Stronger Wings Higher Skies

ANNUAL REPORT 2020-21

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Though the past year has been challenging, our vision is firmly rooted on the long-term and preparing for a stronger and better tomorrow. The fundamentals of our business model: low cost, on-time performance, vast expertise, innovative offerings and customer service have remained intact and robust. It has enabled us to overcome several setbacks and look beyond with courage and determination.

While we acknowledge the challenges ahead, we anticipate unprecedented opportunities for the Indian aviation industry as things return to normalcy. We continue to implement measures such as enhancing customer experience by reinduction of Boeing 737 MAX aircraft better revenue management, fleet rationalisation, optimising aircraft utilisation, redeployment of capacity in key markets, renegotiation of contracts and other cost control measures to achieve consistent positive cash flows in the future.

As the aviation industry is steadily recovering from the slump caused by the pandemic, we prepare to reintroduce our Boeing 737 MAX aircraft and cater to the demand for passenger traffic in the near future. We are ready to spread our wings and soar higher.

At SpiceJet, we aim for -

Higher Skies with Stronger Wings

SpiceJet: India's Most Preferred and Fastest Growing Airline

SpiceJet is amongst India's leading and most preferred low-cost airline, making flying an affordable and memorable experience for all with our pioneering offerings and services. We are constantly adding more destinations, expanding our fleet, and enhancing our services to reach out to millions of flyers across the world. Our dedicated logistics and technology platform, SpiceXpress, is providing innovative modular supply chain solutions.

Key Strengths

Wide network

- 66 mainline Boeing fleet for key destinations
- 32 Q400 for regional connectivity
- 16 freighter for cargo services
- 139,486 tonnes of cargo carried

Robust business model Stable and diversified revenue streams

- Primary (Passenger air travel)
- Ancillary (Preferred Seating, Spice Max, Insurance, Meals, Spice Vacations, Lounge, Visa, Cab, Cargo, Onboard Merchandise)

Low-cost model

- 77% load factor
- 9.09 hours average aircraft utilisation

Expert management team

- CMD Mr. Ajay Singh, a pioneer of low-cost aviation in India
- Over 23 years of senior management experience led by Mr. Ajay Singh, CMD

Seamless connectivity

- 41 daily UDAN flights as on March 2021
- 57 operational regional destinations during FY 2020-21

Supporting employees during the pandemic

- No retrenchment during Covid times
- Subsistence allowance for each employee

98
Fleet Size

250
Route operated (212 India and 38 international)

214
Daily passenger flights

145
Cargo destinations (52 Domestic & 93 International)

Message from the Chairman and Managing Director

Dear Shareholders,

More than a year later, India and indeed the rest of the world are still experiencing the depressing consequences of the pandemic on lives and livelihoods as well as on businesses and economies. On the positive side, the viral scourge has galvanised industries and companies into action – adapting to the changes, developing new strategic business plans and preparing for future shocks.

The challenges of the pandemic have propelled us to reshape our core business and explore uncharted territories like never before. In the past one-and-a-half years, SpiceJet has grown in strength, resilience, and endurance, mainly due to the sheer hard work and dedication of our employees, partners and stakeholders.

Taking the fight to the pandemic

As a brand, we have been at the forefront of the fight against Covid-19. Our cargo and logistics platform, SpiceXpress, coordinated the global emergency response to deliver record supplies of life-saving vaccines, oxygen concentrators, relief material, medicines and medical equipment to all corners of India and the world. We played a crucial role in ensuring that vital trade routes between India and other countries remained intact. We operated over 10,564 dedicated cargo flights, including 3,622 international flights in FY 2020-21 and transported over 1,39,000 tonnes of cargo. In addition, we developed capabilities to provide door-to-door deliveries to over 87 pin codes across India.

As the world prepared to embark on its biggest-ever vaccination drive, SpiceJet worked relentlessly to provide an efficient, speedy and reliable solution for vaccine delivery. We created a sustainable cold-chain network through a specialised service called Spice Pharma Pro. We partnered with global leaders to offer both active and passive packaging with dedicated equipment to execute seamless cold chain operations. Today, SpiceXpress has the capability to transport extremely sensitive drugs and vaccines in controlled temperatures ranging from -40°C to +25°C.

Throughout the pandemic, we airlifted medicines, medical equipment and relief materials, mostly from the US, Singapore and China and delivered them to cities with acute shortage of relief materials. Among other medical essentials, we also carried cancer medicines for kids free of cost on four freighter flights from Delhi to Mumbai, Chennai, Bengaluru and Kolkata. We were honoured to be a part of the government's 'Lifeline UDAN' initiative and put our freighters to maximum use to transport medical supplies, medicines and medical devices for various states and pharma companies.

Airline with a difference

SpiceJet acted swiftly and decisively to respond to the changing needs of its customers. We became the most trusted airline of the country. Both Central and State governments relied on us and supported us to keep the supply chain intact. We operated every single day during the lockdown, carrying thousands of tonnes of medicines and medical equipment and fruits and vegetables to all parts of India and across the world.

SpiceJet remained committed to offering its services and helping both Indian and foreign nationals when they needed us the most. We were a crucial part of the Vande Bharat Mission (VBM), a laudable initiative by the Government of India to unite our fellow citizens with their families. In addition to VBM, our employees put in a herculean effort to operate over 1,616 charter flights (including VBM), repatriating 2.48 lac people.

We left no stone unturned in our efforts to secure global supply chains. On April 7, 2020, we operated India's first cargo-on-seat flight where we used a passenger aircraft to transport cargo. In addition to the belly space, the passenger cabin was used to safely carry essential supplies.

Under the government's Krishi UDAN scheme, we launched dedicated freighter services from Chennai and Visakhapatnam to Surat and Kolkata to help shrimp farmers. SpiceJet also transported a record number of fresh farm and shrimp produce through its dedicated fleet of freighters and passenger aircraft as well as special cargo flights to various domestic and international destinations.

Strong logistical support

Even in the midst of the crisis, we continued to grow and expand, as we put our resources to optimum use while mitigating revenue setbacks. To cater to the increasing demand for vital goods and medical supplies on long-haul routes, we inducted wide-body jets – Boeing 767, Airbus A330 and Airbus A340 – to our cargo fleet. Today, we have a fleet of 16 cargo planes including 5 wide-body aircraft.

We also became inventive whenever the situation demanded. Many of our Q400 passenger aircraft were converted into freighters to be primarily used for operations in smaller towns and cities, including remote and hilly areas in the North-East, Jammu and Kashmir, and Himachal Pradesh.

By the time the world's largest vaccination drive kicked off in January 2021, we were ready to provide the much-needed logistical support in terms of transport, storage and distribution. During FY 2020-21, SpiceJet also introduced wide-body cargo planes for long-haul operations to Europe, Africa and the CIS countries, while also launching scheduled freighter services to Bangkok and Singapore.

On the passenger side of operations, SpiceJet expanded its footprint across all markets. We introduced new flights to global hotspots including Ras Al Khaimah and Muscat. We became the first and only airline to operate non-stop flights on several routes, Pune-Darbhanga, Pune-Durgapur, Pune-Gwalior, Pune-Jabalpur, Pune-Varanasi, Kolkata-Darbhanga, Chennai-Jharsuguda and Nashik-Kolkata. We added Chattogram in Bangladesh to our international network, Ranchi to our domestic network, and Nashik and Darbhanga as UDAN destinations. We were also designated as an Indian scheduled carrier to operate flights to the US and UK.

Back home, we have been actively involved in enhancing regional connectivity and feel proud to have played a significant role in fulfilling the Prime Minister's vision of connecting the remotest parts of the country. We also launched seaplane services between the Sabarmati Riverfront in Ahmedabad and the Statue of Unity in Kevadia. This will be remembered as one of the most notable events in the history of Indian aviation.

Resilient performance

Amidst the pandemic, when our passenger business witnessed extreme setback, we strategically banked on cargo operations as our mainstay. Revenue from the latter increased by 518% aggregating to ₹ 1,117.5 crore for FY 2020-21 with a profit of ₹ 131 crore as against a loss of ₹ 134 crore in the previous year. Following the second wave and the emergence of new variants, we continue to monitor the impact of Covid-19 even as we implement various mitigation strategies to enhance long-term sustainability.

With vaccination touching record numbers and travel demand slowly picking up, we hope that the worst is behind us. We will continue to reduce our costs through restructuring our contracts, which will have a positive impact in the long term. In terms of operational parameters, SpiceJet had the best passenger load factor among all the airlines in the country with an average domestic load factor of 77% for fiscal 2021.

People taking centre stage

The airlines across the globe have experienced challenging times and that has been the case with SpiceJet as well. Even during these distress times, there was zero retrenchment exercised by SpiceJet, unlike many airlines around the world which had to unfortunately terminate large numbers of their employees. We ensured that even during the complete lockdown period with no revenues, we provided sustenance across our workforce with employees in the lowest pay grades remaining unaffected and junior staff being paid subsistence allowance.

Even as we grow and expand, we place topmost priority on safeguarding the health and well-being of our employees and their families. We initiated an inoculation drive for all our employees and in just a month's time, our entire operating cabin crew received their first vaccine doses.

As part of our efforts to provide best-in-class customer experience, we introduced a range of innovative offerings to enable passengers enjoy a safe and comfortable journey. We were the first airline to introduce Zero Change Fee in March 2021. The airline had earlier also introduced a Covid-19 insurance cover that included tests, medication, and consultation of Covid positive patients. We also introduced SpiceJet Extra seat, which allows passengers to book two or more seats to make their travel more comfortable and hassle-free.

As customer queries about cancellations and refunds doubled overnight during the lockdown, we launched a quick digital solution – Ms Pepper – a 24x7 automated customer service agent chatbot that was integrated across our website, mobile app and WhatsApp. Ms Pepper today automates and handles 65% of our customer queries across all channels.

Outlook

The global aviation industry is recovering slowly from the pandemic-induced downturn, even as the impact on demand for passenger traffic is expected to continue for some time. However, this does not imply a deterrent to our growth. In spite of the many challenges, SpiceJet, with its well-diversified operations, innovative product offerings and leaner cost structure is set to grow its business and emerge stronger in the months and years ahead. We look forward to resume operations of our Boeing 737 MAX aircraft which will enhance customer experience and bring efficiency in all operations.

I wish to thank you all for the continued trust and support that has enabled SpiceJet to endure these challenging times and emerge as a resilient airline aiming for stronger wings and higher skies.

Stay safe. Stay well.

Warm regards,

Ajay Singh

Chairman and Managing Director

Strengthening Fundamentals

We are a trusted name in the Indian aviation industry, having an impeccable record of rising persistently amidst challenges. In FY 2020-21, we continued to demonstrate resilience and operational excellence by leveraging our robust, low-cost business model. We undertook several efforts to strengthen business dynamics and prepare ourselves for the future.

Cost optimisation measures

During the year, we implemented several cost optimization measures including 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 positive cash flows in future. The most significant step taken has been the renegotiation of various aircraft leases (including 737 MAX aircraft) and reassessment of aircraft maintenance provisions based on the anticipated scale of operations in the immediate future. The Company has now started to re-introduce its most efficient 737 MAX aircraft which will enhance operational efficiencies and reduce costs.

Maximising cargo business

An important development during the year was the emergence of our dedicated freighter business SpiceXpress. While this business was operating at a good pace, the onset of the pandemic accelerated it as SpiceJet emerged as the most preferred airline for transportation of vaccines and medical equipment across the world. Since the lockdown began, we have operated 10,564 cargo flights and carried 139,486 tonnes of cargo. We also tied up with multiple partners including Brussels Airport, GMR Hyderabad Air Cargo (GHAC), Adani Ahmedabad International Airport, among others in offering cold chain packaging for extremely sensitive drugs and vaccines. Our cargo network now spans over 52 domestic and 93 international destinations, and our aim is to ramp up capacity and network.

Augmenting human resources and technology infrastructure

New technologies, apps, features introduced

Human resource measures undertaken

Corporate Information

Board of Directors

Ajay Singh
Chairman & Managing Director

Shiwani Singh
Non-Executive and Non-Independent Director

Anurag Bhargava
Independent Director

Ajay Aggarwal
Independent Director

Manoj Kumar
Independent Director

Key Managerial Personnel

Sanjeev Taneja
Chief Financial Officer

Chandan Sand
Sr. VP (Legal) & Company Secretary

Registered Office

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

Corporate Office

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

Statutory Auditors

M/s Walker Chandiok & Co LLP
Chartered Accountants
L-41, Connaught Circus,
New Delhi - 110001

Registrar & Share Transfer Agents

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

Bankers

Bank of Baroda
BNP Paribas Bank
Barclays Bank Plc City
City Union Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IDFC First Bank Limited
Indian Bank
Union Bank of India
Yes Bank Limited

Notice of Annual General Meeting

Notice is hereby given that the 37th Annual General Meeting (the "AGM") of the members of SpiceJet Limited (the "Company") will be held on Thursday, the 30th day of December, 2021 at 11:30 a.m. through video conference and other audio visual means ("VC") to transact the following ordinary business:

1. **Adoption of audited financial statements for financial year ended March 31, 2021**

   To consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Statutory Auditors thereon.

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

   To appoint a Director in place of Mrs. Shiwani Singh (DIN: 05229788), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

By order of the Board of Directors

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

Date : December 8, 2021
Place : Gurugram

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

Notes:

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

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

3. The Register of Members and Share Transfer Books will remain closed from December 24, 2021 to December 30, 2021 (both days Inclusive) for purpose of the AGM.

4. In compliance with the e-AGM Circulars, the Annual Report for financial year ended March 31, 2021, the Notice of the AGM and instructions for e-voting are being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/depository participant(s). All these documents are also available on the website of the Company at www.spicejet.com under the "Investors" section.

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

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

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

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

9. The register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act and the register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.

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

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

11. Members may participate in the AGM through VC facility by following the procedure as mentioned hereinafter. The VC facility allows participation of at least 1,000 members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoter, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors etc. can attend the AGM without any restriction on account of first come-first-served principle as per the e-AGM Circulars. Members of the Company under the category of institutional investors are encouraged to attend and vote at the AGM through VC.

12. Pursuant to the provisions of Section 108 of the Act and rules made thereunder and Regulation 44 of the SEBI Listing Regulations read with the e-AGM Circulars and Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 issued SEBI, the Company is providing remote e-voting facility to its members in respect of the business to be transacted at the AGM and a facility for those members participating in the AGM, to cast vote through e-voting system during the AGM. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date of December 23, 2021. Mr. Mahesh Kumar Gupta (CP No. 1999), Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner.

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

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

15. The remote e-voting period commences on Sunday, December 26, 2021 at 9:00 a.m. and ends on Wednesday, December 29, 2021 at 5:00 p.m. During this period, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off of date i.e. December 23, 2021, may cast their vote electronically. The e-voting module shall be disabled by KFinTech for voting thereafter. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. December 23, 2021. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.

16. Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date, December 23, 2021, may obtain the User ID and password by sending a request at evoting@kfintech.com. However, if he/she is already registered with KFinTech for remote e-voting, then he/she can use his/her existing User ID and password for casting the vote as per instructions mentioned hereinafter.

    In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date i.e. December 23, 2021, may follow steps mentioned hereinafter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(m) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and remote e-voting User Manual for shareholders available at the download section of http://evoting.kfintech.com or contact KFinTech at Tel No. 1800 345 4001 (Toll Free).

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

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

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

(c) Members are encouraged to join the AGM through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22. Members will be required to grant access to the webcam to enable VC. Further, members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

(d) As the AGM is being conducted through VC, for the smooth conduct of proceedings of the

AGM, members are encouraged to express their views / send their queries in advance mentioning their name, demat account details, folio number, e-mail ID.

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

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

(g) Speaker Registration: The members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the User ID and password provided in the e-mail received from the Company. On successful login, select 'Speaker Registration' which will be opened from December 26, 2021 to December 27, 2021. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those members who have registered themselves, depending on the availability of time for the AGM.

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

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

Name	Mrs. Shiwani Singh
DIN	05229788
Date of Birth	November 21, 1971
Date of first appointment on the Board of SpiceJet Limited	May 21, 2015
Qualification	Graduate
Brief resume and experience	Mrs. Singh is competent businesswoman who takes care of her family's real estate and fashion accessories business. She brings rich and successful experience in general business management and also provides benefit of gender diversity to the Board of Directors.
No. of Board meetings attended during the year 2020-21	4 (four)
Relationship with directors and key managerial personnel	Mrs. Shiwani Singh is spouse of Mr. Ajay Singh, Chairman & Managing Director
Directorship in other companies	Argentum Electric Vehicles Pvt. Ltd., Canvin Real Estate Pvt. Ltd., Greenline Communication Pvt. Ltd., Greenline Transit System Pvt. Ltd., I2N Technologies Pvt. Ltd., Multipurpose Trading and Agencies Ltd., Pan India Motors Pvt. Ltd., Royston Beverages Pvt. Ltd., Spice Club Pvt. Ltd., Spice Ground Handling Services Pvt. Ltd., Spice Shuttle Pvt. Ltd., Spice Wecare Pvt. Ltd., SpiceJet Innovate Pvt. Ltd., SpiceJet Interactive Pvt. Ltd., SpiceJet Merchandise Pvt. Ltd., SpiceJet Technic Pvt. Ltd., SpiceTech System Pvt. Ltd., SpiceXpress and Logistics Pvt. Ltd., and Star Bus Services Pvt. Ltd.
Chairperson/Member of the Committee of the Board of Directors of SpiceJet Limited	Audit Committee – Member Corporate Social Responsibility Committee – Member Nomination and Remuneration Committee – Member Stakeholders Relationship Committee – Member
Chairperson/Member of the Committee of other companies in which she is a director	Multipurpose Trading & Agencies Ltd. Nomination and Remuneration Committee – Chairperson Stakeholder Relationship Committee – Chairperson
Shareholding in the Company (equity shares of Rs.10 each) as on March 31, 2021	6,001
Remuneration to be paid	Nil
Remuneration last drawn	Nil

Note: Non-executive directors are entitle for sitting fee for attending meetings of the Board and reimbursement for expenses incurred for participating in such meetings.

Board's Report

Dear Members,

Your Directors hereby to submit the report of the business and operations of your Company, along with the audited financial statements, for the financial year ended March 31, 2021. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. Financial Performance

The financial performance of the Company for the year ended March 31, 2021, on a standalone and consolidated basis, is summarised below:

(Amount in ₹ million)

Particulars	Standalone		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
TOTAL REVENUE	**60,669.36**	**131,359.87**	**60,725.49**	**131,347.53**
Expenses				
Operating Expenses	39,809.87	87,799.54	39,725.20	87,583.18
Cost of inventory consumed	-	-	176.20	126.75
Employee Benefit Expenses	6,762.36	14,635.17	6,852.78	14,635.86
Selling Expenses	758.30	2,269.59	766.76	2,260.99
Other Expenses	2,260.36	13,916.88	2,332.66	14,000.78
Earnings before interest, tax, depreciation and amortization	**11,078.47**	**12,738.69**	**10,871.90**	**12,739.97**
Depreciation and amortisation expense	(15,579.56)	(17,339.34)	(15,611.93)	(17,353.78)
Interest income on bank deposits	538.57	703.12	468.38	703.42
Finance Cost	(6,020.50)	(5,450.08)	(6,027.20)	(5,455.29)
Profit/ (Loss) before taxation and extraordinary items	**(9,983.02)**	**(9,347.61)**	**(10,298.86)**	**(9,365.68)**
Tax Expenses	-	-	-	-
Extraordinary items	-	-	-	-
Profit/ (Loss) after taxation	**(9,983.02)**	**(9,347.61)**	**(10,298.86)**	**(9,365.68)**
Profit/ (Loss) brought Forward	**(28,918.04)**	**(19,537.94)**	**(28,928.92)**	**(19,530.75)**
Depreciation expense adjusted against reserves	-	-	-	-
Profit/ (Loss) for the year	(9,983.02)	(9,347.61)	(10,298.86)	(9,365.68)
Other comprehensive income	16.99	(32.49)	16.99	(32.49)
Amount transferred to Balance Sheet	**(38,884.05)**	**(28,918.04)**	**(39,210.77)**	**(28,928.92)**

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

The standalone and consolidated financial statements of the Company for the financial year ended March 31, 2021, have been prepared in accordance with the Indian Accounting Standards as notified by the Ministry of Corporate Affairs and as amended from time to time.

On a standalone basis, the Company achieved total income of ₹60,669.36 million during the current financial year as against ₹1,31,359.87 million in the previous financial year and reported standalone loss of ₹9,983.02 million during the current financial year as against ₹9,347.61 million in the previous financial year. On consolidated basis, the Company achieved total income of ₹60,725.49 million during the current financial year as against ₹1,31,347.53 million in the previous financial year and reported consolidated loss of ₹10,298.86 million during the current financial year as against ₹9,365.68 million in the previous financial year. The significant decline in the Company's revenue is primarily due to impact of Covid-19 pandemic which has spread worldwide. It has impacted all industries, all sectors and all aspects of our lives with devastating economic and financial losses and significant uncertainties. Specifically in India the flights were completely shut during the lockdown and the international travel restrictions are yet to be removed, which had direct impact on our revenues.

2. State of Affairs and Material Development

(i) The Company is engaged in business of schedule airline services and completed its sixteenth years of operation on May 23, 2021. During the year ended March 31, 2021, the Company registered domestic load factor of 77 percent and has operated more than 1,616 charter flights to repatriate over 2.48 lakh passengers. The Airline Passenger Experience Association (APEX) has honoured the Company with 'Four Star Low Cost Carrier 2021'. The Company is also engaged in cargo business and operates on both domestic and international routes and is powered by fully integrated transportation network including air cargo, ground transportation and warehousing facilities across the country. During the financial year ended March 31, 2021, the Company continues to remain leading air cargo operator in India and operated more than 10,564 cargo flights and carried 139,486 tonnes of cargo. As at March 31, 2021, the Company was operating fleet of 20 cargo aircraft including 8 wide-body aircraft.

The members of the Company vide its resolution(s) dated December 24, 2020 and September 16, 2021 had approved transfer of cargo business undertaking to its subsidiary namely SpiceXpress and Logistics Private Limited along with all related assets and liabilities, *inter-alia*, know-how, trademark, licenses, franchises, customer contracts, distribution network etc. The Company is in the process of transferring the cargo business undertaking as it is awaiting approval from its lenders under the financial facilities availed from them.

