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs.

The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)(1)(2)(3)
1.	[●]	[●]
2.	[●]	[●]
3.	s●]	[●]
4.	[●]	[●]
5.	[●]	[●]
6.	[●]	[●]
7.	[●]	[●]
8.	[●]	[●]
9.	[●]	[●]
10.	[●]	[●]

(1)*Based on beneficiary position as on [●].*
(2)*Subject to receipt of funds and Allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.*
(3)*The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered.*

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

____

Ajay Singh
Chairperson and Managing Director

Date: September 16, 2024
Place: New Delhi, India

DECLARATION

We, the Board of Directors of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____
Ajay Singh
Chairperson and Managing Director

I am authorized by the Board of Directors, *vide* resolution dated September 16, 2024 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____
Ajay Singh
Chairperson and Managing Director

Date: September 16, 2024
Place: New Delhi, India

SPICEJET LIMITED
CIN: L51909DL1984PLC288239

Registered Office
Indira Gandhi International Airport Terminal 1D, New Delhi- 110037, India.
Email: investors@spicejet.com
Website: www.spicejet.com

Contact Person
Chandan Sand
Designation: Senior Vice President (Legal), Company Secretary and Compliance Officer
Address: 319, Udyog Vihar, Phase – IV, Gurugram -122 016, Haryana, India
Telephone: +91 124 3913939
E-mail: investor@spicejet.com

BOOK RUNNING LEAD MANAGERS

DAM Capital Advisors Limited
One BKC, Tower C, 15th Floor, Unit No. 1511
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051, Maharashtra, India

JM Financial Limited
7thFloor, Cnergy Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025,
Maharashtra, India

MONITORING AGENCY

CARE RATINGS LIMITED
Godrej Coliseum, 4th Floor, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai-400022, India

STATUTORY AUDITORS OF OUR COMPANY

Walker Chandiok & Co LLP
21st Floor, DLF Square, Jacaranda Marg, DLF Phase II, Gurugram-122002, Haryana, India

LEGAL COUNSEL TO THE COMPANY
As to Indian law
Dentons Link Legal
Aiwan-e-Ghalib Complex,
Mata Sundri Lane,
New Delhi 110 002, India

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

As to Indian law

Crawford Bayley & Co.
State Bank Buildings
N.G. N. Vaidya Marg
Fort, Mumbai 400 023

As to International law

Dentons US LLP
Dentons US LLP 100 Cresent Court , Suite 900,
Dallas, Texas – 75201, United States

SAMPLE APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

<table>
<tr><td>SpiceJet
SPICEJET LIMITED</td><td>APPLICATION FORM</td></tr>
<tr><td>(Incorporated in the Republic of India under the provisions of the Companies Act, 1956)
Our Company was initially incorporated as "Genius Leasing Finance and Investment Company Limited", under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the Registrar of Companies Delhi & Haryana, at New Delhi ("RoC") on February 9, 1984. Subsequently, the name of our Company was changed to "M.G. Express Limited" and a fresh certificate of incorporation consequent on change of name was issued by the RoC on February 17, 1993 Later, the name of our Company was changed to "Modiluft Limited" and a fresh certificate of incorporation consequent on change of name was issued by the RoC on April 12, 1994. Further, the name of our Company was changed to "Royal Airways Limited" and a fresh certificate of incorporation consequent on change of name was issued by the RoC on January 9, 2002. Further, our Company's name was changed to its present name, "SpiceJet Limited" and a certificate of change of name under Companies Act, 1956 was issued by the RoC on April 29, 2005.
Registered Office: Indira Gandhi International Airport Terminal 1D, New Delhi- 110037, India
Corporate Office: 319, Udyog Vihar Phase-IV, Gurgaon -122016, Haryana, India.
CIN: L51909DL1984PLC288239 Website: www.spicejet.com;
Telephone: +91 124 3913939; Email: investors@spicejet.com
LEI No: 335800OVBGKSSBV67R61; | ISIN: INE285B01017</td><td>Name of the Bidder: ________________________

Form. No.: ________________________________

Date: ______________________________________</td></tr>
</table>

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING UP TO ₹[●] MILLION UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND UNDER SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY SPICEJET LIMITED (THE "COMPANY" OR THE "ISSUER", AND SUCH ISSUE, THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ [●] PER EQUITY SHARE AND OUR COMPANY MAY OFFER A DISCOUNT OF UPTO 5% ON THE FLOOR PRICE, AS APPROVED BY ITS SHAREHOLDERS.