(ii) Boeing 737 MAX aircraft grounding and return to service: Following the worldwide grounding during March 2019 of Boeing 737 MAX aircraft due to technical reasons, the Company's fleet of thirteen Boeing 737 MAX aircraft remain grounded during the FY 2020-21. Despite its inability to undertake revenue operations, the Company continues to incur various costs with respect to these aircraft. As a result of the above, the Company had 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 Company towards its claim 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 ₹5,604.48 million for the year ended March 31, 2021 (₹6,718.04 million for the year ended March 31, 2020) have been recognised as other income. Further, Company has recognised the related foreign exchange loss of ₹270.71 million for the year ended March 31, 2021 (foreign exchange gain of ₹367.05 million for the year ended March 31, 2020). The Directorate General of Civil Aviation has withdrawn its earlier order of grounding of Boeing 737 MAX aircraft in August 2021 allowing the return to service of these aircraft. Subsequently, the Company has settled with the majority of the lessors of Boeing 737 MAX aircraft and is also in advance discussion to settle its claim with the aircraft manufacturer. This will enable the Company to bring back the most efficient aircraft back into operations resulting in operational efficiencies and reduction of costs with better customer experience.

(iii) Covid-19 impact and outlook: 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 had announced a strict lockdown to contain the spread of the virus till May 31, 2020, which was extended by certain states, with varying levels of relaxations. The impact of Covid-19 has led to significant disruptions and dislocations for individuals and businesses and has had consequential impact of grounding the passenger airline operations. The Company is required to adhere to various regulatory restrictions, which severely impacts its operations and which have additional financial implications. As per Government guidelines, the Company had stopped all passenger travel from March 25, 2020 to May 24, 2020. The Government allowed operations of the domestic flights effective May 25, 2020 in a calibrated manner. However, the scheduled international/commercial passenger service continues to be suspended. 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 lead to significant drop in demand which has impacted the Company's revenue and profitability for the last quarter of financial year ended March 31, 2021.

The impact of Covid-19 was not specific to the Company but is applicable across the entire aviation industry within and outside India. While there is uncertainty in the revenue operation in the short-term the same is expected to normalise in the long-run. It is also to be noted that while generally the passenger business was either suspended or had low demand during the lockdown, the Company enhanced its cargo operations which were fulfilled by dedicated fleet of freighter aircraft and passenger converted aircraft.

The Company 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 Company's expectations of the timing of re-introduction of Boeing 737 Max aircraft into its operations. Further, the Company has assessed its liquidity position for the next one year, is in negotiations with lenders regarding deferment of dues and other waivers. The management is confident that they have considered all known potential impacts arising from the Covid-19 pandemic on the Company's business, and where relevant, have accounted for the same in these standalone financial statements. However, the full extent of impact of the

Covid-19 pandemic on the Company's operations, and financial metrics will depend on future developments across the geographies that the Company operates in, and the governmental, regulatory and the Company'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 differ from that estimated.

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

The parties to the aforementioned litigation concurrently initiated arbitration proceedings before a three-member arbitral tribunal (the "Tribunal"), which pronounced its award on July 20, 2018 (the "Award"). In terms of the Award, the Company was required to (a) refund an amount of approximately ₹3,082.19 million to the counterparty, (b) explore the possibility of allotting preference shares in respect of approximately ₹2,708.70 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be ₹924.66 million (being interest on the amount stated under (a) above, in terms of the Award). The amounts referred to under (a) and (b) above, aggregating ₹5,790.89 million, continue to be carried as current liabilities without prejudice to the rights of the Company under law. Further, the Company was entitled to receive from the counterparty, under the said Award, an amount of ₹290.00 million of past interest/servicing charges. During the year ended March 31, 2019, the Court has ordered release of ₹2,500.00 million, out of the amount deposited by the Company, to the counterparty, subject to certain conditions as enumerated by the Court in its order. Further, pursuant to an order of the Court dated September 20, 2019, the Company has remitted an additional amount of ₹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.

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

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

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

3. Board of Directors

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

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

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

4. Share Capital

There is no change in authorised share capital of the Company during the financial year 2020-21. However, the paid-up share capital of the Company has increased from ₹6,000.76 million to ₹6,009.37 million pursuant to allotment of 8,60,604 equity shares of ₹10 each under SpiceJet Employee Stock Option Scheme - 2017.

5. Qualified Institutions Placement

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

6. Dividend

The Board of Directors have not recommended any dividend for the financial year 2020-21.

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

7. Transfer to Reserves

The Company has made no transfers to reserves during the financial year 2020-21.

8. Public Deposits

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

9. Annual Return

In accordance with the Companies Act, 2013, the annual returns of the Company in the prescribed format are available on the website of the Company at www.spicejet.com under the "Investors" section. Annual return of the Company for the financial year ended March 31, 2021, as required under Section 92 (3) of the Companies Act, 2013, shall also be placed on website of the Company.

10. Particulars of Contracts or Arrangement made with Related Parties

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

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

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

The Company has not granted any loan, given guarantee or security or made investment under the provisions of Section 186 of the Companies Act, 2013 during the financial year under review except (i) investment in subsidiary companies as stated in Annexure - A to this report and (ii) an investment of ₹0.61 million in class B-shares of Aeronautical Radio of Thailand Limited to become member airline for availing advantageous rate on air navigation charges in Thailand.

As on March 31, 2021, the Company has also provided loan to its subsidiaries as per below details:

S. No.	Name of the Company	(Amount in ₹ million)
1.	SpiceJet Merchandise Private Limited	257.28
2.	SpiceJet Technic Private Limited	85.28
3.	Canvin Real Estate Private Limited	238.70
4.	SpiceXpress and Logistics Private Limited	1.00

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

12. Subsidiaries

As on March 31, 2021, following are the subsidiaries of the Company:

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

[1]*Incorporated on October 13, 2020*
[2]*Incorporated on November 11, 2020*

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

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

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

13. Number of Meetings of the Board

During the financial year ended March 31, 2021, four (4) board meeting were held, the details of which are given in the Corporate Governance Report that forms part of this report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

14. Directors' Responsibility Statement

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

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for year ended March 31, 2021, the Directors of your Company hereby state that:

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

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

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

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

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

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

15. Reporting of frauds by Auditors

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

16. Corporate Governance and Management Discussion and Analysis

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

17. Particulars of Employees

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

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

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. In terms of the provisions of Section 136(1) of the Companies Act, 2013 read with the rules made thereunder, this report is being sent to all members of the Company excluding the said annexure. Any member interested in obtaining a copy of the annexure may write to the Company.

18. Employees Stock Option Scheme

On November 27, 2017, pursuant to approval by the members of the Company in 33rd Annual General Meeting, the Board has been authorized to introduce, offer, issue and provide stock options to eligible employees of the Company and its subsidiaries under 'SpiceJet Employee Stock Option Scheme - 2017'. The maximum number of shares under this scheme shall not exceed 10,000,000 equity shares. During the year under review 5,50,000 grant has been made to eligible employees under this scheme.

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

19. Corporate Social Responsibility

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

The Company has also constituted CSR Committee comprising of Mr. Ajay Aggarwal as Chairperson and Mr. Ajay Singh and Mrs. Shiwani Singh as Member which *inter-alia* monitors the Company's CSR Policy and recommend the amount of CSR expenditure. During the year under review, the CSR Committee met once on February 10, 2021 with necessary quorum being present at the meeting. As per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, annual report on CSR activities is attached as Annexure - C and forms an integral part of this Report.

20. Conservation of Energy and Technology Absorption

Conservation of Energy: The management is highly sensitive of the criticality of the conservation of energy at all operational levels particularly of aviation turbine fuel which is leading source of energy for aviation activity. Adequate measures are taken to reduce energy consumption whenever possible by using energy efficient equipment and technology infusion. These measures among other includes maintenance of engine and airframe, flight planning, training to operational staff, regular analysis etc. Re-induction of Boeing 737 MAX aircraft will provide the efficiencies and add to conservation of energy.

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

21. Statutory Auditors

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

(ii) In accordance with Section 134(3)(f) of the Companies Act, 2013, information and explanations to various comments made by the Statutory Auditors in their Report to the members are mentioned in the Notes to the Accounts, which form part of the Balance Sheet for the year ended March 31, 2021.

22. Secretarial Auditors

(i) Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed Mr. Mahesh Kumar Gupta, Practicing Company Secretary to undertake the Secretarial Audit of the Company for financial year ended on March 31, 2021. The Report of the Secretarial Auditor is annexed as Annexure - D to this Report.

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

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

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

(iii) In terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circulars bearing nos. CIR/CFD/CMD1/27/2019 and CIR/CFD/CMD1/114/2019 dated February 8, 2019 and October 18, 2019 respectively, the Secretarial Auditor has also issued a Secretarial Compliance Report for the year ended March 31, 2021.

23. Secretarial Standards

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

24. Business Responsibility Report

Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate the inclusion of Business Responsibility Report as part of Annual Report by the Company. In compliance with the said Regulation, we have annexed the Business Responsibility Report for financial year ended March 31, 2021 as Annexure - E.

25. Foreign Exchange Earnings and Outgo

The details of Foreign Exchange earnings and outgo for the financial year ended March 31, 2021 are set out below:

Particulars	Amount (₹ in millions)
Foreign Exchange Earnings	9,299
Foreign Exchange Outgo	20,035

26. Internal Financial Controls and Risk Management Policy

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

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the Internal Auditor, Statutory Auditors and Secretarial Auditor and external consultants, including the audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended March 31, 2021.

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

27. Acknowledgement

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

We thank the Government of India particularly the Ministry of Civil Aviation, Ministry of Corporate Affairs, Ministry of Finance, Directorate General of Civil Aviation and other regulatory authorities for their cooperation, support and guidance.

For and on behalf of the Board

Sd/-

Place : Gurugram
Date : November 12, 2021

Ajay Singh
Chairman & Managing Director

ANNEXURE - A

Form No. AOC – 1

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

(Amount in ₹ million except % of shareholding)

Name of the subsidiary	SpiceJet Merchandise Private Limited	SpiceJet Technic Private Limited	Canvin Real Estate Private Limited	SpiceJet Interactive Private Limited	Spice Club Private Limited	Spice Shuttle Private Limited	SpiceXpress and Logistics Private Limited	Spice Ground Handling Services Private Limited	SpiceTech System Private Limited
Date of Incorporation	July 18, 2016	October 5, 2016	November 16, 2017	April 29, 2019	October 23, 2019	October 25, 2019	December 30, 2019	October 13, 2020	November 11, 2020
Reporting period	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR
Share Capital	0.10	20.10	0.10	0.10	0.10	0.10	0.10	0.10	0.15
Reserve and surplus	(240.45)	(143.84)	(111.96)	(0.12)	(0.11)	(87.70)	(0.42)	(0.06)	(4.41)
Total assets	252.28	491.94	220.59	0.08	0.08	9.75	0.92	0.09	31.94
Total liabilities	492.63	615.68	332.45	0.10	0.09	97.36	1.24	0.05	36.19
Investments	-	-	-	-	-	-	-	-	-
Turnover	247.5	741.18	-	-	-	7.54	-	-	53.01
Profit before taxation	(20.60)	(106.87)	(30.53)	(0.09)	(0.08)	(87.67)	(0.39)	(0.06)	(4.41)
Provision for taxation	-	-	-	-	-	-	-	-	-
Profit after taxation	(20.60)	(106.87)	(30.53)	(0.09)	(0.08)	(87.67)	(0.39)	(0.06)	(4.41)
Proposed Dividend	-	-	-	-	-	-	-	-	-
Percentage of shareholding	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	68.00

ANNEXURE - B

Disclosures pertaining to remuneration under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2021

A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each director in the financial year:

S. No.	Name of Director	Designation	Ratio of Remuneration to the median remuneration of the employees	Percentage increase in remuneration
1.	Mr. Ajay Singh	Chairman and Managing Director	323	(23.75)
2.	Mrs. Shiwani Singh	Non-Executive Director	2	Nil
3.	Mr. Anurag Bhargava	Independent Director	2	Nil
4.	Mr. Ajay Aggarwal	Independent Director	2	Nil
5.	Mr. Manoj Kumar	Independent Director	2	Nil

B. The percentage increase in the median remuneration of employees in the financial year: (28.87)

C. The number of employees on the rolls of Company: 14,578

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

(i) Average percentile increase in the salaries of employees other than the managerial personnel is (13.46)

(ii) Average percentile increase in managerial personnel is (23.75)

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

ANNEXURE - C

Annual Report on Corporate Social Responsibility Activities

S. No.	Particulars	Details
1.	Brief outline of the Corporate Social Responsibility (CSR) Policy	The Company is committed to operate and grow its business in a socially responsible way. Basis this commitment, the Board of Directors of the Company has adopted the CSR Policy of the Company which is available on the website of the Company at www.spicejet.com in 'Investors' section. The objective of CSR Policy is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India's economic progress.
2.	The Composition of the CSR Committee	S. No. / Name & Designation / Status (a) Mr. Ajay Aggarwal (Independent Director) – Chairman (b) Mr. Ajay Singh (Managing Director) – Member (c) Mrs. Shiwani Singh (Non- Independent Director) – Member
3.	Financial Details	Average net profit/loss of the Company for last three financial year : ₹(2,280.64) million Prescribed CSR Expenditure (2% of the average net profit): Not applicable
5.	Details of CSR spent during the financial year ended March 31, 2021	Total amount to be spent for the financial year: Nil. Amount unspent, if any: Not applicable
6.	In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its board report	Not applicable
7.	A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company	We hereby affirm that the CSR Policy, as approved by the Board of Directors, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

Sd/-

Ajay Singh
Chairman & Managing Director

Sd/-

Ajay Aggarwal
Chairman of CSR Committee

ANNEXURE - D

Secretarial Audit Report for financial year ended on March 31, 2021

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

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

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

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

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

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

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

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

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

  d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

  e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Nil#

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

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

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

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

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

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

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

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

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

2. As reported in the Secretarial Audit Report for financial year ended on March 31, 2020, the Company had, in earlier financial years, received amounts aggregating ₹5,790.9 million from its erstwhile promoters as advance money towards proposed allotment of certain securities (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. In this regard, we draw your attention to notes to the financial statements of the Company for financial year ended March 31, 2021.

3. During the year under review the Company has paid an amount of ₹2.14 million towards compounding under the Companies Act, 2013.

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

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

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

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

I further report that during the audit period the paid-up share capital of the Company has increased from ₹6,000.76 million to ₹6,009.37 million pursuant to allotment of 8,60,604 equity shares of ₹10 each under SpiceJet Employee Stock Option Scheme - 2017.

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

For Mahesh Gupta & Company
Company Secretaries

Sd/-

Mahesh Kumar Gupta
Proprietor
FCS 2870::CP 1999
UDIN: F002870C001417131

Date : November 12, 2021
Place : New Delhi

Note: The COVID-19 pandemic has resulted in many restrictions, including free movement of people. We were not able to personally visit the office of the Company for verification of certain physical documents and has obtained most of the documents in electronic mode. The explanation from the Company has also been obtained either telephonically or electronically.

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

APPENDIX – I

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

Our Secretarial Audit Report for the financial year ended March 31, 2021 is to be read along with this Appendix.

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

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

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

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

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

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

For Mahesh Gupta & Company
Company Secretaries

Sd/-

Mahesh Kumar Gupta
Proprietor
FCS 2870::CP 1999
UDIN: F002870C001417131

Date : November 12, 2021
Place : New Delhi

ANNEXURE - E

Business Responsibility Report

This Business Responsibility Report is a step in the direction of greater transparency and accountability of our Company towards its stakeholders. It is our honest effort to lead the way in which social investments are made, by emphasising on our social value creation.

As part of responsible governance practices, the Company is publishing this Business Responsibility Report for financial year ended March 31, 2021, developed in line with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and principles of business responsibility, as prescribed under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, Government of India.

Section A: General Information

1.	Corporate Identity Number of the Company	L51909DL1984PLC288239
2.	Name of the Company	SpiceJet Limited
3.	Registered address	Indira Gandhi International Airport, Terminal 1D, New Delhi – 110037
4.	Website	www.spicejet.com
5.	E-mail ID	investors@spicejet.com
6.	Financial year reported	April 1, 2020 to March 31, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Air Transportation [NIC Code: 51101 (passenger airway), 51201 (freight air transport services) and 52243 (cargo handling incidental to air transport)
8.	List three key products/services that the Company manufactures/provides	Air transport services of passengers Air transport services of cargo
9.	Total no. of locations where business activity is undertaken by the Company as on March 31, 2021	
	(a) No. of International Locations (Provide details of major 5)	The scheduled international passenger service is continued to be suspended on account of Covid-19 pandemic restrictions imposed by Government of India.
	(b) No. of National Locations	45
10.	Markets served by the Company	The Company has national and international presence

Section B: Financial Details

1.	Paid up Capital	₹6,009.37 million
2.	Total Turnover	₹60,669.36 million
3.	Total profit after taxes	₹(9,983.02) million
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Nil
5.	List of activities in which expenditure in 4 above has been incurred	Not applicable

Section C: Other Details

1.	Does the Company have any subsidiary company(s)?	Yes. As on March 31, 2021, the Company has nine subsidiary companies.
2.	Do the subsidiary company(s) participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	No.

Section D: BR Information

1. Details of Director/Directors responsible for BR

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

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

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

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

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

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

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

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

Principle wise index as per the NVGs:

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

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

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

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

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

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

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

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

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

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

3. Governance related to BR

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

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

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

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

Section E: Principle-wise Performance

Principle 1: Corporate Governance for Ethics, Transparency and Accountability

We have adopted a comprehensive code of conduct which, *inter-alia,* set out how we behave with our employees, customers, suppliers, service providers, sales representatives, contractors, consultants, agents, business associates, financial stakeholders, the communities and the environment in which we operate and the governments of the countries in which we operate and our group companies. The code of conduct is applicable to directors and employees of the Company as well as the directors and employees of the subsidiary company. It also extends to our suppliers and business partners.

We have also adopted a whistle blower policy which allows our employees and directors to raise concerns about any unethical behaviour, actual or suspected fraud, event of misconduct, and violation of the Company's code of conduct or business practices observed in respect of the Company's operations.

We have in place various mechanisms for receiving and resolving complaints from different stakeholders. There are dedicated persons to respond and deal with the complaints in a timely manner. The details of investor complaints are available in our corporate governance report. The Company did not receive any significant external stakeholder complaint in during the financial year ended March 31, 2021.

Principle 2: Sustainability of Products and Services across Life-cycle

In our endeavour to promote sustainability from a holistic perspective, we are keen to address social and environmental concerns through our services. Safety and social well-being of every personnel has been our highest priority and at the core of our philosophy of sustainable business. We strictly adheres to all regulations as enumerated by the Directorate General of Civil Aviation and other regulatory bodies. We persistently comply with all airworthiness directives issued by regulatory bodies. All appropriate measures to minimise the risks associated with aviation sector are enforced on a regular basis. We have implemented a comprehensive safety policy to ensure safe operations across the organisation. We ensure that all our employees adhere to the safety standards and policies. We aims to adopt environment-friendly operation to ensure sustainability in our operations.

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

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

Principle 3: Employee Well-being

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

As on March 31, 2021, the Company has a total of 14,578 employees, of which 4,299 employees are on contractual basis. About 3,548 permanent women employees are working with Company. We encourage employees to disclose their disabilities to provide reasonable support to them to perform to their full potential. The number of such employees stands at 4 as on March 31, 2021.

Our policies does not permit any engagement of child labour, forced labour or involuntary labour and therefore we neither employ any child or forced labour nor engage vendors and suppliers who resort to child and /or forced labour. Details relating to complaints received during the financial year 2020-21 are as follows:

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	-	-
2.	Sexual harassment	16	2
3.	Discriminatory employment	-	-

The Company endeavours to upskill and augment the capabilities of its employees through several learning programmes. Such training programs cover all our employees irrespective of race, gender, or physical disability. During the financial year 2020-21, the Company imparted safety and skill upgradation training to 3,864 employees (including training imparted to employee more than once).

We recognise that employees may be interested in joining associations or involving themselves in civic or public affairs in their personal capacities, provided such activities do not create an actual or potential conflict with the interests of our company. As on March 31, 2021, we do not have any employee association recognized by the Company.

Principle 4: Stakeholder Engagement

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

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

Principle 5: Human Rights

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

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

Principle 6: Protection and Restoration of the Environment

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

We are conscious of the alarming levels of pollution and growing importance on the usage of clean and renewable sources of energy. We undertake adequate measures to reduce energy consumption at all operational levels, particularly in respect of aviation turbine fuel which is the primary energy source in aviation industry. We are committed to use energy efficient equipment to reduce carbon footprint. We continuously undertake adequate measures to reduce greenhouse gas emissions by using fleet renewal, investment in cleaner vehicles and equipment, maintenance of engine and airframe, flight planning, training to operational staff, etc. By investing in a modern, more energy and fuel-efficient fleet, emission free battery-operated ancillary equipment, we are improving both our economic and environmental performance. In line with our efforts to protect environment, we are also targeting to fly 100 million domestic passengers on sustainable aviation fuel blend by year 2030 under the aegis of initiative of World Economic Forum.

In our efforts to go green, we have encouraged the use of digital flight manuals in place of paper manuals to remove considerable paper load across our fleet and reduce wastage.

Principle 7: Responsible Advocacy

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

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

Principle 8: Supporting Inclusive Growth and Equitable Development

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

We has been undeterred in our efforts towards bringing about a positive change in the society, even though our profitability and cash flow was impacted by Covid-19 pandemic and worldwide grounding of Boeing 737 Max. We carried essential cancer medicines free of cost on our freighter flights across India for children suffering from the disease. The Company has also gifted face shields to Delhi and Haryana Police to protect frontline police personnel involved in field duties in COVID-19 affected areas.

In our efforts towards fighting the Covid-19 pandemic, we are also assisting the ecosystem in airlifting oxygen concentrators and other Covid-19 relief material during this unprecedented time.

Principle 9: Providing Value to Customers and Consumers

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

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

A well-established system is in place for dealing with customer complaint. Customers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. We have received 514 complaints during the financial year ended March 31, 2021 relating to various subject matters such as cancellation of tickets, incorrect bookings, refund of fares, flight delays, baggage mishandling and flight cancellation, which were resolved subsequently.

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

Corporate Governance Report

"Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders."

– The Institute of Company Secretaries of India

1. Philosophy on Corporate Governance

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Our Corporate Governance is reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key to our Corporate Governance practices and performance, and we ensure that we gain and retain the trust of stakeholders at all times. Our guiding principles and practices are summarized in this Corporate Governance Report.

Our Corporate Governance practices are articulated through our Code of Conduct, charters of various committees of the Board and disclosure policies. These policies seek to focus on enhancement of long-term stakeholders' value without compromising on ethical standards and corporate social responsibilities. We consider stakeholders as partners in our journey and we are committed to ensure their well-being, despite business challenges and economic volatilities. We consider it our inherent responsibility to protect the rights of our stakeholders and disclose timely, adequate and accurate information regarding our financials and performance, other material events as well as the leadership and governance of the Company. Our Board oversees and ensures that the management serves and protects the long-term interests of all our stakeholders.

We believe in adopting the well accepted Corporate Governance practices, benchmark the same to the best governed companies and strive to improve them continuously. Our Corporate Governance philosophy and practices, *inter-alia*, are based on the well-experienced and diverse Board, transparent procedures and practices, compliance with regulatory and fiduciary requirements in letters and spirit, various committees to oversee specific areas and focus on diverse matters, separate meeting of independent directors to identify areas where they need more clarity or information and a well-defined corporate structure that establishes checks and balances.

2. Board of Directors

The Board continuously reviews our governance, risk and compliance framework, business plans and organisational structure to align with competitive benchmark. The Board have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Board represents an optimum mix of professionalism, knowledge and experience which enables the Board to discharge its responsibilities and provide effective leadership to the Company.

We believe that the Board needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence and separate its functions of governance and management. None of the Directors on the Board hold directorships in more than ten public companies and member of more than ten committees or chairperson of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding the Board and committee positions in other public companies as on March 31, 2021 have been made by the all the directors.

(a) Composition of the Board

The Company's Board is an optimum mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2021, the Board comprised five members with an Executive Chairman & Managing Director, besides three Independent Directors and one Non-Executive Non-Independent Director, of which one is a women director. An Independent Director is the chairperson of each of the Board Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

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

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

[1]As at March 31, 2021, the composition of the Board was not as per the requirement of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the Company could not appoint one independent woman director and the total number of directors are less than six.

(b) Board Meetings and attendance of Directors

The Company Secretary in consultation with the Chairman, prepares agenda of the Board and Committee meeting. The detailed agenda along with explanatory notes and annexures, as applicable, are sent to the Board and Committee members at least a week before the meeting except for meetings called at a shorter notice. In special and exceptional circumstances, additional or supplementary item(s) are permitted to be taken up as 'any other item' with the permission of the Chairman and consent of all the Board members/ Committee members. Sensitive subject matters are discussed at the meeting without written material being circulated in advance. Any Board member can suggest the inclusion of additional items in the agenda. In addition to information required under Regulation 17(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board is also kept informed of major events/items and approvals taken wherever necessary.

During the financial year 2020-21, four (4) Board Meeting were held on July 29, 2020; September 15, 2020; November 11, 2020 and February 10, 2021 and the time gap between two consecutive meetings did not exceed one hundred and twenty days.

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

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

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

The last Annual General Meeting of the Company was held on December 24, 2020 through video conference and other audio visual means which was attended by all Directors of the Company.

(c) Shares held by Non-Executive Directors

Details of equity shares of the Company held by Non-Executive Directors as on March 31, 2021 are given below:

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

(d) Familiarisation Programmes

The Company has adopted a structured induction programme for orientation and training of directors at the time of their appointment to provide them with an opportunity to familiarise themselves with the Company, its management, its operations, and the industry in which the Company operates. They are given full opportunity to interact with management personnel and are provided with all the documents required and/or sought by them to have a good understanding of the Company, its business model and its operations. The Company's Policy of conducting the familiarisation programmes has been disclosed on the website of the Company at www.spicejet.com under the "Investors" section.

(e) Independent Directors

The Company has laid down the terms and conditions of the appointment of Independent Directors stipulating their roles, responsibilities and duties which are consistent with the provisions of the SEBI Listing Regulations, Section 149 and Schedule IV of the Companies Act, 2013. The said terms and conditions set out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment. It emphasises the importance of independence. The Company has issued letter of appointment to all the Independent Directors and terms and conditions of their appointment have been disclosed on the website of the Company at www.spicejet.com under the "Investors" section.

At the time of appointment and thereafter at the beginning of each financial year, the Independent

Directors submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company, among other disclosures and the Company also ensures that its directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

In the opinion of the Board, the independent directors fulfill the conditions of independence criteria as specified in Section 149(6) of the Companies Act, 2013 read with the SEBI Listing Regulations and are independent from the management.

(f) Resignation of Independent Directors

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

(g) Core skills/expertise/competencies of Directors

The Company's Board comprises qualified members who bring the required skills, competence and expertise that allow them to make effective contributions to the Board and Committee thereof. In terms of the SEBI Listing Regulations, the Board has identified the following core skills/ expertise/ competencies of the Directors in the context of the Company's business for effective functioning:

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

(h) Board Committees

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committees operate as the Board's empowered according to their charter / terms of reference. The Constitution of the Board Committees are available on the website of the Company i.e. www.spicejet.com under the "Investors" section and are also stated hereinafter. During the year under review, all recommendations of Board Committees were duly accepted by the Board.

3. Audit Committee

As on March 31, 2021, Audit Committee comprised four Directors, three being Independent Directors and one being Non-Executive Non-Independent Director. The Chairperson of the Audit Committee has sound financial knowledge as well as many years of experience in general management. All members of Audit Committee, including the Chairperson, have accounting and financial management expertise. The composition of the Audit Committee meets the requirements of Section 177 of the

Companies Act, 2013 and the SEBI Listing Regulations. Key responsibilities of the Audit Committee, *inter-alia*, includes:

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

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

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

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

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

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

The Company Secretary of the Company acts as the secretary to the Committee.

During the financial year 2020-21, four (4) Audit Committee Meetings were held on July 29, 2020; September 15, 2020; November 11, 2020 and February 10, 2021. The necessary quorum was present for all the meetings.

The composition of the Audit Committee as on March 31, 2021 and the attendance of members at the meetings held during financial year 2020-21 are given below:

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

[5]*Effective July 29, 2020, Mr. Manoj Kumar (Independent Director) was appointed as member of the Audit Committee.*

4. Nomination and Remuneration Committee

As on March 31, 2021, the Nomination and Remuneration Committee comprised four Non-Executive Directors, of whom two members are Independent Directors and one is Executive Director. The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

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

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

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

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

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

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

One meeting of the Nomination and Remuneration Committee was held during the financial year 2020-21 on February 10, 2021. The necessary quorum was present during the meeting.

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

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

5. Remuneration of Directors

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

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

During the financial year ended March 31, 2021, there is no pecuniary relationship or transactions of the non-executive director's vis-à-vis the Company except payment of sitting fees of rupees one lakh for attending the Board Meeting. Details of payment of sitting fees form part of the Board's Report.

During the financial year 2020-21, Mr. Ajay Singh, Chairman & Managing Director, has drawn total remuneration of ₹54.90 million as against approved remuneration of ₹72.00 million.

6. Performance evaluation of Directors

In compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, Nomination and Remuneration Committee has approved the process, attributes, criteria and format for the performance evaluation of the Board, Board Committees and individual Directors including the Chairman and Managing Director. The process provides that the performance evaluation shall be carried out on an annual basis. For the financial year ended March 31, 2021, the Directors completed the evaluation process which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairman and Managing Director.

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

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

7. Stakeholders' Relationship Committee

In compliance with requirements of the SEBI Listing Regulations and provisions of Section 178 of the Companies Act, 2013, the Company has constituted Stakeholders' Relationship Committee. As on March 31, 2021, the Committee comprised three members, out of whom two are Non-Executive Directors and one is Independent Director. Key responsibilities of the Stakeholders' Relationship Committee, *inter-alia*, includes following:

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

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

One meeting of the Stakeholders' Relationship Committee was held during the financial year 2020-21 on February 10, 2021. The necessary quorum was present during the meeting.

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

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

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

During the financial year 2020-21, the complaints and queries received by the Company were general in nature, including issues relating to non-receipt of annual reports and others, which were resolved to the satisfaction of the shareholders. The Company has received 19 letters/ complaints from shareholders and replied/ redressed the same to the satisfaction of shareholders. No complaint of investor is pending at the end of the financial year ended March 31, 2021.

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

8. Risk Management Committee

Effective April 1, 2019, a Risk Management Committee was constituted comprising of Mr. Ajay Singh (Chairman & Managing Director) as Chairperson and Mr. Anurag Bhargava (Independent Director) and Mr. Kiran Koteshwar (Chief Financial Officer) as members of the Committee in terms of Regulation 21 of the SEBI Listing Regulations, 2015. However, as on March 31, 2021, the Risk Management Committee comprised only Mr. Ajay Singh and Mr. Anurag Bhargava as Mr. Kiran Koteshwar had resigned effective September 1, 2020.

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

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

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

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

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

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

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

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

One meeting of the Risk Management Committee was held during the financial year 2020-21 on February 10, 2021. The necessary quorum was present during the meeting.

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

Name of the Member	Category	Status	No of Meetings	
			Held	Attended
Mr. Ajay Singh	Chairman and Managing Director	Chairperson	1	1
Mr. Anurag Bhargava	Independent Director	Member	1	1
Mr. Kiran Koteshwar[6]	Chief Financial Officer	Member	NA	NA

[6]Resigned effective September 1, 2020. Effective July 1, 2021, Mr. Sanjeev Taneja (Chief Financial Officer) and Mr. Chandan Sand (Company Secretary) was appointed as members of the Risk Management Committee.

9. General Body Meetings

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

Category	Date and Time	Location of the meeting	Special Resolutions Passed
36th AGM (2019-20)	December 24, 2020 at 04:00 p.m.	Through video conference and other audio visual means.	Transfer of Cargo business to its wholly-owned subsidiary
35th AGM (2018-19)	September 30, 2019 at 04:00 p.m.	PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110016	Remuneration to Mr. Ajay Singh (DIN: 01360684), Managing Director of the Company in case of no profits/ inadequacy of profits of the Company
34th AGM (2017-18)	November 29, 2018 at 10:00 a.m.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi- 110003	Modification in remuneration of Mr. Ajay Singh (DIN: 01360684), Managing Director of the Company, for financial year 2017-18 Re-appointment of Mr. Ajay Singh (DIN: 01360684) as Managing Director of the Company Amendment of Articles of Association of the Company

During the year under review, no resolution was passed through postal ballot and no special resolution is proposed to be passed through postal ballot under the provisions of the Companies Act, 2013.

10. Means of Communication

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

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

11. General Shareholder Information

(a)	**Venue, date and time of the 37th Annual General Meeting**	:	Venue: Through Video Conferencing Date: December 30, 2021 Time: 11:30 a.m.
(b)	**Financial Year**	:	April 1, 2020 to March 31, 2021
(c)	**Book Closure date**	:	December 24, 2021 to December 30, 2021 (both days inclusive)
(d)	**Dividend Payment Date**	:	Not applicable
(e)	**Name of Stock Exchange**	:	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 (Equity Shares)
(f)	**Listing fees for Financial Year 2021-22**	:	Paid
(g)	**Stock Code**	:	BSE: 500285 Reuters: SPJT.BO Bloomberg: SJET ISIN in NSDL and CDSL: INE285B01017
(h)	**Reasons for suspension of securities from trading**	:	Not applicable
(i)	**Registrar and Transfer Agents**	:	KFin Technologies Private Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
(j)	**Dematerialisation of Shares and Liquidity**	:	Over 99.38% of the outstanding equity shares have been dematerialised up to March 31, 2021. The equity shares of the Company are listed at BSE Limited only; where they are actively traded.
(k)	**Outstanding Global Depository Receipts/ American Depository Receipts/warrants and convertible bonds, conversion date and likely impact on equity**	:	The Company has no outstanding Global Depository Receipts/ American Depository Receipts/warrants and convertible bonds.
(l)	**Plant location**	:	The Company does not have any plant location.
(m)	**Address for Correspondence**	:	**For shares in physical/ demat mode:** KFin Technologies Private Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 E-mail: einward.ris@kfintech.com Tel: +91 40 67162222 Fax: +91 40 23001153 **For any query on Annual Report** Legal & Company Affairs SpiceJet Limited 319, Udyog Vihar, Phase IV, Gurugram - 122 016 Haryana E-mail: investors@spicejet.com Tel: +91 124 3913939 Fax: +91 124 3913844
(n)	**Details of shares in the demat suspense account or unclaimed suspense account**	:	Nil

12. Market Price Data

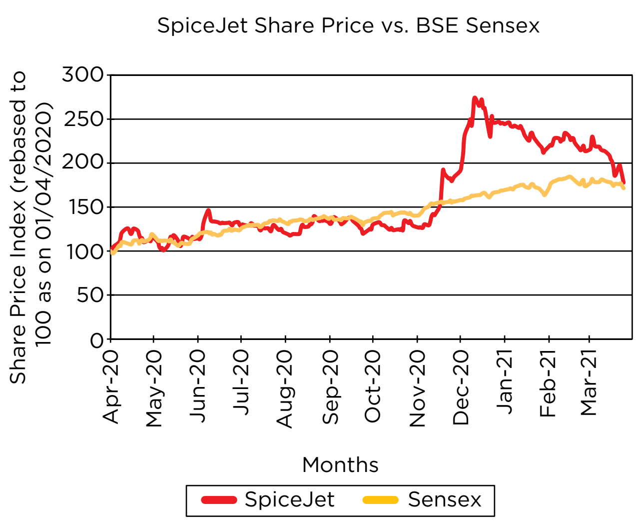
The market capitalisation of the Company is included in the computation of BSE 500 Index. The table below sets out the monthly high and low quotations of the shares traded at BSE Limited (www.bseindia.com) during the period under review:

Month	Open Price	High Price	Low Price	Close Price
Apr-20	37.95	49.55	37.85	44.85
May-20	42.65	47.00	38.60	44.05
Jun-20	45.70	61.00	43.75	50.25
Jul-20	50.80	53.50	46.55	46.85
Aug-20	47.70	54.50	45.35	51.50
Sep-20	50.10	56.55	45.60	48.25
Oct-20	48.25	53.75	47.00	49.60
Nov-20	51.00	79.75	48.55	71.50
Dec-20	71.90	107.95	70.20	94.95
Jan-21	95.80	97.15	81.15	82.85
Feb-21	83.60	94.00	81.80	82.70
Mar-21	84.05	90.50	68.05	69.50

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

Chart below sets out price performance of equity shares of SpiceJet Limited relative to BSE Sensex based on daily closing values during April 1, 2020 to March 31, 2021.

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



14. Share Transfer System

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

15. Shareholding Pattern as on March 31, 2021

S. No.	Category	No. of Shares	Percentage (%)
1.	Promoters	359,419,068	59.81
2.	Resident Individuals	171,792,326	28.59
3.	Mutual Funds	21,616,659	3.60
4.	Foreign Portfolio - Corp	12,536,277	2.09
5.	Bodies Corporates	16,173,268	2.69
6.	Non Resident Indians	7,606,579	1.28
7.	Hindu Undivided Family	3,993,379	0.66
8.	Non-Resident Indian Non Repatriable	2,383,383	0.40
9.	Clearing Members	3,281,766	0.55
10.	Employees	1,303,540	0.22
11.	Alternative Investment Fund	397,200	0.07
12.	NBFC	192,216	0.03
13.	Foreign Institutional Investors	107,900	0.02
14.	Foreign Portfolio Investors	75,001	0.02
15.	Directors	29,001	0.01
16.	Directors and their relatives	20,000	0.00
17.	Trusts	9,040	0.00
18.	Foreign National	300	0.00
	Total	**600,936,903**	**100.00**

16. Distribution of Shareholding as on March 31, 2021

Category	Shareholders		Shares	
	Number	% of total	Number	% of total
1-5000	287,707	85.06	35,751,814	5.95
5001-10000	25,658	7.59	20,801,462	3.46
10001-20000	12,776	3.78	19,546,372	3.25
20001-30000	4,203	1.24	10,794,988	1.80
30001-40000	1,955	0.58	7,062,771	1.17
40001-50000	1,630	0.48	7,733,973	1.29
50001-100000	2,447	0.72	18,143,569	3.02
100001 and above	1,874	0.55	481,101,954	80.06
Total	**338,250**	**100**	**600,936,903**	**100.00**

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

The Company has significant exposure to price movement of Aviation Turbine Fuel which is a derivative of crude oil. For financial year ended March 31, 2021, the Company has established a framework to actively manage these fuel price risk and foreign exchange risk. This framework lays down the quantum of hedging and trigger points for hedging depending upon volatility and market outlook. All hedging activities of the Company, if any, are as per applicable guidelines.

18. Subsidiary Companies

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

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

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

19. Details of total fees paid to Statutory Auditors

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

S. No.	Particulars	Amount (Rs. in million)	
		M/s. S. R. Batliboi & Associates LLP[7]	M/s. Walker Chandiok & Co LLP
1.	Audit Fees as Statutory Auditor	4.35	7.84
2.	Tax Fees	-	0.65
3.	Re-imbursement of out of pocket expenses	-	-
4.	Other	2.86	-

[7]M/s. S.R. Batliboi & Associates LLP was holding office of statutory auditors until the conclusion of 36th AGM held on December 24, 2020 and M/s. Walker Chandlok & Co LLP was appointed as statutory auditors effective conclusion of 36th AGM.

20. Credit Rating

During the year under review, the banking facilities availed by the Company were rated "D" by CRISIL due to unprecedented impact of Covid-19. However, the same is now revised and upgraded to BB- with "Stable" outlook (for long term instruments) and A4+ (for short term instruments) by Acuité Ratings & Research Limited.

21. Other Disclosures

(a) **Related Party Transactions:** All transactions entered into with related parties as defined under the Companies Act, 2013 and the SEBI Listing Regulations during the financial year ended March 31, 2021 were in the ordinary course of business and on an arm's length pricing basis or were approved by the Board/ Audit Committee under specific provisions of the Companies Act, 2013.

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 51 of the standalone financial statements, forming part of this Annual Report. Further, in respect of each half year, the Company submits the disclosure of related party transactions on a consolidated basis to the stock exchange and the same is also placed on the website of the Company.

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

(b) **Details of non-compliance by the Company:** There has been no instance of non-compliances by the Company and no penalties and / or strictures has been imposed by stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years except penalty of ₹28,320 for late submission of corporate governance report for the quarter ended June 30, 2018.

As at March 31, 2021, the composition of the Board was not as per the requirement of Regulation 17(1) of the SEBI Listing Regulations as the Company has not appointed one independent woman director and the total number of directors are less than six. The stock exchange has imposed fine for each quarter effective September 30, 2019 in terms of SEBI guidelines with respect to penal actions prescribed under the SEBI Listing Regulations. However, the stock exchange has waived/exempted the fines for certain quarters basis application filed by the Company in terms of exchange policy for exemption of fines.

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

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

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

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

(f) **Prevention of Sexual Harassment:** The Company's commitment towards creating a respectful workplace that is free from any form of harassment and discrimination is exemplified by its 'zero-tolerance' approach towards any act of sexual harassment. The Company has a comprehensive policy which is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "Act") and the rules made thereunder. An Internal Complaints Committee has been constituted as per procedure prescribed in the law. All such investigations are conducted as per the tenets of the law and the Company's policy. During the financial year 2020-21, 16 complaints were received under the Act and as on March 31, 2021, 2 complaints were pending for its disposal.

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

A declaration signed by the Chairman and Managing Director, regarding affirmation of the compliance with the Code of Conduct by Board Members and Senior Management for the financial year ended March 31, 2021, is annexed as Annexure III to this report.

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

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

(j) **Compliance Certificate by Chief Executive Officer and Chief Financial Officer:** In terms of Regulation 17(8) of the SEBI Listing Regulations, the Managing Director and Chief Financial Officer have certified to the Board of Directors of the Company with regard to the financial statements and other matters specified in the said regulation, for the financial year 2020-21. The said certificate is attached with this report as Annexure IV.

(k) **Non-mandatory requirements:** The Company did not have a non-executive chairman during the financial year 2020-21, hence, the requirement of maintaining a chairman's office was not applicable to the Company. The Internal Auditors of the Company reports to the Audit Committee of the Company. Other provisions of non-mandatory requirements are under consideration of the Board of the Company.

ANNEXURE I

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

In my opinion and to the best of our information and according to the verifications (including Directors Identification Number) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2021 have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority:

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

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

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

For Mahesh Gupta & Company
Company Secretaries

Sd/-

Mahesh Kumar Gupta
Proprietor
FCS 2870::CP 1999
UDIN: F002870C001417118

Date : November 12, 2021
Place : New Delhi

Note: The Covid-19 pandemic has resulted in many restrictions, including free movement of people. We were not able to personally visit the office of the Company for verification of certain physical documents and has obtained most of the documents in electronic mode. The explanation from the Company has also been obtained either telephonically or electronically.

ANNEXURE II

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

I have examined the compliance of conditions of Corporate Governance by SpiceJet Limited (the "Company"), for the year ended on March 31, 2021, as stipulated under Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

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

On the basis of my findings from the examination of the records produced and explanations and information furnished to me and the representation made by the management of the Company, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended March 31, 2021 except that the composition of the Board of Directors of the Company is not as per the requirement of the Regulation 17(1) of the SEBI Listing Regulations as the Company has not appointed one independent woman director and the total number of directors are less than six.

For Mahesh Gupta & Company
Company Secretaries

Sd/-

Mahesh Kumar Gupta
Proprietor
FCS 2870::CP 1999
UDIN: F002870C001417151

Date : November 12, 2021
Place : New Delhi

Note: The Covid-19 pandemic has resulted in many restrictions, including free movement of people. We were not able to personally visit the office of the Company for verification of certain physical documents and has obtained most of the documents in electronic mode. The explanation from the Company has also been obtained either telephonically or electronically.

ANNEXURE III

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

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

I hereby declare that all the Board Members and Senior Management personnel have affirmed compliance with the Code for the financial year ended March 31, 2021.

Sd/-

Date : June 30, 2021
Place : Gurugram

Ajay Singh
Chairman & Managing Director

ANNEXURE IV

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION IN TERMS OF REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Ajay Singh, Chairman & Managing Director and Sanjeev Taneja, Chief Financial Officer of the Company, to the best of our knowledge and belief certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

Sd/-

Ajay Singh
Chairman & Managing Director

Sd/-

Sanjeev Taneja
Chief Financial Officer

Date : June 30, 2021
Place : Gurugram

Management Discussion & Analysis

1. Economy and Prospects

(a) Indian Economy

India witnessed a gradual resumption of economic activity from the third quarter of FY 2020-21. The pandemic and subsequent lockdowns had a severe impact on the Indian economy. Gradual easing of restrictions, pent-up demand, festive demand, and the revival of several infrastructure projects resulted in a moderate recovery in travel demand in the second half of the year.

According to IMF, India's GDP is estimated to have contracted by 8% during FY 2020-21, amongst the steepest in the world. With the vaccination drive gaining momentum, over 1 billion doses have been administered in India. The country is expected to witness a full economic recovery in the second half of the next fiscal year driven by the ongoing vaccination supporting the current recovery momentum; restart of investment cycle with significant spending on infrastructure and continued recovery in consumption supported by urban demand, accentuated by work-from-home and preferences for personal mobility along with rising rural incomes and affordability.