** Subject to allotment of Equity Shares pursuant to the Issue.*

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (ii) hold a valid and existing registration under the applicable laws in India (as applicable); (iii) are eligible to invest in the Issue and submit this Application Form, and (iv) are (a) residents in India or (b) foreign portfolio investors participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (the "SEBI FPI Regulations") and any other applicable law (other than individuals, corporate bodies and family offices), defined hereinafter ("Eligible FPIs") or a (c) multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. Further, in terms of the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended, foreign venture capital investors ("FVCIs") are not permitted to participate in the Issue. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" in the accompanying preliminary placement document dated September [●], 2024 (the "PPD").

ONLY ELIGIBLE QIBs ARE PERMITTED TO PARTICIPATE IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH PORTFOLIO INVESTMENT SCHEME AND SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED UNDER THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

<table>
<tr><td>The Board of Directors
SpiceJet Limited
Indira Gandhi International Airport Terminal 1D, New Delhi- 110037, India

Respected All,

On the basis of the serially numbered PPD of the Company, and subject to the terms and conditions mentioned in the other sections of the PPD and in this Application Form, we hereby submit our Bid for the Allotment of the Equity Shares in the Issue on the terms and price indicated below. We hereby confirm that we are an Eligible QIB as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations , holding a valid and existing registration under the applicable laws in India (as applicable) and which is not, (a) excluded from making an application in the Issue pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws. We are not a promoter (as defined in SEBI ICDR Regulations) of the Company, or any person related to the Promoters, directly or indirectly and the Bid does not directly or indirectly represent the Promoters or members of the Promoter Group, or persons or entities related to the Promoters. Further, we confirm that we do not have any right under the shareholders'</td><td>
<table>
<tr><td colspan="4">STATUS (Insert '✓' for applicable category)</td></tr>
<tr><td>FI</td><td>Scheduled Commercial Banks and Financial Institutions</td><td>AIF</td><td>Alternative Investment Fund*</td></tr>
<tr><td>MF</td><td>Mutual Funds</td><td>IF</td><td>Insurance Funds</td></tr>
<tr><td>FPI</td><td>Eligible Foreign Portfolio Investor**</td><td>NIF</td><td>National Investment Fund</td></tr>
<tr><td>VCF</td><td>Venture Capital Funds</td><td>SI-NBFC</td><td>Systemically Important Non-Banking Financial Companies</td></tr>
<tr><td>IC</td><td>Insurance Companies</td><td>OTH</td><td>Others ____________
(Please specify)</td></tr>
<tr><td colspan="4">* Sponsor and Manager should be Indian owned and controlled.
** Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended other than</td></tr>
</table>
</td></tr>
</table>

agreement or voting agreement entered into with Promoters, members of the Promoter Group or persons related to Promoters, veto rights or right to appoint any nominee director on the board of directors of the Company. In addition, we confirm that we are eligible to invest in the Equity Shares under the SEBI ICDR Regulations, Reserve Bank of India circulars, and other applicable laws. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules. We confirm that we are either a QIB which is (a) resident in India, or (b) an Eligible FPI or (c) a multilateral or bilateral development financial institution. We confirm that we are not an FVCI. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.	*individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*

We confirm that the Bid size / aggregate number of Equity Shares applied for by us, and which may be Allotted to us thereon will not exceed the relevant regulatory or approved limits under applicable laws. We confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**SEBI Takeover Regulations**"). We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us, in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each Eligible FPIs, have submitted separate Application Forms, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of Equity Shares bid for under each such scheme. We undertake that we will sign and/ or submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We note that the Board of Directors of the Company or any duly authorized committee thereof, is entitled, in consultation with DAM Capital Advisors Limited and JM Financial Limited, the book running lead managers in relation to the Issue (the "**BRLMs**") in their absolute discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, the Placement Document and the confirmation of allocation note ("**CAN**"), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be Allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for in the Issue, has been/will be remitted to the designated bank account set out in this Application Form only through electronic mode, along with this duly completed Application Form prior to or on the Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name, and in case we are joint holders, from the bank account of the person whose name appears first in the Application Form. We acknowledge and agree that we have not/shall not make any payment in cash, demand draft, or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us.