(b) Support Measures and Outlook

In the early stages of the pandemic response, the Government focussed primarily on social protection and healthcare; wage support and employment provision to low-wage workers; insurance coverage for the marginalised sections; and development of healthcare infrastructure. Later, the Government increased public investment through higher capital expenditure and interest-free loans to states and supporting sector specific schemes including Production Linked Incentive (PLI) scheme.

To provide credit support to businesses, poor households, especially migrants and farmers, distressed electricity distribution companies, and targeted support for the agricultural sector, the Government undertook several financial sector measures. These measures supported the micro, small, and medium-sized enterprises (MSMEs) and non-bank financial companies, provided concessional credit to farmers and street vendors. The Union Budget 2021-22 revolving around Atmanirbhar Bharat and digitisation of the economy laid strong thrust on development of healthcare and infrastructure to drive the economy out of the stress due to the Covid-19 pandemic.

IMF projects that the country's GDP should bounce back to 12.5% during FY 2021-22, while tapering back to a moderate 6.9% for FY 2022-23.

(Source: IMF World Economic Outlook, April 2021)

2. Indian Aviation

(a) Industry Overview

The civil aviation industry has emerged as one of India's fastest growing sectors over the past few years. India has now become the third largest domestic aviation market in the world. Growth in air-passenger traffic in India has been particularly strong since the new millennium, especially with rising incomes, improved connectivity, and affordable fares. However, given the severe disruption caused by the Covid-19 pandemic, the airline sector may witness a prolonged road to recovery, given the increased risk aversion among air travellers, the likelihood of extended travel restrictions across countries and corporate travel cuts.

Indian aviation landscape

Airline	Market Share (Domestic)[1]	Capacity Share (Domestic)[2]	Service Type	Fleet Size[3]	Aircraft Type
Indigo	55.3%	54.9%	LCC	282	A320, A320N, A321N, ATR
Air India	20.3%	20.9%	FSC	167	A319, A320, A320N, A321, B747, B777, B787, B737 NG, ATR
SpiceJet	9.4%	8.5%	LCC	99	B737NG, B737MAX, Q400, A340 (WL)
GoAir	6.5%	4.7%	LCC	55	A320, A320N
Vistara	4.6%	6.4%	FSC	46	A320, A320N, B737 NG, B787
Air Asia	3.0%	3.8%	LCC	34	A320, A320N

Data as of May 2021

Source: [1] DGCA Air Traffic Report, [2] DGCA Monthly Statistics (%age of ASKMs) and [3] Websearch/Planespotters

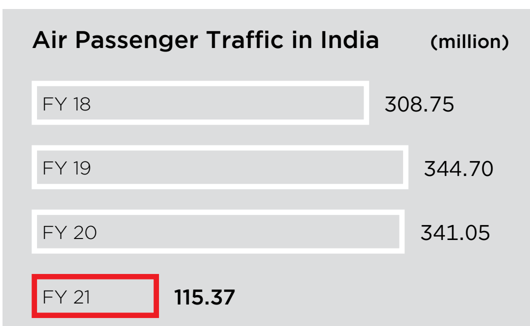
(b) Covid-19 Impact on Domestic Aviation

The Covid-19 pandemic has had a massive impact on the Indian aviation industry. According to DGCA, passengers carried by domestic airlines dropped by 66% to 115.37 million during FY 2020-21. With the gradual abatement of the first wave, India was witnessing a sharp 'V' shaped recovery in domestic traffic in the period through February 2021.

Although economic activity rebounded on the back of booming manufacturing production, travel restrictions kept air passenger numbers low, especially for international travel.

The principal drivers of air passenger demand have changed during the unprecedented crisis. Normally, a robust recovery in advanced and emerging economies contributes to a swift rebound in air travel volumes. The improving global economic backdrop has had little impact on passenger volumes, as travel restrictions remained in place. Although some easing was witnessed since the second quarter of 2020, restrictions remain elevated in almost all regions, most notably in Asia-Pacific.

On a positive note, throughout 2020, the aviation industry saw strong, pent-up travel demand supported by improved economic activity and accumulated savings. The desire in consumers to vacation abroad or to visit friends and relatives has been displayed on several occasions, with a surge in bookings when restrictions were eased on certain international routes. Moreover, with an improving pace of vaccination, there is reason for optimism that passenger traffic will recover rapidly once the pandemic is better controlled and people feel comfortable traveling again.



(Source: IATA)

Cargo operations have gained prominence owing to the vital role of air cargo in transporting lifesaving medical equipment, PPE kits and vaccines along with delivery of e-commerce during the lockdown period. The strong upward trend in air cargo traffic observed in the second half of 2020 has continued through 2021. Air cargo has also over performed global goods trade in 2021, as businesses turned to air freight to rapidly restock inventories to meet rising demand. Air cargo's strength is a result of a sharp recovery in economic activity and business confidence experienced by certain sectors of the global economy, particularly manufacturing, that were not much affected by renewed outbreaks and control measures than air passenger travel. Given India's economic growth, freight traffic has the potential to grow to 17 MT by 2040.

(c) Government Initiatives

Over the past few years, the Government has been enforcing ambitious policies to boost the growth of the aviation sector. Strong thrust and increasing investments on infrastructure development and modernisation and upgradation of existing airports will enhance growth of India's aviation sector.

To cater to the rising air traffic, the Government of India has been working towards increasing the number of airports. The AAI is planning to invest ₹ 25,000 crore in the next five years for development and upgradation of existing airports across the country. The Government is planning to invest USD 1.83 billion for development of airport infrastructure along with aviation navigation services by 2026. Introduction of new terminals in Mumbai, Bengaluru, Chennai, and Kolkata will also augment the infrastructure capacity. The Government has envisaged increasing the number of operational airports to 190-200 by FY 2040.

Further, 100% FDI has been permitted under automatic route for greenfield and brownfield airport projects and in scheduled air transport service, regional air transport service and domestic scheduled passenger airline. Cumulative FDI inflow into India's air transport sector (including air freight) reached USD 2.95 billion between April 2000 and March 2021.

The Union Budget has also envisaged ₹ 3,224.67 crore (USD 440.36 million) for the aviation sector for FY 2021-22. It also announced tax holidays and exemptions for capital gains income of aircraft leasing and financing companies for companies establishing their operations in the GIFT City. It has also included development of health systems capacities under PM Atmanirbhar Swasth Bharat Yojana including aviation entry points to facilitate seamless movement of pharmaceuticals across the world.

(Source: Union Budget 2021-22)

(d) Input Costs

Following the pandemic, crude oil prices declined materially, reaching a low of USD 19 in April 2020, resulting in a decline in ATF prices. However, the crude oil prices increased gradually since then, and currently ranges at around USD 75. Consequently, the ATF prices increased sequentially by 24.1% and 4.2% in July and August 2020, respectively. However, it declined sequentially in September and October 2020, before increasing again in the second half of FY 2020-21. In August 2021, the prices once again rose by 55.3% on a YoY basis, attributed to the low base of August 2020, when the prices declined YoY by 30.5% due to the impact of the pandemic. EIA predicts that Brent crude oil prices will average USD 71.38 in 2021 and USD 72 in 2022, keeping the ATF prices at sustainable levels.

(Source: ICRA Research)

3. Developments at SpiceJet

(a) Performance

SpiceJet, India's favourite airline and the leading air cargo operator, reported a net loss of ₹ 9,983 million in FY 2020-21 as business continues to be impacted by the pandemic-related restrictions and subdued travel demand. The year posed multiple unprecedented challenges with most parts of the world going into lockdown. International operations as of date are severely restricted due to the second wave and it is not possible to predict, with any certainty, when scheduled international operations will resume. While the Company incurred significant losses on the passenger side of the business, the dedicated cargo operations provided much-needed lifeline to SpiceJet's overall operations.

Much like the first wave, SpiceJet's cargo arm was exceptionally active and has performed extremely well transporting record quantities of supplies all across the globe. During this pandemic, SpiceJet operated multiple charter flights on Airbus 330, Airbus 340, Boeing 777 and Airbus 321 to various countries including UAE, Saudi Arabia, Oman, Qatar, Kuwait, Kabul, South Korea, Philippines, Kazakhstan, Russia, Netherlands, Malaysia and Sri Lanka. The Company also operated long-haul flights to and from London, Amsterdam, Toronto, Rome and Milan helping Indian and foreign nationals get back to their homes. SpiceJet is also the first airline to offer a Covid-19 Insurance product to its customers in partnership with Digit Insurance.

(b) Cost Reduction Measures

Cost reduction has always been one of the prime focus areas for SpiceJet to maintain an optimal cost structure in a price sensitive industry. The Company continued its focus towards improving efficiency and to reduce costs. The Company continues to implement various measures such as fleet rationalisation, optimising aircraft utilisation, 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 positive cash flows in the future. The most significant step taken has been the renegotiation of various aircraft leases and settlement with Boeing 737 MAX lessors and reassessment of aircraft maintenance provisions (having regard to contractual obligations and current maintenance conditions), based on the anticipated scale of operations in the immediate future. The Company has now started to re-introduce its most efficient Boeing 737 MAX aircraft which will increase operational efficiency and support cash-profitable operations.

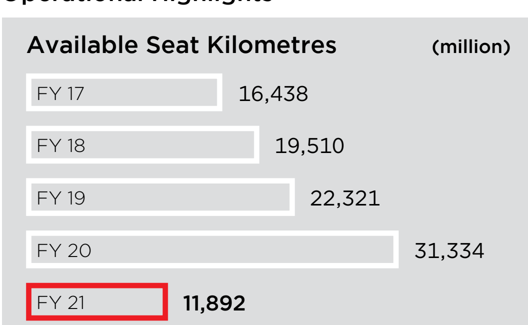
(c) Brand Consolidation

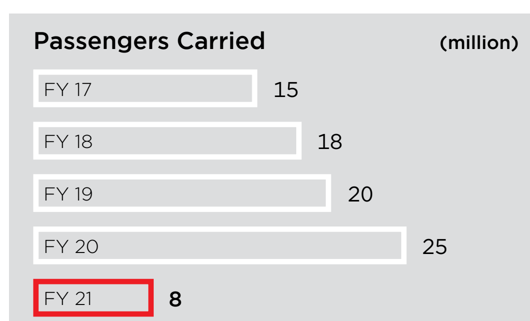
During the year, SpiceJet honoured Sonu Sood by dedicating an aircraft livery for a Boeing 737 aircraft for his humanitarian efforts during the pandemic. He is the first Indian actor to make it to the livery of a domestic airline. The livery includes a picture of Sonu Sood with the text 'A salute to the saviour Sonu Sood'. Further, the Company also introduced an indigenously produced and affordable ventilator to celebrate the 75th anniversary of India's independence.

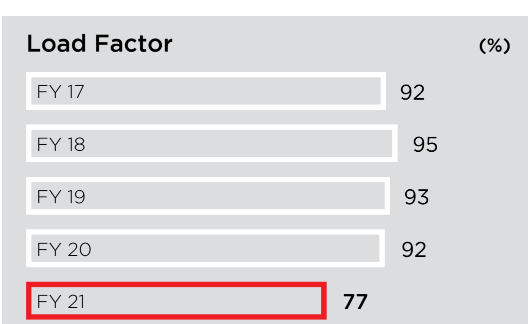
In another initiatives, SpiceJet tied up to introduce discounted RT-PCR test at exclusively discounted prices for customers flying with SpiceJet and other airlines. It also launched an exclusive product "Free date change and Full Refund" for COVID-affected customers.

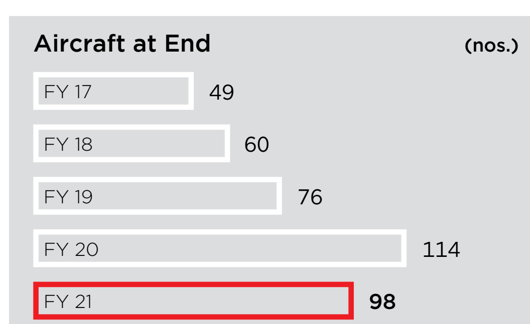
4. Operational and Financial Highlights

(a) Operational Highlights

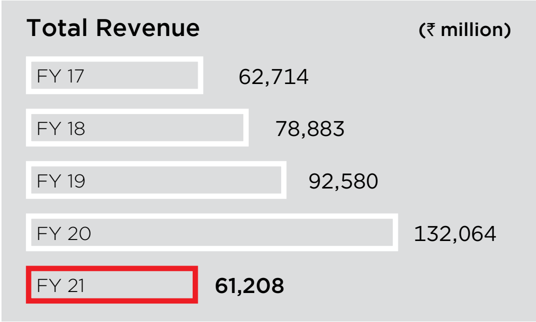


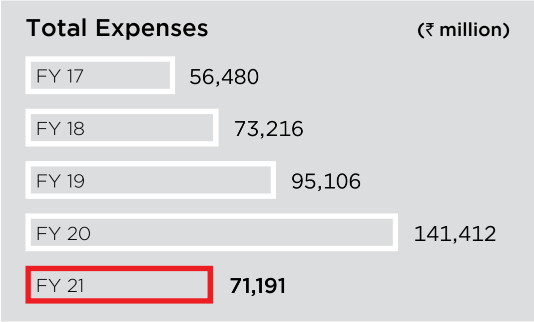


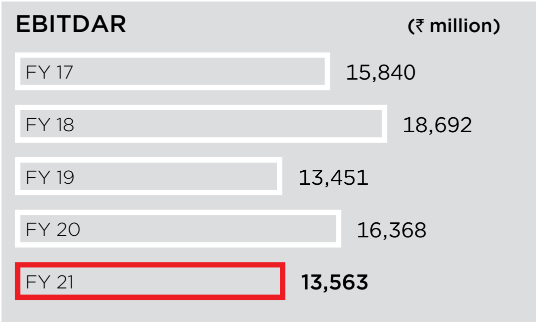


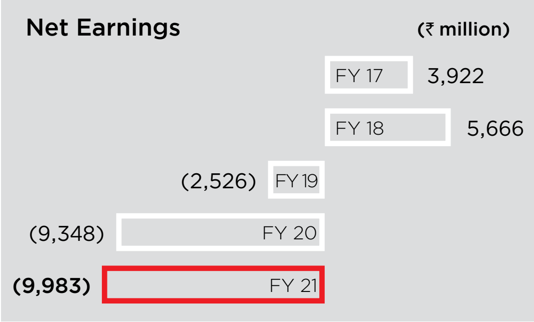


(b) Financial Highlights









(c) Revenues

SpiceJet's total revenues decreased by 54% to ₹61,208 million in FY 2020-21 from ₹1,32,064 million in FY 2019-20.

Revenue from operations declined by 58% to ₹51,334 million in FY 2020-21 from ₹1,23,586 million in FY 2019-20, due to significant disruption of passenger operation. During this period, the Company also enhanced its freighter operations and had significant growth in revenue which were fulfilled by dedicated fleet of freighter aircraft.

Other income increased by 16% to ₹9,874 million in FY 2020-21 from ₹8,478 million in FY 2019-20, mainly due to certain accommodations extended by various lessors due to Covid-19.

(d) Expenses

Total expenses for FY 2020-21 decreased by 50% to ₹71,191 million from ₹1,41,412 million in FY 2019-20.

(i) **Aircraft Fuel and Oil:** Expenditure on aircraft fuel decreased by 67% to ₹15,288 million in FY 2020-21 from ₹46,162 million in FY 2019-20 primarily on account of reduction in operations and marginal decrease in fuel prices.

(ii) **Lease-Rental Aircraft and Engines:** Expenditure on lease rental aircraft and engines decreased by 31% to ₹2,484 million in FY 2020-21 from ₹3,630 million in FY 2019-20 mainly due to early return of certain aircraft during the year and also converting the fixed lease cost to variable cost as pay per use.

(iii) **Aircraft Maintenance Cost:** Expenditure on aircraft maintenance cost decreased by 48% to ₹11,221 million in FY 2020-21 from ₹21,717 million in FY 2019-20 mainly due to decrease in flights operated.

(iv) **Employee Benefit/Expenses:** Employee remuneration and benefits expenses decreased by 54% to ₹6,762 million in FY 2020-21 from ₹14,635 million in FY 2019-20 mainly due to salary rationalization in proportion to operation.

(v) **Finance Cost:** Finance Cost increased by 10% to ₹6,020 million in FY 2020-21 from ₹5,450 million in FY 2019-20 mainly due to cost incurred on extended credit period availed for making payments to various stakeholders.

(vi) **Depreciation and amortisation:** Depreciation and amortisation decreased by 10% to ₹15,580 million in FY 2020-21 from ₹17,339 million in FY 2019-20 mainly due to termination of certain long term aircraft leases.

5. Opportunities, Risks, Concerns and Threats

With Covid-19 cases declining sharply and relaxations in travel restrictions, there are strong hopes of recovery in the Indian aviation sector. SpiceJet is positioning itself to seize these opportunities and scale new frontiers of success. The Company is expanding its network on international routes and increasing reach and frequency to consolidate its position in the domestic market. Further, the Company is strengthening its global footprint and widening coverage of its cargo business as it sees huge potential in cargo operations.

The potential risks and challenges include subdued travel demand due to fresh lockdowns imposed by Government to curb new variants of the pandemic; increase in oil prices and adverse exchange rates; high competition from new entrants and consolidation emerging from divestment of national carrier; talent crunch and unfavourable Government regulations. Continued restrictions imposed by India or other countries to prevent newer outbreaks may impact the international network expansion plan of SpiceJet and result in financial losses.

6. Future Outlook

India achieved the historic milestone of 1 billion vaccinations. The effect of this aggressive vaccination drive is clearly visible in the sharp decline in the new Covid-19 cases across India. SpiceJet continues to strongly believe that the Company will recover from the pandemic by Q4 of FY 2021-22. As India prepares to open its air routes by relaxing travel restrictions, SpiceJet will be ready with the induction of Boeing 737 MAX aircraft. The Company intends to emerge from the crisis stronger than ever as it foresees an opportunity in the pandemic to bring down its operating costs significantly, improve yields and consolidate network with new more fuel-efficient Boeing 737 MAX aircraft. Moreover, SpiceJet sees tremendous potential in its cargo and logistics arm and the business is in the process of being transferred to its subsidiary SpiceXpress, as already approved by the shareholders. During the pandemic, SpiceJet utilised its cargo capacity to carry essential supplies including vaccines and other essential medicines and equipment. As at March 31, 2021, the Company was operating 20 cargo aircraft and in the near and midterm, the Company plans to induct more freighter aircraft to scale up existing capacity of freighter business and transform into a full-scale logistics platform.

Upon transfer of cargo business undertaking to SpiceXpress and Logistics Private Limited (a subsidiary of the Company), the same will provide greater and differentiated focus to cargo and logistics business and will allow the possibility of raising capital for the business to accelerate its growth. The proposed transfer, with separate and enhanced management focus, will provide greater opportunity and flexibility in pursuing long-term growth plans and strategies for SpiceXpress business providing various innovative logistics platform using fulfilment as a service. It will also assist the management in evaluating the business performance of SpiceXpress as an independent entity while leveraging and unlocking significant value for the Company and its shareholders.

SpiceJet is the largest regional player in the country under the Regional Connectivity Scheme. The Company has now planned a phased ramp-up of its operations with the return to service of Boeing 737 MAX aircraft. SpiceJet shall have sufficient aircraft, crew and other operating staff to resume and scale operations rapidly. Overall, the Company's management is taking effective steps to overcome from the current crisis and emerge into a profitable airline by optimising costs, enhance brand prominence and achieve highest level of customer satisfaction.

7. Internal Control

The internal control systems of the Company are commensurate with the size and complexity of its operations and have been designed to provide reasonable assurance regarding effectiveness and efficiency of operations, adequacy of safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

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

8. Human Resources

SpiceJet, as an organisation, strongly believes that human resources are the principal driver of change. The Company focusses on providing individual development and growth in a professional work culture that enables innovation, ensures high performance, and remains empowering. Human Resources has been a key enabler for SpiceJet, as it works towards creating a digitally-empowered and future-ready organisation. As custodians of the Company's talent, SpiceJet believes that upskilling and empowering talent will trigger path-breaking achievements and help sustain its growth trajectory and market leadership.

FY 2020-21 has been tough with the pandemic impacting human lives adversely. The airlines across the globe have experienced challenging times and that has been the case with SpiceJet as well. Even during these distressed times, there was zero retrenchment exercised by SpiceJet, unlike many airlines around the world which had to unfortunately terminate large number of their employees. The Company ensured that even during the complete lockdown period with no revenues, and provided sustenance across its workforce with employees in the lowest pay grades remaining unaffected and junior staff being paid subsistence allowance.

Further, there has been no significant attrition as well in SpiceJet. The insignificant attrition rate manifest that the employees have confidence and trust in steps undertaken by SpiceJet to take care of their interest during these challenging times.

The Company strives towards streamlining job descriptions and Key Result Areas for all the roles in the organisation that ensures a transparent performance appraisal system. The leadership competency framework for the organisation has been fully integrated with various HR processes like recruitment and people review process. SpiceJet takes pride in being an equal opportunity and women-friendly organisation. It has zero tolerance for sexual harassment. It ensures a safe and secure work environment for the women employees by regularly training all existing and new employees on the Prevention of Sexual Harassment Policy. The Company also encourages employees to participate in CSR initiatives undertaken to benefit the underprivileged masses and the environment.

SpiceJet remains committed towards hiring and retaining the best talent and being among the industry's leading employers. Towards this, it focusses on promoting a collaborative, transparent, and participative culture and rewarding individual contribution and innovation. The focus of human resources management is to enable its employees to navigate their next, not just for customers but also for themselves. While in fiscal 2019-20, the Company focussed on expansion due to unprecedented growth owing to the induction of new aircrafts, FY 2020-21 was more about consolidation of manpower and fighting the pandemic, therefore, a stark downward trend in hiring was observed.

9. Information Technology

FY 2020-21 was a challenging one for SpiceJet, and the aviation industry, due to the unprecedented circumstances caused by the Covid-19 pandemic. However, SpiceJet continued to invest in technology and innovation. Airline operations were resumed after a shutdown of nearly two months in May and June 2020. SpiceJet worked with the Ministry of Aviation and other airlines to introduce a contactless customer experience on resumption of operations. This enabled all its passengers to web check in and use mobile boarding passes for check in. SpiceJet also removed the paper baggage receipt and replaced it with an SMS receipt instead. A mobile phone based scanning system was introduced at the step ladder, so that its personnel no longer had to either inspect boarding passes manually or tear one part of a paper boarding pass.

The Company also introduced a WhatsApp chat bot for customers to receive answers to their queries and was also the first airline to introduce WhatsApp based check in. The payment process for excess baggage and other services at the airport were also made paperless. The passengers could make the payment by scanning a QR Code or by using UPI. In addition, it removed paper meal menus from all flights and instead meal menus were made available directly on the passengers' mobile phones along with in-flight entertainment and games.

Further, the Company invested in IT systems to enable sustainable, paperless, and contactless processes. For example, the cabin crew and pilots were provided a Mobile App comprising all required statutory documentation including safety and other manuals, thereby reducing the need for paper documentation. Customised in-flight announcements based on a particular flight were also made available to the cabin crew as part of this App.

SpiceJet also invested in data technologies and Artificial Intelligence (AI), some of which already started to benefit the airline operations. Using AI techniques, SpiceJet has been able to predict load, revenue, and profitability for each flight in advance with a median error of only 4-6%. These predictions and other revenue dashboards are regularly used by the revenue management team to ensure the highest load factor amongst all airlines. SpiceJet continues to invest in innovative new technologies including a new revamped website, and especially, data science and AI. Many of these are expected to be operationalised in FY 2021-22 leading to significant benefits.

Independent Auditor's Report

To the Members of SpiceJet Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of SpiceJet Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As described in Note 47 of the standalone financial statements, the management of the 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 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.

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

Material Uncertainty Related to Going Concern

4. We draw attention to Note 2A(a)(iii) of the standalone financial statements, which describes that the Company has incurred a net loss (after other comprehensive income) of Rs. 9,966.03 million during the year ended March 31, 2021 and, as of that date, the Company's accumulated losses amounts to Rs. 41,906.65 million which have resulted in complete erosion of its net worth of the Company and the current liabilities have exceeded its current assets by Rs. 51,858.37 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 Company as described in Note 48 to the standalone 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 Company's ability to continue as a going concern. However, based on the factors mentioned in the aforesaid note including re-negotiation of payment terms to various parties, management is of the view that the going concern basis of accounting is appropriate.

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

   - Obtained an understanding of the management's process for identification of events or conditions that may cast significant doubt over the Company's ability to continue as a going concern and the process to assess the corresponding mitigating factors existing against each such event or condition;
   - Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management;
   - Obtained the cash flow projections for the next twelve months from the management, basis their future business plans and considering the impact of ongoing Covid-19 pandemic on the operations of the Company;
   - Held discussions with the management personnel to understand the assumptions used and estimates made by them for determining the cash flow projections for the next twelve months;
   - Evaluated the reasonableness of the key assumptions such as expected growth in the

revenue, expected saving in the costs etc. based on historical data trends, future market trends, existing market conditions, business plans and our understanding of the business and the industry;

- Tested the arithmetical accuracy of the calculations and performed sensitivity analysis around possible variation in the above key assumptions; and
- Evaluated the appropriateness and adequacy of disclosures in the standalone financial statements with respect to this matter in accordance with the applicable accounting standards.

Our opinion above is not modified in respect of this matter.

Emphasis of Matters

5. We draw attention to the following notes to the standalone 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 standalone financial statements of the Company and accordingly, no adjustment has been made to the standalone financial statements in respect of aforesaid matters.

   b) Note 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 Company's operations and the standalone financial statements of the Company 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.

Key Audit Matters

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

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

Key audit matter	How our audit addressed the key audit matter
Recognition of passenger revenue We refer to notes 2 and 30 to the standalone financial statements for accounting policies and disclosures relating passenger revenue. The Company recognises passenger revenue on flown basis i.e., when the service is rendered. Till that time, the money received is presented as deferred revenue (i.e., contract liabilities) in the balance sheet under the head other current liabilities and is measured basis the net sales price to the customer. In accounting for its passenger revenue, the Company relies on the effectiveness of the integrated Information Technology ('IT') system which processes large volumes of individually low value transactions. Based on the data provided by the said IT system, the journal entries are manually posted into the general ledger (financial reporting IT system) for recognition of passenger revenue. Considering the significance of amount involved and complicated IT systems that handle large volumes of transaction data, including exchange of information with online travel agents, recognition of passenger revenue has been identified as a key audit matter for current year's audit.	Our procedures in relation to passenger revenue included, but not limited to the following: • Obtained and updated our understanding of the revenue business process for each stream of revenue; • Understood the revenue recognition policy of the Company and ensured that it is in line with Ind AS 115 'Revenue from Contracts with Customers'; • Involved our IT specialists to evaluate design and test operating effectiveness of IT general controls and key automated controls of the Company's IT system and third-party systems (assessed the SSAE 16 assurance report) which govern revenue recognition, and tested key manual internal controls over passenger revenue recognition. • Verified the reconciliation of data between the third-party system and the general ledger (financial reporting IT system) to corroborate the completeness of revenue; • Performed data analytics to identify unusual patterns by comparing the trend in monthly revenue, sector-wise revenue and average revenue per passenger; • For samples selected during the year and samples selected in reference to cut-off procedures, tested supporting documents; and • Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements for passenger revenue recognised during the year.

Key audit matter	How our audit addressed the key audit matter
Provision for maintenance in relation to aircrafts We refer to notes 2, 22 and 28 of the standalone financial statements for accounting policies, disclosures and information related to accounting judgements, assumptions and estimates relating to provision for aircraft maintenance. The Company operates aircrafts held under lease arrangements and incurs liabilities for maintenance costs in respect of these aircrafts during the term of the lease. As at March 31, 2021, the Company has recognised provisions for aircraft maintenance amounting to Rs. 7,606.88 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 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 arrangements; • Read the maintenance contracts with third parties to gain an understanding of the significant terms relating to maintenance of aircrafts and its components; • Obtained information from engineering department about the aircrafts utilisation pattern (basis analysis of historical flight hours) and expected condition of the aircraft (basis underlying engine inspections and results) in reference to the expected future maintenance event dates and expected estimated cost of maintenance work; • Evaluated the consistency and reasonableness of the above judgements, assumptions and estimates by testing the input data basis historical available trends/information, contract terms and Company's past experience; • Tested the arithmetical accuracy of the calculation for provision balance outstanding as at March 31, 2021; and • Evaluated appropriateness and adequacy of the disclosures made in standalone financial statements with respect to the provision for aircrafts maintenance.
Accounting of lease rent concessions/modifications We refer to notes 2 and 43 of the standalone financial statements for accounting policies and disclosures relating to leases. During the current year, due to the impact of Covid-19, the Company has negotiated various concession/benefits with the various lessors in respect of aircrafts and engines taken on lease. These amendments in lease agreements included extension in lease period, rent waivers, rent reduction, deferment of payment and change in the nature of rent i.e., fixed rentals becoming variable. The management evaluated each lease addendum for application of practical expedient guidance prescribed in amendments related to Ind AS 116 and wherever it's met, the Company has recognised the benefit in statement of profit and loss and wherever it's not met, the Company applied the modification principles prescribed in Ind AS 116 and accordingly accounted. The Company has recognised Rs. 1,194.32 million in statement of profit and loss for 'rent concessions' and Rs. 1,240.49 million in the carrying value of right-of-use assets for 'modification'. Considering the judgement involved in assessment of appropriate accounting, such lease rent concessions/ modifications has been identified as a key audit matter for the current year's audit.	Our audit procedures in relation to lease rent concession/ modifications included, but not limited to the following: • Obtained an understanding from the management with respect to process and controls followed by the Company to ensure appropriateness of accounting of lease rent concessions; • Evaluated the design and tested the operating effectiveness of the internal controls over accounting of leases as per the requirement of Ind AS 116; • Obtained the lease addendums and held discussions with appropriate client personnel to understand the revised terms; • Evaluated whether each lease addendum met the practical expedient guidance or modification related principles as prescribed in Ind AS 116; • Obtained Company's calculation of revised right of use assets and lease liabilities for such concessions/ modification and tested the calculations and arithmetical accuracy for the balance outstanding as at March 31, 2021; and • Evaluated appropriateness and adequacy of the disclosures made in standalone financial statements with respect to lease rent concessions/modifications.

Key audit matter	How our audit addressed the key audit matter
Impairment of non-financial assets We refer to notes 2, 3 and 4 of the standalone financial statements for accounting policies and information related to accounting judgements, assumptions and estimates relating to impairment of non-financial assets. During the current year, due to the Covid-19 pandemic, impairment indicators were identified in reference to non-financial assets namely right-of-use (ROU) assets and property, plant and equipment (PPE). The Company has identified its fleet of passenger aircrafts and freighter aircrafts as separate cash generating units (CGUs) and accordingly performed impairment assessment in accordance with the accounting principles and determined the value-in-use of its cash generating units (CGUs) and compared with the carrying values of the respective assets. The future cash flow projections and its discounting involved significant inputs such as expected fuel prices, foreign exchange rates, growth rate and discount rate, the determination of these inputs were inherently uncertain due to Covid-19 related travel restrictions 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, 2021. Considering significant management judgements involved in determination of said inputs used in computation, impairment of non-financial assets has been identified as a key audit matter for the current year's audit.	Our audit procedures in relation to impairment assessment included, but not limited to the following: • Obtained an understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing and the management process of determining the Value-in-Use (VIU); • Evaluated design and tested the operating effectiveness of relevant internal financial controls implemented for impairment assessment; • Obtained and assessed the management's impairment assessment computation by testing the underlying assumptions used by the management in determining the cash flow projections and VIU; • Together with our valuation specialists, challenged the management on the underlying key assumptions used for cash flow projections and discount rate, considering evidence available to support these assumptions and our understanding of the business; • Engaged in discussions with the management to assess the impact of Covid-19 on cash flow projections; • Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management; • Tested the arithmetical accuracy of the cash flow projections; and • Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements with respect to impairment of non-financial assets.

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

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

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

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

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

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

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

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

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

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

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

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

13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
    - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

14. 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.

15. 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.

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

Other Matter

17. The standalone financial statements of the Company 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 standalone financial statements vide their audit report dated July 29, 2020.

Report on Other Legal and Regulatory Requirements

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

19. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

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

    e) the matters described in paragraph 3, 5 and 6 under the Basis for Qualified Opinion section, Material Uncertainty Related to Going Concern section and Emphasis of Matters section respectively, in our opinion, may have an adverse effect on the functioning of the Company;

    f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;

    g) we have also audited the internal financial controls with reference to financial statements of the Company as on March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated June 30, 2021 as per Annexure B expressed modified opinion; and

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

        i. the Company, as detailed in note 45 and 46 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2021;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2021;

        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021; and

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 8, 2016 to December 30, 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Neeraj Goel
Partner
Membership Number: 099514
UDIN : 21099514AAAAES8001
Place : Gurugram
Date : June 30, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF SPICEJET LIMITED, ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets in the nature of property, plant and equipment, capital work-in-progress, right of use assets and intangible assets.

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

(c) The title/ lease deeds of all the immovable properties (which are included under the head 'Property, plant and equipment' and 'right of use assets') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments and loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), except for the non-compliance as detailed in note 46 of the standalone financial statements relating to advances which were received towards securities proposed to be issued. However, on account of ongoing litigation as detailed in the aforesaid note, such securities have not been issued till date and accordingly, such amounts are considered as deemed deposits under the provisions of Companies Act, 2013. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.

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

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

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

Name of the statute	Nature of the dues	Amount (Rs. in million)	Period to which the amount relates	Due Date	Date of Payment
The Income tax Act, 1961	Tax deducted at source	281.14	April 2020 to September 2020	Multiple dates	Not paid
Central Goods and Services Tax Act, 2017	Goods and services tax	308.15	February 2020 and March 2020	Multiple dates	Not paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	320.74	March 2019 to September 2020	Multiple dates	Not paid

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and goods and services tax on account of any dispute, are as follows:

Statement of disputed dues:

Name of the statute	Nature of dues	Amount (Rs. In million)	Amount paid under protest (Rs. In million)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax (including penalty for delay)	154.57	-	April 2006 to March 2012	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax (including penalty for delay)	255.61	-	2009-10 to 2011-12	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Customs (including penalty for delay)	36.38	-	December 2012 to March 2017	Customs, Excise and Service Tax Appellate Tribunal
Goods and Services Tax Act, 2017	Integrated goods and services tax	2,556.29	2,566.29	August 2017 to March 2021	GST Appellate Tribunal
Goods and Services Tax Act, 2017	Goods and services tax	5.61	-	FY 2017-18	GST Appellate Tribunal
Goods and Services Tax Act, 2017	Goods and services tax	11.17	-	FY 2018-19	GST Appellate Tribunal
Goods and Services Tax Act, 2017	Goods and services tax	10.63	-	FY 2018-19	GST Appellate Tribunal
Income-tax Act, 1961	Tax deducted at source	222.54	-	FY 2008-09	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Tax deducted at source	122.01	-	FY 2009-10	Commissioner of Income-tax (Appeals)

(viii) After receiving the approvals for rescheduling its loans from the banks, the Company has not defaulted in repayment of its loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to any financial institution or government and no dues payable to debenture-holders during the year.

(ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments) during the year.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Neeraj Goel
Partner
Membership Number: 099514
UDIN : 21099514AAAAES8001
Place : Gurugram
Date : June 30, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF SPICEJET LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

1. In conjunction with our audit of the standalone financial statements of SpiceJet Limited ('the Company') as at and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness

has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2021:

- The 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 standalone financial statements.

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

9. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at March 31, 2021, based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI, and except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at March 31, 2021.

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, 2021, standalone financial statements of the Company, and the material weakness has affected our audit on the standalone financial statements of the Company and we have issued a qualified opinion on the aforesaid standalone financial statements.

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

Neeraj Goel
Partner
Membership Number: 099514
UDIN : 21099514AAAAES8001
Place : Gurugram
Date : June 30, 2021

Standalone Balance Sheet

as at March 31, 2021

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

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	14,525.29	16,129.70
Capital work-in-progress		58.35	-
Right of use assets	4	55,381.47	70,506.67
Intangible assets	5	94.69	173.16
Investments in subsidiaries	6A	20.90	0.70
Financial assets			
(i) Investments	6B	0.61	0.50
(ii) Loans	7	5,410.57	4,969.27
(iii) Other financial assets	8	5,040.77	6,946.18
Income-tax assets	9	304.26	669.94
Other non-current assets	10	7,134.13	7,053.79
Total non-current assets		**87,971.04**	**1,06,449.91**
Current assets			
Inventories	11	1,558.28	1,775.87
Financial assets			
(i) Investments	12	4.16	3.89
(ii) Trade receivables	13	3,464.22	2,916.64
(iii) Other receivables	14	16,933.84	12,541.60
(iv) Cash and cash equivalents	15A	296.00	281.55
(v) Bank balances other than (iv) above	15B	24.33	120.22
(vi) Loans	16A	342.70	1,341.33
(vii) Other financial assets	16B	1,347.82	1,050.38
Other current assets	17	1,812.85	2,236.49
Total current assets		**25,784.20**	**22,267.97**
Total assets		**1,13,755.24**	**1,28,717.88**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	6,009.37	6,000.76
Other equity	19	(31,724.67)	(21,793.41)
Total equity		**(25,715.30)**	**(15,792.65)**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	3,026.74	4,593.03
(ii) Lease liability	21	53,615.67	67,931.93
Provisions	22	5,049.94	6,284.80
Other non-current liabilities	23	135.62	152.72
Total non-current liabilities		**61,827.97**	**78,962.48**
Current liabilities			
Financial liabilities			
(i) Borrowings	24	4,044.79	4,144.38
(ii) Lease liability	25	30,846.57	21,599.61
(iii) Trade payables	26		
- total outstanding dues of micro enterprises and small enterprises		518.22	174.84
- total outstanding dues of creditors other than micro enterprises and small enterprises		16,588.07	17,196.30
(iv) Other financial liabilities	27	4,020.90	2,797.48
Other current liabilities	29	16,250.80	15,824.02
Provisions	28	5,373.22	3,811.42
Total current liabilities		**77,642.57**	**65,548.05**
Total liabilities		**1,39,470.54**	**1,44,510.53**
Total equity and liablities		**1,13,755.24**	**1,28,717.88**

Summary of significant accounting policies 2

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

As per our report of even date.

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: June 30, 2021

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: June 30, 2021

Sanjeev Taneja
Chief Financial Officer
Place: Gurugram
Date: June 30, 2021

Chandan Sand
Company Secretary
Place: Gurugram
Date: June 30, 2021

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

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

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	30	51,333.77	1,23,586.41
Other income	31	9,335.59	7,773.46
Total income		**60,669.36**	**1,31,359.87**
Expenses			
Operating expenses	33	39,809.87	87,799.54
Employee benefits expense	34	6,762.36	14,635.17
Sales and marketing expenses	35	758.30	2,269.59
Other expenses	36	4,497.53	6,620.84
Foreign exchange (gain)/loss, (net)	38	(2,237.17)	7,296.04
Total expense		**49,590.89**	**1,18,621.18**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**11,078.47**	**12,738.69**
Depreciation and amortisation expense	39	(15,579.56)	(17,339.34)
Finance income	32	538.57	703.12
Finance costs	37	(6,020.50)	(5,450.08)
Loss before tax		**(9,983.02)**	**(9,347.61)**
Tax expense		-	-
Loss for the year		**(9,983.02)**	**(9,347.61)**
Other Comprehensive Income:			
Items that will not be reclassified to statement of profit and loss:			
- Income tax impact		-	-
- Remeasurement gains/(losses) on defined benefit obligations		16.99	(32.49)
Other comprehensive income for the year		**16.99**	**(32.49)**
Total comprehensive income for the year		**(9,966.03)**	**(9,380.10)**
Earnings per equity share	40		
- Basic		(16.61)	(15.58)
- Diluted		(16.61)	(15.58)

Summary of significant accounting policies 2

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

As per our report of even date.

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: June 30, 2021

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: June 30, 2021

Sanjeev Taneja
Chief Financial Officer
Place: Gurugram
Date: June 30, 2021

Chandan Sand
Company Secretary
Place: Gurugram
Date: June 30, 2021

Standalone Cash Flow Statement

for the year ended March 31, 2021

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

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities			
Loss before tax		(9,983.02)	(9,347.61)
Adjustments for:			
Depreciation and amortisation expense		15,579.56	17,339.34
Impairment of trade receivables		2.93	110.49
Loss on sale of property, plant and equipment (net)		0.90	196.40
Provision for contingencies		-	13.50
Advances/other balances written off		26.59	96.43
Share based payment expense		52.29	117.15
Liabilities/provision no longer required written back and rent concessions		(3,048.94)	(402.31)
Interest on lease liabilities and redelivery provision		4,029.67	4,393.26
Other borrowing costs		1,990.83	1,056.82
Interest income from financial assets		(15.39)	(165.12)
Other interest income		(523.18)	(703.12)
Net gain on financial assets measured at fair value through profit or loss		(0.27)	(0.21)
Unrealised foreign exchange (gain)/loss		(2,363.33)	7,128.16
Operating profit before working capital changes		**5,748.64**	**19,833.18**
Movements in working capital :			
Trade and other receivables		(4,669.66)	(7,596.05)
Inventories		217.59	(402.63)
Other financial assets		525.94	(1,714.40)
Other assets		210.29	85.15
Trade payables		(588.55)	5,697.52
Other financial liabilities		(154.59)	253.13
Other liabilities		409.68	(801.96)
Provisions		194.15	2,753.97
Cash flows from operations		**1,893.49**	**18,107.91**
Income taxes received/(paid) (net of refunds)		365.68	(326.76)
Net cash flows from operating activities	**A**	**2,259.17**	**17,781.16**
Cash flows from investing activities			
Purchase of property, plant and equipment and capital work in progress (including capital advances)		(744.57)	(2,560.39)
Proceeds from sale of property, plant and equipment		130.95	32.40
Loans to/investment in subsidiaries		(42.06)	(18.26)
Purchase of investments		(0.11)	(0.31)

Standalone Cash Flow Statement (Contd.)

for the year ended March 31, 2021

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

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Proceeds from bank deposits		95.89	9.28
Amount deposited with Delhi High Court		-	(577.98)
Margin money paid/received (net)		1,976.67	912.95
Interest income received		688.27	599.21
Net cash flows from/(used in) investing activities	**B**	**2,105.04**	**(1,603.10)**
Cash flows from financing activities			
Proceeds from issue of equity shares on exercise of employee stock options		8.61	3.58
Short-term borrowings paid/received (net)		(75.27)	170.47
Repayment of lease liabilities (including interest)		(3,778.81)	(15,064.17)
Repayment of long-term borrowings		-	(1,140.26)
Borrowing costs paid		(499.61)	(559.26)
Net cash used in financing activities	**C**	**(4,345.08)**	**(16,589.63)**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**19.13**	**(411.57)**
Effects of exchange difference on cash and cash equivalents held in foreign currency		(4.68)	43.65
Cash and cash equivalents at the beginning of the year		281.55	649.47
Cash and cash equivalents at the end of the year		**296.00**	**281.55**
Notes :			
Components of cash and cash equivalents			
Balance with banks in current accounts		241.15	205.07
Cash on hand		53.79	76.18
Fixed deposits		1.06	0.30
		296.00	**281.55**

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

As per our report of even date.

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: June 30, 2021

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: June 30, 2021

Sanjeev Taneja
Chief Financial Officer
Place: Gurugram
Date: June 30, 2021

Chandan Sand
Company Secretary
Place: Gurugram
Date: June 30, 2021

Standalone Statement of Changes in Equity

for the year ended March 31, 2021

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

a. Equity Share Capital:

Equity shares of ₹ 10 each issued, subscribed and fully paid	Number	Amount
As at April 01, 2019	**599,718,356**	**5,997.18**
Issued during the year pursuant to exercise of employee stock options	357,943	3.58
At March 31, 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**

b. Other equity

For the year ended March 31, 2021

Particulars	Reserves and surplus					
	Securities premium	General reserve	Share options out-standing 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	(31,940.93)	17.83	(21,793.41)
Loss for the year	-	-	-	(9,983.02)	-	(9,983.02)
Other comprehensive income	-	-	-	16.99	-	16.99
Transfer to retained earnings	-	(49.09)	-	49.09	-	-
Share based payment expense	-	-	52.29	-	-	52.29
Transfer to securities premium on exercise of stock options	105.13	-	(105.13)	-	-	-
Recognised in the statement of profit and loss	-	-	-	-	(17.83)	(17.83)
Others	-	-	-	0.31	-	0.31
As at March 31, 2021	**10,054.58**	**-**	**78.31**	**(41,857.56)**	**-**	**(31,724.67)**

For the year ended March 31, 2020

Particulars	Reserves and surplus					
	Securities premium	General reserve	Share options out-standing account	Retained earnings	Foreign currency monetary item translation difference account (FCMITDA)	Total other equity
As at April 01, 2019	9,901.12	49.09	62.33	(22,560.83)	21.39	(12,526.90)
Loss for the year	-	-	-	(9,347.61)	-	(9,347.61)
Other comprehensive income	-	-	-	(32.49)	-	(32.49)
Share based payment expense	-	-	117.15	-	-	117.15
Movement during the year	-	-	-	-	46.13	46.13
Transfer to securities premium on exercise of stock options	48.33	-	(48.33)	-	-	-
Recognised in the statement of profit and loss	-	-	-	-	(49.69)	(49.69)
As at March 31, 2020	**9,949.45**	**49.09**	**131.15**	**(31,940.93)**	**17.83**	**(21,793.41)**

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

As per our report of even date.