We further understand, agree and consent that: (i) our names, address, PAN, phone number, bank account details, email-id, and the number of Equity Shares Allotted, along with other relevant information as may be required will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware that our names will be included in the Placement Document as "proposed allottees", if applicable, along with the number of Equity Shares proposed to be Allotted to us, and the percentage of our post-Issue shareholding in the Company pursuant to the requirements under Form PAS-4 of the PAS Rules; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, , Delhi and Haryana at New Delhi as required in terms of the PAS Rules. We are also aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5.00% of the Equity Shares in this Issue, the Company shall be required to disclose our name, along with the name of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the website of the BSE Limited (together referred to as the **"Stock Exchange"**), and we consent to such disclosure. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and restriction on transferability. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and restriction on transferability, as may be applicable to us.

By signing and/or submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections entitled *"Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions"* and *"Transfer Restrictions and Purchaser Representations"* of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of whom is entitled to rely on and is relying on these representations, warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, and have read it in its entirety including in particular, the section entitled "*Risk Factors"* therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when provided), this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company in consultation with the BRLMs and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose our names and the percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs; and (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office. For the purposes of this representation: the expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations; (10) we agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN, upon its issuance, and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/ or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that once a duly filled Application Form, whether signed or not is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States and purchasing Equity Shares in an "offshore transaction" as defined in, and reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. We confirm that we have read the representations, warranties and agreements contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages [●] and [●] of the Preliminary Placement Document.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.		**FAX NO.**	
EMAIL ID			
LEI			
FOR ELIGIBLE FPIs**	**SEBI FPI Registration Number:**	**For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs/Ifs/ Pension Funds**	**SEBI AIF / MF/ VCF Registration Number / RBI Registrations details for SI-NBFCs / IRDAI Registration details for ICs/ PFRDA Registration details**

* *Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs.*
** *In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
*** *Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the BRLMs will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER BY 3.00 P.M. (IST), [●], 2024	
Name of the Account	SpiceJet Limited – QIP Escrow Account
Name of the Bank	YES Bank Limited
Address of the Branch of the Bank	[●]
Account Type	Escrow Account
Account Number	[●]
LEI Number	[●]
IFSC	[●]
Tel No.	[●]
E-mail	[●]

The Bid Amount should be transferred pursuant to the Application Form within the Issue Period. All payments must be made only by way of electronic fund transfers, in favor of "Spicejet Limited – QIP – Escrow Account". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS									
Depository Name	National Securities Depository Limited								Central Depository Services (India) Limited
Depository Participant Name									
DP – ID	I	N							
Beneficiary Account Number									(16-digit beneficiary A/c. No. to be mentioned above)
The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purposes of refund, if any, only the bank account details as mentioned below, from which remittance towards subscription has been made, will be considered.**									

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			

(In figures)	(In words)

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS			ENCLOSURES TO BE SUBMITTED*
PAN*			Attested/ certified true copy of the following:
Date of Application			
Signature of Authorized Signatory (may be signed either physically or digitally)**			☐ Copy of PAN Card or PAN allotment letter ☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank ☐ Copy of notification as a public financial institution ☐ FIR ☐ Copy of IRDAI registration certificate ☐ Intimation of being part of the same group ☐ Certified true copy of Power of Attorney ☐ Other, please specify

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this g unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*
***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:
(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.
(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLMs.
(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward th and are subject to disclaimer and restrictions contained in or accompanying these documents.
The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.