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: June 30, 2021

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: June 30, 2021

Sanjeev Taneja
Chief Financial Officer
Place: Gurugram
Date: June 30, 2021

Chandan Sand
Company Secretary
Place: Gurugram
Date: June 30, 2021

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

1. Corporate Information

SpiceJet Limited ('SpiceJet' or 'the Company') was incorporated on February 9, 1984 as a limited Company under the Companies Act and is listed on the BSE Limited ('BSE'). The Company is principally engaged in the business of providing air transport services for the carriage of passengers and cargo. The Company is a low-cost carrier ('LCC') operating under the brand name of 'SpiceJet' in India since May 23, 2005. The Company has fleet size of 97 operating across various routes in India and abroad as at March 31, 2021. The registered office of the Company is located at Indira Gandhi International Airport, Terminal 1D, New Delhi – 110037.

The standalone financial statements were approved for issue by the board of directors on June 30, 2021.

2. A. Summary of significant accounting policies

a) Basis of preparation of financial statements

i. Statement of compliance

The standalone financial statements ('financial statements') of the Company for the year ended March 31, 2021 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules 2015, as amended.

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

ii. Historical cost convention

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

iii. Going concern assumption

The Company has a negative net worth of ₹ 25,715.30 as at March 31, 2021. The losses have been primarily driven by adjustments on account of implementation of Ind AS 116, adverse foreign exchange rates, fuel prices, pricing pressures, and the impact of Covid-19 (first wave and recent second wave), whose effects have continued to have an impact on the financial statements for the year ended March 31, 2021.

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

The Company continues to implement various measures such as enhancing customer experience, improving selling and distribution, revenue management, fleet rationalization, optimizing aircraft utilization, redeployment of capacity in key focus markets, management and employee compensation revision, renegotiation of contracts and other costs `control measures, to help the Company establish consistent profitable operations and cash flows in the future. Further, improvements in certain macroeconomics factors relevant to the Company's business and operations, as well as the renegotiation with vendors, and the Company'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.

With increased cargo operations as compared to previous year, the Company has earned revenue of ₹ 14,205.40 million during the current year as compared to ₹ 5,448.26 million in the previous year ended March 31, 2020. The Company also continues to remain confident of accommodation of the aircraft manufacturer in respect of the matter discussed in Note 47 below. The Company 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 Company will be able to achieve profitable operations and raise funds as necessary, in order to meet its liabilities as

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they fall due. These conditions indicate the existence of uncertainty that may create doubt about the Company's ability to continue as a going concern. However, based on the factors mentioned in this note including re-negotiation of payment terms 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.

iv. Critical accounting estimates and judgements

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

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

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

Note 2.(A) (h)(iii)(a) and 42 – measurement of defined benefit obligations: key actuarial assumptions.

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

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

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

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

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

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

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

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The Company has identified twelve months as its operating cycle.

c) Property, plant and equipment

Recognition and measurement

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

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

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

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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 Company has opted to avail the exemption under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in financial statements for the year ended immediately before beginning of first Ind AS financial reporting period as per Indian GAAP (i.e., till 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 Company, based on technical assessment made by experts and management estimates, depreciates certain items of property, plant and equipment over-estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

Asset description	Useful life estimated by the management (years)
Plant and equipment	15
Rotable and tools	20
Office equipment	5
Computers	3 - 6
Furniture and fixtures	10
Motor vehicles	8
Aircraft, engines and landing gear (excluding cost of major inspection)	8 - 20

Derecognition

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

d) Intangible assets

Recognition and measurement

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

Depreciation

Costs incurred towards purchase of computer software are amortised using the straight-line method over a period based on management's estimate of useful lives of such software being 2/3 years, or over the license period of the software, whichever is shorter.

De-recognition

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

e) Impairment of non-financial assets

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

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transactions can be identified, an appropriate valuation model is used.

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

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

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

f) Borrowing Costs

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

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

g) Revenue from contracts with customer

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

Rendering of services

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

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

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

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

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

Other revenues

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

Contract assets

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

Sale of food and beverages

Revenue from sale of food and beverages is recognised when the goods are delivered or served

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

Training income

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

Interest

Interest income is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in finance income in the statement of profit and loss.

h) Employee benefits

i. Short-term employee benefits

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

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

ii. Other long-term employee benefits

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

iii. Post-employment benefits

The Company operates the following post-employment schemes:

a. Defined benefit plans – gratuity

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

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

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

b. Defined contribution plan – provident fund

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

i) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered

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from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

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

Deferred tax

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

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

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

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

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

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

j) Earnings per share

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

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

k) Leases

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

Company as a lessee

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

i) Right of use assets

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

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

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Aircrafts – 1 to 12 years

Aircraft components – 1 to 10 years

Buildings – 2 to 10 years

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

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

ii) Lease liabilities

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

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

iii) Lease term

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

iv) Sale and leaseback transactions

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

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

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

Company as a lessor

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

l) Supplementary rentals and aircraft repair and maintenance

i) Supplementary rentals

The Company accrues monthly expenses in the form of supplementary rentals which are

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

ii) Aircraft repair and maintenance

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

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

m) Cash and cash equivalents

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

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

n) Foreign currency transactions

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

Initial recognition

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

Conversion

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

Exchange differences

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

o) Fair value measurement

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

p) Provisions

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

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

q) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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

Debt instrument at FVTOCI

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

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and

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loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss. The Company does not have any debt instrument as at FVTOCI.

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

Derecognition

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

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

Impairment of financial assets

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

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

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.

Investments in equity instruments of subsidiaries

These are measured at cost in accordance with Ind AS 27 'Separate Financial Statements'.

r) Inventories

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

s) Manufacturers' incentives

Cash incentives

The Company receives incentives from original equipment manufacturers ('OEMs') of aircraft components in connection with acquisition of aircraft and engines. In case of owned aircraft, incentives are recorded as a reduction to the cost of related aircraft and engines. In case of aircraft held under leases, the incentives are recorded as reduction to the carrying amount of right to use assets at the commencement of lease of the respective aircraft.

Non-cash incentives

Non-cash incentives relating to aircraft are recorded as and when due to the Company by setting up a deferred asset and a corresponding deferred incentive. These incentives are recorded as a reduction to the cost of related aircraft and engines in case of owned aircraft. In case of aircraft held under leases, the incentives are recorded as reduction to the carrying amount of right to use assets at the commencement of lease of the respective aircraft. The deferred asset explained above is reduced on the basis of utilization against purchase of goods and services.

t) Commission to agents

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

u) Share-based payment expense

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised as employee benefits expense, together with a corresponding increase in stock options outstanding account in equity over the period in which the performance and/or service

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense (or reversal) for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of equity-settled transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

w) Contingent liabilities and contingent assets

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

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

x) Measurement of earnings before interest, tax, depreciation and amortisation ('EBITDA')

The Company has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortisation, finance income, finance costs and tax expense.

B. Changes in accounting policies/disclosures and recent accounting pronouncement

New and amended standards applied

Covid-19 related rent concessions amendment notified vide notification dated July 24, 2020

The Company has also elected to apply practical expedient whereby it has assessed all the rent concessions occurring as a direct consequence of the Covid-19 pandemic, basis the following conditions prescribed under the standard:

a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) any reduction in lease payments affects only payments originally due on or before the June 30, 2021; 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.

Covid-19 related rent concessions beyond June 30, 2021, amendment notified vide notification dated June 18, 2021

Further, the Company has also elected to apply another practical expedient whereby it has assessed all the rent concessions occurring as a direct consequence of the Covid-19 pandemic, basis the following conditions prescribed under the standard:

a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) any reduction in lease payments affects only payments originally due on or before the 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

Company has applied this amendment effective April 1, 2020.

Recent accounting pronouncement [as applicable]

Amendments to Schedule III of the Act

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Act. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The revised Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended, prescribes amendments for various additional disclosures. The Company is evaluating the requirements of these amendments and their impact on the financial statements.

Amendments to Ind AS 107, Financial Instruments: Disclosures

New disclosures requirements are added in the standard to enable the users to understand the effect of interest rate benchmark reforms on entity's risk management strategy. The related amendments are also made in the other accounting standard as applicable. The Company is evaluating the requirements of these amendments and their impact on the financial statements.

Amendments to Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations and Ind AS 16, Property, Plant and Equipment

There is change in definition of recoverable amount from 'fair value less costs to sell' to 'fair value less costs of disposal'. The Company is evaluating the requirements of these amendments and their impact on the financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

3. Property plant & equipment (PPE)

Particulars	Plant & equipment**	Rotable & tools**	Office equipment	Computers	Furniture & fixtures	Motor vehicles**	Leasehold improvements	Aircraft ^	Land	Total
Cost or valuation										
As at April 01, 2019	936.55	3,167.86	141.17	275.79	31.58	602.97	57.25	19,018.58	171.37	24,403.12
Additions #	411.33	756.18	61.17	137.82	8.17	242.19	19.55	736.51	-	2,372.92
Disposals	8.59	300.19	0.73	0.10	0.32	1.78	-	-	-	311.71
Exchange differences*	-	-	-	-	-	-	-	544.08	-	544.08
As at March 31, 2020	**1,339.29**	**3,623.85**	**201.61**	**413.51**	**39.43**	**843.38**	**76.80**	**20,299.17**	**171.37**	**27,008.41**
Additions#	42.76	135.74	49.23	43.19	1.76	35.32	16.73	254.73	-	579.46
Disposals	13.97	5.75	0.21	6.06	0.14	18.97	-	2,853.50	-	2,898.60
Exchange differences*	-	-	-	-	-	-	-	(188.42)	-	(188.42)
As at March 31, 2021	**1,368.08**	**3,753.84**	**250.63**	**450.64**	**41.05**	**859.73**	**93.53**	**17,511.98**	**171.37**	**24,500.85**
Depreciation										228.80
At April 1, 2019	187.99	563.51	71.75	144.13	19.64	265.77	38.20	7,203.20	-	8,494.19
Charge for the Year	83.86	238.72	26.55	80.73	7.76	83.96	12.54	1,707.21	-	2,241.33
Disposals	5.30	75.70	0.43	0.08	0.06	1.34	-	-	-	82.91
Exchange differences*	-	-	-	-	-	-	-	226.10	-	226.10
As at March 31, 2020	**266.55**	**726.53**	**97.87**	**224.78**	**27.34**	**348.39**	**50.74**	**9,136.51**	**-**	**10,878.71**
Charge for the Year	98.70	242.94	36.25	91.50	3.72	104.65	15.36	1,060.10	-	1,653.22
Disposals	9.23	0.32	0.16	5.90	0.14	18.94	-	2,853.50	-	2,888.19
Exchange differences*	-	-	-	-	-	-	-	331.82	-	331.82
As at March 31, 2021	**356.02**	**969.15**	**133.96**	**310.38**	**30.92**	**434.10**	**66.10**	**7,674.93**	**-**	**9,975.56**
Net Block										
As at March 31, 2020	**1,072.74**	**2,897.32**	**103.74**	**188.73**	**12.09**	**494.99**	**26.06**	**11,162.66**	**171.37**	**16,129.70**
As at March 31, 2021	**1,012.06**	**2,784.69**	**116.67**	**140.26**	**10.13**	**425.63**	**27.43**	**9,837.05**	**171.37**	**14,525.29**

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

Additions to aircraft comprise of capitalisation of overhaul cost of ₹ 254.73 million for the year ended March 31, 2021 and ₹ 736.51 million for the year ended March 31, 2020.

**Rotables and tools, ground support equipment and motor vehicles with net block of ₹ 171.76 million (March 31, 2020 ₹ 237.93 million), are subject to a first charge to secure the facilities provided by Indian Bank (erstwhile Allahabad Bank).

Refer note 44 for contractual commitments for the acquisition of property, plant and equipment.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

4. Right of use assets

Particulars	Aircraft	Aircraft components	Buildings	Total
Gross block				
As at April 1, 2019 on account of transition to Ind AS 116	53,796.95	2,071.69	1,260.60	57,129.26
Additions	26,416.74	2,610.37	271.27	29,298.38
Disposals	1,710.61	-	-	1,710.61
Balance as at March 31, 2020	**78,503.08**	**4,682.06**	**1,531.87**	**84,717.03**
Additions	-	-	-	-
Disposals/modification	3,035.83	208.12	405.50	3,649.46
Balance as at March 31, 2021	**75,467.25**	**4,473.94**	**1,126.37**	**81,067.57**
Accumulated depreciation				
As at April 1, 2019 on account of transition to Ind AS 116	-	-	-	-
Depreciation charge for the year	13,898.83	698.84	192.75	14,790.42
Disposals	580.06	-	-	580.06
Balance as at March 31, 2020	**13,318.77**	**698.84**	**192.75**	**14,210.36**
Depreciation charge for the year	12,437.77	886.55	159.80	13,484.11
Disposals	1,880.34	27.97	100.06	2,008.36
Balance as at March 31, 2021	**23,876.20**	**1,557.42**	**252.49**	**25,686.11**
Net block				
As at March 31, 2020	**65,184.31**	**3,983.22**	**1,339.12**	**70,506.67**
As at March 31, 2021	**51,591.05**	**2,916.53**	**873.87**	**55,381.47**

5. Intangible Assets

Particulars	Software	Total
Gross block		
As at April 01, 2019	224.00	224.00
Additions	125.92	125.92
Disposals	-	-
As at March 31, 2020	**349.92**	**349.92**
Additions	31.94	31.94
Disposals	-	-
As at March 31, 2021	**381.86**	**381.86**
Accumulated amortisation		
As at April 01, 2019	95.27	95.27
Amortisation charge for the year	81.49	81.49
Disposals	-	-
As at March 31, 2020	**176.76**	**176.76**
Amortisation charge for the year	110.41	110.41
Disposals	-	-
As at March 31, 2021	**287.17**	**287.17**
Net Block		
As at March 31, 2020	**173.16**	**173.16**
As at March 31, 2021	**94.69**	**94.69**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

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

		As at March 31, 2021	As at March 31, 2020
a.	**Unquoted equity investments in subsidiaries, measured at cost**		
	10,000 (March 31, 2020:10,000) equity shares of SpiceJet Merchandise Private Limited*#	0.10	0.10
	2,010,000 (March 31, 2020:10,000) equity shares of SpiceJet Technic Private Limited*#	20.10	0.10
	10,000 (March 31, 2020:10,000) equity shares of Canvin Real Estate Private Limited*#	0.10	0.10
	10,000 (March 31, 2020:10,000) equity shares of SpiceJet Interactive Private Limited*#	0.10	0.10
	10,000 (March 31, 2020:10,000) equity shares of Spice Shuttle Private Limited*#	0.10	0.10
	10,000 (March 31, 2020:10,000) equity shares of Spice Club Private Limited*#	0.10	0.10
	10,000 (March 31, 2020:10,000) equity shares of Spice Xpress Private Limited*#	0.10	0.10
	102,000 (March 31, 2020:Nil) equity shares of SpiceTech System Private Limited**##	0.10	-
	10,000 (March 31, 2020:Nil) equity shares of Spice Ground Handling Services Private Limited*#	0.10	-
		20.90	**0.70**
	Aggregate amount of unquoted investments	**20.90**	**0.70**
	Aggregate amount of impairment in value of investments	**-**	**-**

*These represent investments in wholly owned subsidiaries as at March 31, 2021, which are incorporated in India.

** This represents investment in subsidiary (68% stake) as at March 31, 2021, which is incorporated in India.

Face value of Rs. 10 each

Face value of Rs. 1 each

b.	**Unquoted equity investments, at fair value through profit or loss ('FVTPL')**		
	2988 (March 31, 2020: 2,874) equity shares of Aeronautical Radio of Thailand Limited	0.61	0.50
		0.61	**0.50**
	Aggregate amount of unquoted investments	**0.61**	**0.50**

7. Long-term loans

(Unsecured, considered good unless stated otherwise)

Security deposits (at amortised cost)	4,858.31	4,638.87
Loan to subsidiaries		
Unsecured, considered good	552.26	330.40
Unsecured, credit impaired	30.00	230.00
	582.26	**560.40**
Impairment allowance		
Unsecured, considered good	-	-
Unsecured, credit impaired	(30.00)	(230.00)
	(30.00)	**(230.00)**
	5,410.57	**4,969.27**

Loan to subsidiaries is repayable 3 to 5 years from the date of borrowing and carries an interest of 12.75% per annum.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

8. Other non-current financial assets

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2021	As at March 31, 2020
Non-current bank balances (also refer note 15B)	4,969.51	6,946.18
Interest accrued but not due on loan to subsidiaries	71.26	-
	5,040.77	**6,946.18**

9. Income tax assets (net)

Advance income-tax	304.26	669.94
	304.26	**669.94**

10. Other non-current assets

(Unsecured, considered good unless stated otherwise)

Deposit with Delhi High Court (also refer note 46)	3,187.02	3,187.02
Goods and services tax paid under protest (refer note 45)	2,556.29	2,369.53
Capital advances		
Unsecured, considered good	1,390.82	1,497.24
Unsecured, considered doubtful	109.32	109.32
	7,243.45	**7,163.11**
Impairment allowance		
Unsecured, considered good	-	-
Unsecured, considered doubtful	(109.32)	(109.32)
	(109.32)	**(109.32)**
	7,134.13	**7,053.79**

11. Inventories

(valued at lower of cost or net realisable value)

Engineering stores and spares	1,494.80	1,641.83
Stock held in trade - in flight inventory	38.04	75.18
Other stores	25.44	58.86
	1,558.28	**1,775.87**

12. Investments at fair value through profit or loss (‘FVTPL’)

Quoted investment in mutual funds		
7,122 (March 31, 2020: 7,122) units of ICICI Prudential Saving Funds - Direct Plan- Growth [NAV ₹ 419.69 (March 31, 2020: ₹390.37)]	2.99	2.78
52,700.92 (March 31, 2020: 52,700.92) units of L&T Low Duration Fund-Direct Plan-Growth [NAV ₹ 22.18 (March 31, 2020: ₹21.11)]	1.17	1.11
	4.16	**3.89**
Aggregate amount of quoted investments and market value thereof	4.16	3.89

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

13. Trade receivables

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2021	As at March 31, 2020
Trade receivables		
Unsecured, considered good	3,515.19	2,976.47
Unsecured, credit impaired	55.94	101.35
	3,571.13	**3,077.82**
Impairment allowance		
Unsecured, considered good	(50.97)	(59.83)
Unsecured, credit impaired	(55.94)	(101.35)
	(106.91)	**(161.18)**
	3,464.22	**2,916.64**

For information related to trade receivables from related parties, refer note 51.

For details of contract balances refer to note 30.

The carrying amount of trade receivables approximates their fair value, is included in note 52. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 54.

14. Other receivables

(Unsecured, considered good unless stated otherwise)

Maintenance receivables	1,984.21	2,738.83
Insurance claim receivables	100.48	204.67
Other receivables (refer note 47)	14,849.15	9,598.10
	16,933.84	**12,541.60**

15. A. Cash and cash equivalents

Balances with banks:		
– In current accounts	241.15	205.07
– In deposit accounts (with original maturity upto 3 months)	1.06	0.30
Cash on hand	53.79	76.18
	296.00	**281.55**

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

Deposits with original maturity for more than 3 months but less than 12 months	23.72	0.23
Deposits with original maturity more than 12 months	0.61	119.99
Margin money/security against fund and non-fund based facilities*	4,969.51	6,946.18
	4,993.84	**7,066.40**
Less: Amount disclosed under other non-current asset (refer note 8)	(4,969.51)	(6,946.18)
	24.33	**120.22**

*Margin money deposit have been placed with banks for non-fund based facilities sanctioned to the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

16. A. Short-term loans*

(Unsecured, considered good)

	As at March 31, 2021	As at March 31, 2020
Security deposits	342.70	1,341.33
	342.70	**1,341.33**

*The Company does not have any short-term loan which are either credit impaired or where there is significant increase in credit risk .

16. B. Other current financial assets

(Unsecured, considered good)

Employee advances	155.50	162.46
Interest accrued on fixed deposits	178.27	399.23
Contract asset	1,014.05	488.69
	1,347.82	**1,050.38**

17. Other Current Assets

Prepaid expenses	675.92	1,211.09
Balance with government authorities	201.20	-
Advances to suppliers	935.73	1,025.40
	1,812.85	**2,236.49**

18. Equity Share Capital

Authorised	
(1,500,000,000 equity shares of ₹10 each)	
As at April 01, 2019	15,000.00
Increase during the year	-
As at March 31, 2020	15,000.00
Increase during the year	-
As at March 31, 2021	**15,000.00**
Issued, subscribed and paid-up capital	
Equity shares of ₹ 10 each issued, subscribed and fully paid	
As at April 01, 2019	5,997.18
Issued during the year pursuant to exercise of employee stock options	3.58
As at March 31, 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**

A. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Value (₹)	Number	Value (₹)
Shares outstanding at the beginning of the year	600,076,299	6,000.76	599,718,356	5,997.18
Issued during the year	860,604	8.61	357,943	3.58
Shares outstanding at the end of the year	**600,936,903**	**6,009.37**	**600,076,299**	**6,000.76**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

B. Term/rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Details of shareholders holding more than 5% in the Company:

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Mr. Ajay Singh	304,333,450	50.64%	304,333,450	50.72%
Mr. Ajay Singh (HUF)	52,846,838	8.79%	52,846,838	8.81%
Total	**357,180,288**	**59.44%**	**357,180,288**	**59.52%**

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

D. Aggregate number of bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

The Company has issued total 1,486,720 shares (March 31, 2020 - 626,116) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan ('ESOP') wherein part consideration was received in form of employee services.

E. Shares reserved for issue under options

For details of shares reserved for issue under ESOP, refer note 41.

19. Other equity

	As at March 31, 2021	As at March 31, 2020
Reserves and surplus		
Securities premium account	10,054.58	9,949.45
General reserve	-	49.09
Share options outstanding account	78.31	131.15
Retained earnings	(41,857.56)	(31,940.93)
Foreign currency monetary item translation difference account	-	17.83
	(31,724.67)	**(21,793.41)**

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	**9,949.45**	**9,901.12**
Additions during the year	105.13	48.33
Balance at the end of the year	**10,054.58**	**9,949.45**

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for the year ended March 31, 2021

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

b. General reserve

The general reserves is a free reserve, retained from company's profits to meet future obligations.

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**49.09**	**49.09**
Transferred to retained earnings	**(49.09)**	**-**
Balance at the end of the year	**-**	**49.09**

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	**131.15**	**62.33**
Share based payment expense	52.29	117.15
Transfer to securities premium on exercise of stock options	(105.13)	(48.33)
Balance at the end of the year	**78.31**	**131.15**

d. Retained earnings

Balance at the beginning of the year	**(31,940.93)**	**(22,560.83)**
Loss for the year	(9,983.02)	(9,347.61)
Other comprehensive income	16.99	(32.49)
Transferred from general reserves	49.09	-
Others	0.31	-
Balance at the end of the year	**(41,857.56)**	**(31,940.93)**

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**	**21.39**
Movement during the year	-	46.13
Recognised in the statement of profit and loss during the year	(17.83)	(49.69)
Balance at the end of the year	**-**	**17.83**

20. Long term borrowings (secured)

Term loans		
Rupee loan from bank	500.00	500.00
Less: Current maturities of long term borrowings (refer note 27)	(500.00)	(500.00)
	-	**-**
Other loans		
External commercial borrowing	6,134.33	6,322.70
Less: Current maturities of long term borrowings (refer note 27)	(3,107.59)	(1,729.67)
	3,026.74	**4,593.03**
	3,026.74	**4,593.03**

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

a. During the previous year, the Company had taken a loan of ₹ 500 million from IDFC First Bank Limited. The loan is repayable after 3 years from the date of the borrowing and carries an interest rate of 12.35%. The loan has been secured

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for the year ended March 31, 2021

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

by first pari-passu charge on the land of the Company and one of the subsidiary (Canvin Real Estate Private Limited) and pledge on equity shares of the Company for 1.0x of total facility. The loan agreement requires the Company to maintain debt service coverage ratio of 1.25. The Company have not complied with this financial covenant and accordingly, the borrowing have been reclassified to current maturities of long term borrowings.

Repayment terms (including current maturities) and security details for external commercial borrowings

b. The External Commercial Borrowing ('ECB') relates to the acquisition of 'Bombardier Q400 Aircrafts', accordingly, secured against these aircrafts. The ECB has been approved by the Reserve Bank of India and is granted through a structure between the Company and Maple Leaf Financing Limited with lending from Export Development Canada ('EDC'). As per the terms of the agreement, the Company may opt for either fixed or a floating rate of interest benchmarked to LIBOR for each drawdown, which coincides with the delivery of each aircraft. Accordingly, the interest on these ECBs ranges from 3.79% to 4.91%. During the year, due to impact of Covid-19 on business, the Company has negotiated revised payment schedule and the repayment will now commence w.e.f April 1, 2021. Accordingly, the Company has updated classification of the borrowing amount in current and non-current.

21. Non current lease liabilities

	As at March 31, 2021	As at March 31, 2020
Lease liability	53,615.67	67,931.93
	53,615.67	**67,931.93**

22. Long term provisions

Provision for gratuity (also refer note 42)	567.11	458.51
Provision for aircraft redelivery	1,533.61	1,335.86
Provision for aircraft maintenance	2,949.22	4,490.43
	5,049.94	**6,284.80**

23. Other non-current liabilities

Deferred incentive	152.86	169.96
Less: Current portion	(17.24)	(17.24)
	135.62	**152.72**

24. Short term borrowings (secured)

Working capital demand loan from bank	1,000.00	1,000.00
Pre-shipment credit foreign currency loan	3,044.79	3,144.38
	4,044.79	**4,144.38**

At March 31, 2021, the Company had available ₹ 185.70 million (March 31, 2020: ₹ 1,500.00 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. Pre-shipment credit foreign currency loan from bank is secured by fixed deposits placed by the Company having a carrying value of ₹ 870 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 3.19% to 4.92% per annum.

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for the year ended March 31, 2021

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Changes in liabilities arising from financing activities

Particulars	April 01, 2020	Cash flows	Foreign exchange impact	Others*	March 31, 2021
Non-current borrowings	6,822.70	-	(188.37)	-	6,634.33
Current borrowings	4,144.38	(75.27)	(24.32)	-	4,044.79
Finance costs	76.78	(499.61)	-	499.70	76.87
Lease liabilities	89,531.54	(3,778.81)	2,236.44	(3,526.93)	84,462.24
Total liabilities from financing activities	**100,575.40**	**(4,353.69)**	**2,212.12**	**(3,027.23)**	**88,583.90**

Particulars	April 01, 2019	Cash flows	Foreign exchange impact	Others*	March 31, 2020
Non-current borrowings	6,918.16	(1,140.26)	544.80	500.00	6,822.70
Current borrowings	4,179.44	170.47	294.47	(500.00)	4,144.38
Finance costs	32.08	(559.26)	-	603.96	76.78
Lease liabilities	64,010.13	(15,064.17)	6,970.19	33,615.39	89,531.54
Total liabilities from financing activities	**75,139.81**	**(16,593.21)**	**7,809.45**	**34,219.35**	**100,575.40**

*This includes inter-caption reclassification, lease addition and modifications, rent concessions and other adjustments.

25. Current lease liabilities

	As at March 31, 2021	As at March 31, 2020
Lease liabilities	30,846.57	21,599.61
	30,846.57	**21,599.61**

26. Trade payables

Trade payables		
- total outstanding dues of micro enterprises and small enterprises	518.22	174.84
- total outstanding dues of creditors other than micro enterprises and small enterprises	16,588.07	17,196.30
	17,106.29	**17,371.14**
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	489.21	167.74
- Interest due on above	29.01	7.10
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	29.01	7.10
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	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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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

27. Other current financial liabilities

	As at March 31, 2021	As at March 31, 2020
Unsecured		
Employee related payable	101.04	366.24
Book overdraft	116.63	-
Security deposits received	118.77	124.79
Secured		
Current maturities of long-term borrowings (also refer note 20)	3,607.59	2,229.67
Interest accrued and due on borrowings	10.49	2.53
Interest accrued but not due on borrowings	66.38	74.25
	4,020.90	**2,797.48**

28. Short-term provisions

Provision for employee benefits		
-Provision for gratuity (also refer note 42)	51.31	44.04
-Provision for compensated absences	301.59	182.80
Provision for contingencies (also refer note 45)	107.20	107.20
Provision for aircraft maintenance	4,657.66	3,017.81
Provision for aircraft redelivery	255.46	459.57
	5,373.22	**3,811.42**
Provision for contingencies:		
At the beginning of the year	107.20	107.20
Additions during the year	-	13.50
Utilisation/reversal during the year	-	(13.50)
At the end of the year	**107.20**	**107.20**
Provision for aircraft maintenance		
At the beginning of the year	7,508.24	4,416.10
Additions during the year	382.73	4,913.93
Utilisation/reversal during the year	(284.09)	(1,821.79)
At the end of the year	**7,606.88**	**7,508.24**
Provision for aircraft redelivery		
At the beginning of the year	1,795.43	673.10
Additions during the year	-	1,241.79
Utilisation/reversal during the year	(6.36)	(119.46)
At the end of the year	**1,789.07**	**1,795.43**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

29. Other current liabilities (unsecured)

	As at March 31, 2021	As at March 31, 2020
Current portion of deferred incentives	17.24	17.24
Amount due under order of Delhi High Court (also refer note 46)	6,425.55	6,425.55
Contract liabilities	2,604.32	3,615.40
Advance received from agents	4,205.85	3,765.23
Statutory dues (including interest thereon)	2,275.23	1,000.67
Airport taxes payable	710.74	991.21
Others liabilities	11.87	8.72
	16,250.80	**15,824.02**

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	3,464.22	2,916.64
Contract assets	1,014.05	488.69
Contract liabilities	**2,604.32**	**3,615.40**

Contract liabilities comprise of consideration from sale of tickets not yet flown, Contract assets relates to unbilled revenue.

30. Revenue from operations

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of goods and services		
Passenger revenue*	35,281.98	1,14,447.88
Cargo revenue	14,205.40	5,448.26
Other operating revenues		
Incentives received	287.98	196.98
Income from training services	384.02	368.10
Subsidies received under various schemes	581.34	1,681.59
Others**	593.05	1,443.60
	51,333.77	**1,23,586.41**
India	34,465.28	1,14,670.05
Outside India	16,868.49	8,916.36
	51,333.77	**1,23,586.41**

* Includes sale of food and beverages in flight.

** Others mainly includes income from ground handling services.

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31. Other income

	Year ended March 31, 2021	Year ended March 31, 2020
Net gain on financial assets measured at fair value through profit or loss	0.27	0.21
Net gain on sale of investments	-	24.21
Liabilities/provision no longer required written back	1,854.62	402.31
Rent concessions	1,194.32	-
Warranty claims from aircraft manufacturer/insurance claims	5,851.53	6,937.30
Miscellaneous income	434.85	409.43
	9,335.59	**7,773.46**

32. Finance income

Interest income on financial assets	15.39	165.12
Interest income		
- on bank deposits	400.74	538.00
- on loan to subsidiaries	71.29	-
- others	51.15	-
	538.57	**703.12**

33. Operating expenses

Aviation turbine fuel	15,288.35	46,162.03
Lease charges - aircraft, engines and auxiliary power units (also refer note 43)	2,484.84	3,629.71
Aircraft repairs and maintenance	4,248.13	8,507.76
Supplemental lease charges - aircraft, engines and auxiliary power units	6,438.05	11,674.84
Consumption of stores and spares	534.70	1,534.85
Aviation insurance	1,251.69	1,048.19
Landing, navigation and other airport charges	6,466.17	11,445.82
Cost of inflight food and beverages (refer note (i) below)	734.73	1,581.26
Aircraft navigation software expenses	677.22	785.99
Aircraft redelivery costs	27.18	219.33
Cargo handling costs	1,360.29	724.84
Other operating expenses	298.52	484.92
	39,809.87	**87,799.54**
Note (i):		
Cost of inflight food and beverages		
Inventory at the beginning of the year	75.18	47.67
Add : Purchases during the year	697.59	1,608.77
Less : Inventory at the end of the year	38.04	75.18
Cost of inflight food and beverages	**734.73**	**1,581.26**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

34. Employee benefits expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	6,016.88	13,391.66
Contribution to provident and other funds	355.45	656.29
Share based payment expense	52.29	117.15
Gratuity expense (also refer note 42)	158.75	132.95
Staff welfare	178.99	337.12
	6,762.36	**14,635.17**

35. Sales and marketing expenses

Commission to agents	486.82	1,328.13
Business promotion and advertisement	271.48	941.46
	758.30	**2,269.59**

* Includes deposit incentive to agents

36. Other expenses

Rent	796.27	636.83
Rates and taxes	592.48	674.31
Repairs and maintenance		
- buildings	85.10	130.27
- plant and machinery	11.18	23.03
- others	465.03	418.33
Crew accommodation cost	281.83	705.51
Recruitment and training cost	361.11	622.59
Communication	116.11	134.73
Printing and stationery	113.39	182.70
Travelling and conveyance	801.54	1,536.21
Legal, and professional fees*	421.86	399.60
Power and fuel	104.48	138.50
Advances/other balances written off	26.59	96.43
Impairment of trade receivables	2.93	110.49
Provision for contingencies	-	13.50
Insurance	153.55	196.76
Credit card charges	86.87	342.83
Bank charges	10.93	9.37
Loss on sale of property, plant and equipment (net)	0.90	196.40
Miscellaneous expenses	65.38	52.45
	4,497.53	**6,620.84**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

	Year ended March 31, 2021	Year ended March 31, 2020
Payment to auditor		
As auditor		
Audit fees	7.75	10.05
Tax audit fees	0.65	0.75
Limited review	3.45	3.00
In other capacity		
Other services (certification fees)	2.86	0.15
Reimbursement of expenses	-	0.69

37. Finance costs

Interest		
- on term loan from banks	325.16	320.73
- on loan from others	174.54	283.23
Interest on lease liabilities and redelivery provisions	4,029.67	4,393.26
Other borrowing costs	1,491.13	452.86
	6,020.50	**5,450.08**

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

Foreign exchange (gain)/loss, (net)*	(2,237.17)	7,296.04
	(2,237.17)	**7,296.04**

*Foreign exchange gain for the year ended March 31, 2021 includes ₹ 2,246.99 million (March 31, 2019 : loss of ₹ 6,970.19 million), pertaining to foreign exchange gain on restatement of lease liabilities.

39. Depreciation and amortisation expense

Depreciation on property, plant and equipment (refer note 3)	1,985.04	2,467.43
Depreciation on right of use assets (refer note 4)	13,484.11	14,790.42
Amortisation on intangible assets (refer note 5)	110.41	81.49
	15,579.56	**17,339.34**

40. 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.

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for the year ended March 31, 2021

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The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Number of equity shares outstanding at the beginning of the year	600,076,299	599,718,356
Number of equity shares issued	860,604	357,943
Number of equity shares outstanding at the end of the year	600,936,903	600,076,299
Weighted average number of equity shares		
a. Basic	**600,322,354**	**599,765,428**
Effect of dilution: stocks options	1,106,553	1,886,990
b. Diluted	**601,428,907**	**601,652,417**
Loss for the year	**(9,983.02)**	**(9,347.61)**
Earnings per share :		
— Basic earnings per share (₹)	(16.61)	(15.58)
— Diluted earnings per share (₹)	(16.61)	(15.58)
Face value per share (₹)	10.00	10.00

c. Having regard to the status of the matters relating to the allotment and conversion of share warrants, as stated in note 46, 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 46.

41. Employee stock option plans

The following share-based payment arrangements were in existence during the current and previous year:

Employees Stock Option Scheme, 2017

The shareholders at the Annual General Meeting held on November 27, 2017, approved an Employee Stock Option Scheme ('ESOS') which provides for the grant of 10,000,000 stock options which will be granted to eligible employees of the Company determined by Nomination and Remuneration Committee, which are convertible into equivalent number of equity shares of ₹ 10 each as per the terms of the scheme. Upon vesting, the employees can acquire one common equity share of the Company for every option. The stock options were granted on the dates as mentioned in table below.

The share based payment expense has been recognized based on the fair value of option at the date of grant in accordance with the Black-Scholes method.

Grant Date	No. of options	Vesting period	Market value per share (In INR)	Fair value per option (In INR)	Exercise price (In INR)	Expected volatility	Expected life (in years)	Expected dividend	Risk free return
February 7, 2018	1,201,155	2 years 10 months and 24 days	129.35	122.29	10.00	58.50% to 57.61%	3.50 to 5.40	Nil	7.53% to 7.51%
May 28, 2019	500,000	1 year 7 months and 3 days	145.75	138.26	10.00	48.66% to 51.32%	3.50 to 4.10	Nil	6.92%
May 28, 2019	85,000	2 years 6 months and 2 days	145.75	138.26	10.00	48.66% to 57.76%	3.50 to 5.00	Nil	6.92% to 7.03%
August 9, 2019	140,000	4 years	135.95	128.81	10.00	46.37% to 56.21%	3.50 to 6.50	Nil	6.33% to 6.54%
November 13, 2019	250,000	4 years	115.05	107.96	10.00	46.56% to 55.64%	3.50 to 6.50	Nil	6.32% to 6.92%
February 14, 2020	500,000	2 years	84.70	76.90	10.00	46.50% to 50.93%	3.50 to 4.50	Nil	6.00% to 6.02%
November 11, 2020	75,000	3 years	51.35	43.79	10.00	48.89% to 51.46%	3.50 to 5.50	Nil	5.02% to 5.86%
February 10, 2021	475,000	3 years	86.85	79.26	10.00	50.385 to 52.33%	3.50 to 5.50	Nil	5.75% to 6.13%

Expected volatility calculation is based on daily volatility of the share prices over a period prior to the date of grant, corresponding to the expected life of the options.

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The risk free return is the implied yield currently available on zero coupon government issues, with a remaining term equal to the expected term of the option being valued.

The above calculation is based on government yield on zero coupon bonds with 4 to 5 as term to maturity.

Expected life of the option have been calculated by adding the vesting period and half of the exercise period.

The Company has not declared any dividend from last several years. Therefore, expected dividend yield is taken as Nil.

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Share based payment expense	52.29	117.15

Reconciliation of outstanding share options:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Options outstanding as at the beginning of the year	**20,50,039**	**10.00**	**9,32,982**	**10.00**
Add: Options granted during the year*	5,50,000	10.00	14,75,000	10.00
Less: Options forfeited during the year	1,76,923	10.00	-	10.00
Less: Options exercised during the year	8,60,604	10.00	3,57,943	10.00
Options outstanding as at the year end	**15,62,512**	**10.00**	**20,50,039**	**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, 2021 is 5 years (March 31, 2020: 6 years).

The weighted average share price at the date of exercise of stock options during the year was ₹ 72.84 (March 31, 2020 ₹ 91.65).

42. Employee benefits obligation

a. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of ₹ 2.00 million. The scheme is unfunded and accordingly the disclosures relating to plan assets are not provided.

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

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Amounts recognized in standalone balance sheet		
Defined benefit obligation ('DBO')	618.42	502.55
Defined benefit obligation ('DBO')	618.42	502.55

Bifurcation of DBO at the end of the year - current and non-current

Particulars	As at March 31, 2021	As at March 31, 2020
Current liability	51.31	44.04
Non-current liability	567.11	458.51

(ii) Amount recognized in other comprehensive income	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gain)/loss	(16.99)	32.49
Actuarial (gain)/loss recognized in other comprehensive income	(16.99)	32.49

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

		Year ended March 31, 2021	Year ended March 31, 2020
(iii)	**Expenses recognized in Statement of profit and loss**		
	Current service cost	124.78	105.21
	Interest cost on DBO	33.97	27.74
	Expense recognized during the year	**158.75**	**132.95**
(iv)	**Movement in the liability recognized in the standalone balance sheet is as under:**	**As at March 31, 2021**	**As at March 31, 2020**
	Present value of defined benefit obligation at the beginning of the year	**502.55**	362.03
	Current service cost	124.78	105.21
	Interest cost	33.97	27.74
	Benefits paid	(25.90)	(24.92)
	Actuarial (loss)/gain		
	a. Effect of changes in financial assumption	(38.23)	24.48
	b. Effect of experience adjustments	15.30	1.66
	c. Effect of changes in demographic assumptions	5.95	6.35
	Present value of defined benefit obligation at the end of the year	**618.42**	**502.55**
(v)	**For determining the DBO liability the following actuarial assumptions were used:**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
	Discount rate	6.76%	6.76%
	Salary escalation rate	4.50%	5.00%
	Pre-retirement mortality	IALM(2012-14)	IALM(2012-14)
	Attrition rate	" 10.30% (Upto 30 years) 3.90% (Age 31-44) 0.80% (above age 44) "	" 13.90% (Upto 30 years) 3.90% (Age 31-44) 0.40% (above age 44) "
	No. of employees	14,578	16,149
	Retirement age (years)	58.00	58.00
	Average age (years)	31.38	30.04
	Average past service (years)	3.64	2.68
	Average remaining working life (years)	26.62	27.96
	Average monthly salary	3,336.70	3,005.26
	Weighted average duration of DBO	14.94	20.54
(vi)	**Maturity profile of defined benefit obligation:**	**As at March 31, 2021**	**As at March 31, 2020**
	Within the next 12 months (next annual reporting period)	51.31	44.04
	Between 2 and 5 years	97.08	81.00
	Beyond 5 years	470.03	377.51
(vii)	**Sensitivity analysis for gratuity:**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
	Impact of the change in discount rate on present value of DBO as at the end of the year		
	Discount rate + 50 Basis points	(34.60)	(28.63)
	Discount rate - 50 Basis points	38.03	31.51
	Impact of the change in discount rate on present value of DBO as at the end of the year		
	Discount rate + 50 Basis points	38.70	31.90
	Discount rate - 50 Basis points	(35.48)	(29.22)

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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, 2021	As at March 31, 2020
Discount rate	6.76%	6.76%
Future salary increase	4.50%	5.00%

c. Defined contribution plan:

During the year, the Company recognized ₹ 319.25 million (March 31, 2020 - ₹ 602.81 million) as provident fund expense under defined contribution plan and ₹ 36.20 million (March 31, 2020 - ₹ 53.48 million) for contributions to employee state insurance scheme in the Statement of profit and loss.

43. Lease liabilities

The Company's leased assets primarily consist of leases for aircraft, aircraft components (including engines) and buildings. The Company has several lease contracts that include extension and termination options. The management has included termination options in determination of lease term for contracts having such option. Extension options have not been included in determination of lease term since the management is reasonably certain not to exercise these options. Potential cash flows in relation to such extension options cannot be ascertained since the cash outflow for the extended period will depend on the negotiations with the lessors in the event of exercising the extension options. Under certain lease arrangements of aircraft, the Company incurs variable payments towards maintenance of the aircraft which are disclosed under "Supplemental lease charges - aircraft, engines and auxiliary power units".

During the year ended March 31, 2021, the Company has recognized an expense of Rs. 2,484,84 million (March 31, 2020 Rs. 3,629.71 million) on account of short term leases which represents leased aircraft, engines and auxiliary power units having a remaining lease term of less than 12 months as on transition date and other short-term leases. The portfolio of other short-term leases to which the Company is committed at the end of the reporting period is not materially different from the portfolio of other short-term leases for which expense has been recognized during the year ended March 31, 2021.

A. Amount recognised in the statement of profit and loss

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation on right of use assets	13,484.11	14,790.42
Interest on lease liabilities	4,131.02	4,345.76
Rent expenses related to short term leases	3,281.11	4,266.54

Refer note 4 for additions to Right-of-use assets and the carrying amount of right of use assets as at March 31, 2021. Further, refer note 54 for maturity analysis of lease liabilities.

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B. Total cash outflow of leases

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total cash outflow of leases	3,778.81	15,064.17

C. Pursuant to the renegotiations with lessors, the Company has recognised other income of Rs. 1,194.32 million for the year ended March 31, 2021, 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.

44. Capital and other commitments

a. As at March 31, 2021, the Company has commitments of Rs. 533,786.89 million (March 31, 2020 - Rs. 550,134.75 million) relating to the acquisition of aircraft.

b. Under certain long-term maintenance contracts for the management, maintenance, repair and overhaul of aircraft components and spares, the Company incurs an agreed power-by-the-hour cost based on aircraft/component utilization.

45. 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 28.

ii) Matters wherein management has concluded the liability to be possible have been disclosed under note 45 (b) below.

b) Contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Liability arising out of legal cases filed against the Company in various Courts/ Consumer Redressal Forums, Consumer Courts, disputed by the Company	171.56	150.56
Liability arising out of other legal cases filed against the Company	63.86	68.32
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	4,475.99
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	2,556.29	2,369.53
Liability in respect of inter-corporate deposit received from Mallanpur Steels Limited (refer note (v) below)	35.00	35.00
Demand in respect of order from the Competition Commission of India as explained in note (vi) below	51.00	51.00
Liability arising out of legal case filed against the Company by aircraft manufacturer as explained in note (vii) below	3,200.00	3,200.00

The Company 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 Company has not disclosed the same as a contingent liability.

i. The Company has received a demand notice from the Regional Provident Fund Commissioner, Gurgaon for 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

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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.

ii. 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 28). 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.

iii. The Company has received certain show cause notices from the service tax authorities, citing various defaults, including failure/delay in remitting service tax collected, over past financial years as well as alleged failure in remittance of service tax on certain other items. Based on their assessment of the contentions of the service tax authorities, management has submitted a detailed reply to the 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 standalone financial statements.

iv. The 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 Company has received favourable order in reference to one of the matters for which tax is paid under protest, from the CESTAT, New Delhi.

v. 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 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 standalone financial statements.

vi. The Competition Commission of India ("CCI") passed an order dated November 17, 2015 against, inter alia, the Company, which included a demand of 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 standalone financial statements.

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vii. The aircraft manufacturer of Q400 aircrafts initiated a claim against the Company amounting to approximately Rs. 3,200 million for declarations, liquidated damages, interest and costs relating to the Company's alleged breaches of, and the manufacturer's purported termination of the purchase agreement for certain undelivered aircrafts. During the year, while there has been a summary judgement decided in favour of the aircraft manufacturer, the Company has been permitted to assail the said judgement relating to termination of certain aircrafts and the same is presently pending for adjudication before the Court of Appeal. In view of the foregoing and pending outcome of the aforesaid challenge before the Court of Appeal, 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) and accordingly, no further adjustments have been made in this regard, to these standalone financial statements.

viii. There are numerous interpretative issues relating to the Hon'ble Supreme Court judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the Hon'ble Supreme Court order. The Company will update its provision, on receiving further clarity on the subject.

ix. 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 standalone financial statements.

46. Advance money received against securities proposed to be issued

The Company had, in earlier financial years, received amounts aggregating Rs. 5,790.9 million from Mr. Kalanithi Maran and M/s 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.

The parties to the aforementioned litigation concurrently initiated arbitration proceedings before a three-member arbitral tribunal (the "Tribunal"), which pronounced its award on July 20, 2018 (the "Award"). In terms of the Award, the Company was required to (a) refund an amount of approximately Rs. 3,082.19 million to the counterparty, (b) explore the possibility of allotting 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 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 Company, to the counterparty, subject to certain conditions as enumerated by the Court in its order. Further, pursuant to an order of the Court dated September 20, 2019, the Company has remitted an additional 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.

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

Further, the Court vide its order dated September 2, 2020 in the said matter, directed the Company to deposit an amount of 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 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 statements.

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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, 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 standalone financial statements of the Company. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

47. Claims on the aircraft manufacturer

Following the worldwide grounding during March 2019 of Boeing 737 MAX aircraft due to technical reasons, the Company's fleet of thirteen Boeing 737 MAX aircraft continues to be grounded. Despite its inability to undertake revenue operations, the 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 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 Company towards its claim 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 Rs. 5,604.48 million for the year ended March 31, 2021 (Rs. 6,718.04 million for the year ended March 31, 2021) have been recognised as other income. Further, 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, 2021). 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 Company, the management is confident of ultimate collection of the income recognized by the Company upon conclusion of discussions with the aircraft manufacturer.

48. Impact of covid-19

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 had announced a strict lockdown to contain the spread of the virus till May 31, 2020, which was extended by certain states, with varying levels of relaxations. The impact of Covid-19 has led to significant disruptions and dislocations for individuals and businesses and has had consequential impact of grounding the passenger airline operations. The Company is required to adhere to various regulatory restrictions, which severely impacts its operations and have their own additional financial implications. As per Government guidelines, the Company had stopped all passenger travel from March 25, 2020 to May 24, 2020. The Government allowed operations of the domestic flights effective May 25, 2020 in a calibrated manner. However, the scheduled international/commercial passenger service is continued to be suspended. 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 leading to significant drop in demand which has impacted the Company's revenue and profitability for the last quarter of financial year ended March 31, 2021.

The impact of Covid-19 is not specific to the Company but is applicable across the entire aviation industry within and outside India. While there is uncertainty in the revenue operation in the short-term which is expected to normalise in the long-run. It is also to be noted that while generally the passenger business was either suspended or very low demand during the lockdown, the Company enhanced its cargo operations which were fulfilled by dedicated fleet of freighter aircraft and passenger converted aircraft.

The Company 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 Company's expectations of the timing of re-introduction of Boeing 737 Max aircraft into its operations. Further, the Company has assessed its liquidity position for the next one year, is in negotiations with lenders regarding deferment of dues and other waivers, and also assessed the recoverability and carrying values of its assets while preparing the standalone financial statements as of and for the year ended 31 March 2021. The management is confident that they have considered all known potential impacts arising from the Covid-19 pandemic on the Company's business, and where relevant, have accounted for the same in these standalone financial statements. However, the full extent of impact of the Covid-19 pandemic on the Company's operations, and financial metrics will depend on future developments across the geographies that the Company operates in, and the governmental, regulatory and the Company'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 standalone financial statements.

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49. Segment reporting

Earlier, the Company had considered "Air Transport Services" as the only segment of the Company. During the previous year, based on the relative significance of, and focus on, freighter-related and associated operations, and the consequent changes to the nature of internal reporting provided to the chief operating decision maker, management has reassessed the Company's segments. Accordingly, operating segments of the Company are Air Transport Services and Freighter and Logistics Services. Air Transport Services includes, inter alia, passenger transport and ancillary cargo operations arising from passenger aircraft operations. Accordingly, segment information provided below, including in respect of comparative periods, is based on such operating segments described above.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and are not allocable to any segment. Expenses that are directly identifiable to segments are considered for determining the segment results. Expenses which relate to the Company as a whole and are not allocable to segments are included under unallocated corporate expenses.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment information: Year ended March 31, 2021

Particulars	Air Transport	Freighter and Logistics Services	Total Segments	Inter Segment	Total
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	40,494.38	11,175.39	51,669.77	(336.00)	51,333.77
Other income	9,335.59	-	9,335.59	-	9,335.59
Total revenue	**49,829.97**	**11,175.39**	**61,005.36**	**(336.00)**	**60,669.36**
Income /(expenses)					
Revenue from operations	40,494.38	11,175.39	51,669.77	(336.00)	51,333.77
Other income	9,335.59	-	9,335.59	-	9,335.59
Finance income	538.57	-	538.57	-	538.57
Operating expenses	(31,601.22)	(8,208.65)	(39,809.87)	-	(39,809.87)
Employee benefits expense	(6,412.94)	(349.42)	(6,762.36)	-	(6,762.36)
Sales and marketing expenses	(752.97)	(5.33)	(758.30)	-	(758.30)
Other expenses	(4,586.87)	(246.66)	(4,833.53)	336.00	(4,497.53)
Foreign exchange loss/(gain), (net)	2,088.75	148.42	2,237.17	-	2,237.17
Depreciation and amortisation expense	(14,717.21)	(862.35)	(15,579.56)	-	(15,579.56)
Finance costs	(5,678.11)	(342.39)	(6,020.50)	-	(6,020.50)
Segment (loss)/profit	**(11,292.03)**	**1,309.01**	**(9,983.02)**	**-**	**(9,983.02)**
Total assets	**108,254.70**	**5,500.54**	**113,755.24**		**113,755.24**
Total liabilities	**133,884.74**	**5,585.80**	**139,470.54**		**139,470.54**

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Particulars	Air Transport	Freighter and Logistics Services	Total Segments	Inter Segment	Total
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	121,780.16	1,806.25	123,586.41	-	123,586.41
Other income	7,773.46	-	7,773.46	-	7,773.46
Total revenue	**129,553.62**	**1,806.25**	**131,359.87**	**-**	**131,359.87**
Income /(expenses)					
Revenue from operations	121,780.16	1,806.25	123,586.41	-	123,586.41
Other income	7,773.46	-	7,773.46	-	7,773.46
Finance income	703.12	-	703.12	-	703.12
Operating expenses	(85,925.49)	(1,874.05)	(87,799.54)	-	(87,799.54)
Employee benefits expense	(14,429.03)	(206.14)	(14,635.17)	-	(14,635.17)
Sales and marketing expenses	(2,265.80)	(3.79)	(2,269.59)	-	(2,269.59)
Other expenses	(6,547.36)	(73.48)	(6,620.84)	-	(6,620.84)
Foreign exchange loss/(gain), (net)	(6,884.09)	(411.95)	(7,296.04)	-	(7,296.04)
Depreciation and amortisation expense	(16,959.41)	(379.93)	(17,339.34)	-	(17,339.34)
Finance costs	(5,251.20)	(198.88)	(5,450.08)	-	(5,450.08)
Segment loss	**(8,005.64)**	**(1,341.97)**	**(9,347.61)**	**-**	**(9,347.61)**
Total assets	**123,175.23**	**5,542.65**	**128,717.88**		**1,28,717.88**
Total liabilities	**138,961.78**	**5,548.75**	**144,510.53**		**1,44,510.53**

Other information:

Revenue from external customers

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
India	34,465.28	1,14,670.05
Outside India	16,868.49	8,916.36
Total revenue as per statement of profit or loss	**51,333.77**	**1,23,586.41**

The revenue information above is based on the locations of the customers.

Non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
India	77,193.93	93,863.32
Outside India	-	-
Total	**77,193.93**	**93,863.32**

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.

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50. Income tax expense

for the current assessment year, the Company intends to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income-tax for the year ended March 31, 2021 and re-measured its deferred tax assets/liabilities basis the rate prescribed in the aforesaid section.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:

Profit or loss section

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting loss before income tax	(9,983.02)	(9,347.61)
Loss before income tax multiplied by standard rate of corporate tax in India 25.168% (March 31, 2020: 34.944%)	(2,512.53)	(3,266.43)
Effects of:		
Income exempted from tax	-	(57.70)
Non-deductible expenses for tax purposes	(485.40)	2,659.86
Set-off of brought forward losses	2,997.92	664.27
Net effective income tax	**-**	**-**

The Company has recognized deferred tax assets arising on account of brought forward tax losses and unabsorbed depreciation to the extent of the deferred tax liability arising on account of the temporary difference on depreciation of Rs. 3,545.49 million as at March 31, 2021 (Rs. 4,016.38 million as at March 31, 2020).

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities	(2,643.57)	(4,016.38)
Deferred tax asset	2,643.57	4,016.38
Net deferred tax asset/ (liabilities)	-	-

Year ended March 31, 2021	Opening Balance	Recognised in Statement of profit or loss	Recognised in OCI	Closing Balance
Property, plant and equipment	(4,016.38)	1,372.81	-	(2,643.57)
Brought forward losses	4,016.38	(1,372.81)	-	2,643.57
Total	-	-	-	-

Year ended March 31, 2020	Opening Balance	Recognised in Statement of profit or loss	Recognised in OCI	Closing Balance
Property, plant and equipment	(4,185.33)	168.95	-	(4,016.38)
Brought forward losses	4,185.33	(168.95)	-	4,016.38
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, 2021	As at March 31, 2020
Unused tax losses *	10,551.73	11,447.17
Unabsorbed tax depreciation #	16,587.47	14,351.80
Net deferred tax asset/ (liabilities)	**27,139.20**	**25,798.97**

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

Particulars	As at March 31, 2021	As at March 31, 2020
0-4 years	1,823.32	2,718.75
4-8 years	8,728.41	8,728.42
Total	**10,551.73**	**11,447.17**

The brought forward losses and unabsorbed depreciation considered above are based in the tax records and returns of the Company filed upto Assessment Year 2020-21 and does not consider the potential effect of matters under dispute/litigation with the tax authorities which are currently sub-judice at various levels. Also refer note 46.

51. 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
	Crosslink Finlease Private Limited
	Greenline Transit System Private Limited
	Argentum Electric Vehicles Private Limited
	i2n Technologies Private Limited
	Greenline Communication Private Limited
	Pan India Motors Private Limited
	Spice Fresh Private Limited
	Spice Wecare Private Limited
	SpiceJet Innovate Private Limited
	Royston Beverages Private Limited
	Genestore India Services Private Limited
Subsidiaries	SpiceJet Merchandise Private Limited
	SpiceJet Technic Private Limited
	Canvin Real Estate Private Limited
	SpiceJet Interactive Private Limited
	Spice Club Private Limited
	Spice Shuttle Private Limited
	SpiceXpress and Logistics Private Limited
	Spice Ground Handling Services Private Limited
	SpiceTech System Private Limited
Key management personnel	Mr. Ajay Singh, Chairman and Managing Director
	Ms. Shiwani Singh, Non-Executive Promoter Director
	Mr. HarshaVardhana Singh, Independent Director (upto September 30, 2019)
	Mr. Anurag Bhargava, Independent Director
	Mr. Ajay Chhotelal Aggarwal, Independent Director
	Mr. Manoj Kumar, Independent Director (from May 28, 2019)
	Mr. Kiran Koteshwar, Chief Financial Officer (Upto August 31, 2020)
	Mr. Sanjeev Taneja, Chief Financials Officer (from November 11, 2020)
	Mr. Chandan Sand, Company Secretary

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

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

Subsidiaries	Year ended March 31, 2021	Year ended March 31, 2020
SpiceJet Merchandise Private Limited		
Transactions during the year		
Loans given	0.48	7.36
Purchase of goods	13.86	34.76
Impairment allowance on loan	-	20.00
Reversal of impairment allowance	200.00	-
Interest income on loan given	32.79	-
Services rendered	13.72	-
Balances outstanding as at the year end		
Investment	0.10	0.10
Loans	257.28	256.80
Interest accrued (gross of tax deducted at source)	32.79	-
Trade payables	16.29	-
Trade receivables	16.22	-
SpiceJet Technic Private Limited		
Transactions during the year		
Investment*	20.00	-
Loans given	40.38	10.50
Interest income on loan given	8.03	-
Income from lease	113.71	-
Aircraft maintenance services taken	532.95	220.90
Income from business support services	62.48	-
Balances outstanding as at the year end		
Investment	20.10	0.10
Loans	85.28	64.90
Interest accrued (gross of tax deducted at source)	8.03	-
Trade payables	216.29	191.96
Trade receivables	416.12	-
Canvin Real Estate Private Limited		
Transactions during the year		
Interest income	30.43	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

Subsidiaries	Year ended March 31, 2021	Year ended March 31, 2020
Balances outstanding as at the year end		
Investment	0.10	0.10
Interest accrued (gross of tax deducted at source)	30.43	-
Loans	238.70	238.70
SpiceJet Interactive Private Limited		
Transactions during the year		
Investment	-	0.10
Balances outstanding as at the year end		
Investment	0.10	0.10
Spice Club Private Limited		
Transactions during the year		
Investment	-	0.10
Balances outstanding as at the year end		
Investment	0.10	0.10
Spice Shuttle Private Limited		
Transactions during the year		
Investment	-	0.10
Reimbursement of expenses	38.88	-
Balances outstanding as at the year end		
Investment	0.10	0.10
Other receivables	38.88	-
SpiceXpress and Logistics Private Limited		
Transactions during the year		
Investment	-	0.10
Loan	1.00	-
Interest income	0.04	-
Balances outstanding as at the year end		
Investment	0.10	0.10
Loan	1.00	-
Interest accrued (gross of tax deducted at source)	0.04	-
Spice Ground Handling Services Private Limited		
Transactions during the year		
Investment	0.10	-
Balances outstanding as at the year end		
Investment	0.10	-
SpiceTech System Private Limited		
Transactions during the year		
Investment	0.10	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

Subsidiaries	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Business support services expense	44.23	-
Reimbursement of expenses	3.93	-
Royalty income	0.53	-
Balances outstanding as at the year end		
Investment	0.10	-
Trade payables	10.87	-
Other receivables	4.46	-

* During the year, loan given to subsidiary amounting to INR 20 million has been converted into equity investment

Affiliates		
Spice Healthcare Private Limited		
Transactions during the year		
Rendering of services	0.16	-
Balances outstanding as at the year end		
Trade receivables	0.14	-
Key management personnel		
Transactions during the year		
Advance given/(received) (net)	5.62	-
Balances outstanding as at the year end		
Employee advances#	24.80	19.18

#Includes balance of erstwhile Chief Financial Officer upto 31 August 2020.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2021, the Company has not recorded impairment of loans and receivables relating to amounts owed by related parties (March 31, 2020: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel of the Company

	Year ended March 31, 2021	**Year ended March 31, 2020**
Short-term employee benefits#	74.00	87.94
Share-based payment transactions*	(12.16)	33.94
Provident fund contribution	1.30	1.46
Total	**63.14**	**123.34**
Sitting fees		
Mr. Anurag Bhargava	0.40	0.40
Mr. Harsha Vardhana Singh	-	0.10
Ms. Shiwani Singh	0.40	0.20
Mr. Ajay Chhotelal Aggarwal	0.40	0.10
Mr. Manoj Kumar	0.40	0.30
Total	**1.60**	**1.10**
Total compensation paid to key management personnel**	**64.74**	**124.44**

#As the liabilities for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel are not included above.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

*Includes a reversal of employee stock option scheme expense of INR 17.65 million (31 March 2020: INR Nil) 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.

52. 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets				
Investments - Non-current	0.61	0.50	0.61	0.50
Investments - Current	4.16	3.89	4.16	3.89
Loans	5,410.57	4,969.27	5,410.57	4,969.27
Other financial assets - Non-current	5,040.77	6,946.18	5,040.77	6,946.18
Other financial assets - Current	1,347.82	1,050.38	1,347.82	1,050.38
Trade receivables	3,464.22	2,916.64	3,464.22	2,916.64
Other receivables	16,933.84	12,541.60	16,933.84	12,541.60
Cash and cash equivalents	320.33	401.77	320.33	401.77
Total	**32,522.32**	**28,830.23**	**32,522.32**	**28,830.23**
Financial liabilities				
Borrowings - Non-current	3,026.74	4,593.03	3,026.74	4,593.03
Borrowings - Current	4,044.79	4,144.38	4,044.79	4,144.38
Trade payables - Non-current	-	-	-	-
Trade payables - Current	17,106.29	17,371.14	17,106.29	17,371.14
Lease liabilities - Non-current	53,615.67	67,931.93	53,615.67	67,931.93
Lease liabilities - Current	30,846.57	21,599.61	30,846.57	21,599.61
Other current financial liabilities	4,020.90	2,797.48	4,020.90	2,797.48
Total	**112,660.96**	**118,437.57**	**112,660.96**	**118,437.57**

The Management considers that the carrying amounts of financial assets and financial liabilities recognised in the standalone 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 standalone financial instruments. The borrowings of the Company do not have any comparable instrument having the similar terms and conditions with related security being pledged and hence the carrying value of the borrowings represents the best estimate of fair value.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

53. Fair value hierarchy

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

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

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

Level 3: unobservable inputs for the asset or liability

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

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 Company's assets and liabilities are measured at fair value in the Balance Sheet.

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

Particulars	Fair value hierarchy as at March 31, 2020		
	Level 1	Level 2	Level 3
Investments in mutual funds	3.89	-	-
Equity Investments*	-	-	0.50

There have been no transfers between level 1 and level 2 during the year.

* The difference between current and last year represents acquisition during the year.

54. Financial risk management objectives and policies

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

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. Market risk comprises three types of risk: interest rate risk, currency risk and foreign currency risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

Price risk

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Company diversifies its portfolio of assets.

Sensitivity analysis

If price had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2021 would decrease/increase by Rs. 0.21 million (March 31, 2020: decrease/increase by Rs. 0.20 million).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because it borrows funds at floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. As at March 31, 2021 approximately 57.90% of the Company's borrowings are at a variable rate of interest (March 31, 2020 - 48.31%)

Interest rate sensitivity

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2021 would increase/decrease by Rs. 35.95 million (March 31, 2020: increase/decrease by Rs. 37.10 million).

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

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

Foreign currency risk

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

Foreign currency sensitivity

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

If the foreign currency rates had been 5% higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2021 would decrease/increase by Rs. 5,504.91 million (March 31, 2020: decrease/increase by Rs. 4,666.65 million).

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

Credit risk

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

The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Trade receivables are typically unsecured and are primarily derived from cargo and other revenue streams. Majority of the Company's passenger revenue is are made against deposits made by agents. Trade receivables primarily comprise of domestic customers, which are fragmented and are not concentrated to individual customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored. At March 31, 2021, the Company had 40 customers (March 31, 2020: 47 customers) that owed the Company more than Rs. 10 million each and accounted for approximately 88% (March 31, 2020: 84%) of all the receivables outstanding.

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

Credit risk related to cash and cash equivalents and bank deposits is managed by only investing in deposits with highly rated banks and financial institutions and diversifying bank deposits and accounts in different banks. Credit risk related to loans and other financial assets is managed by monitoring the recoverability of such amounts continuously. Credit risk is considered low because the Company is in possession of the underlying asset (in case of security deposit) or as per trade experience (in case of unbilled revenue). Further, the Company creates provision by assessing individual financial asset for expectation of any credit loss basis 12 month expected credit loss model.

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**391.18**	**260.69**
Add: Impairment loss recognised	2.93	130.49
Less: Bad debts written off/reversed	257.20	-
Balance at the end of the year	**136.91**	**391.18**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt markets with a view to maintaining financial flexibility.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Year ended March 31, 2021	Upto 1 year	1 to 5 years	> 5 years	Total
Financial Liabilities (Non-current and Current)				
Borrowings	4,044.79	3,026.74	-	7,071.53
Trade payables	17,106.29	-	-	17,106.29
Lease liabilities	30,846.57	37,832.10	15,783.57	84,462.24
Other current financial liabilities	4,020.90	-	-	4,020.90
Total	**56,018.55**	**40,858.84**	**15,783.57**	**1,12,660.96**

Year ended March 31, 2020	Upto 1 year	1 to 5 years	> 5 years	Total
Financial Liabilities (Non-current and Current)				
Borrowings	4,144.38	4,593.03	-	8,737.41
Trade payables	17,371.14	-	-	17,371.14
Lease liabilities	21,599.61	39,556.97	28,374.96	89,531.54
Other current financial liabilities	2,672.69	124.79	-	2,797.48
Total	**45,787.82**	**44,274.79**	**28,374.96**	**118,437.57**

55. Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term fleet expansion plans. The funding requirements are met through internal accruals and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings. The Company monitors capital employed using a debt equity ratio, which is total debt divided by total equity.

The Company's policy is to keep the net debt to total equity ratio above (1.00).

Particulars	As at March 31, 2021	As At March 31, 2020
Long term borrowings	3,026.74	4,593.03
Short term borrowings	4,044.79	4,144.38
Other current liabilities (Current maturities of Long term borrowing)	3,607.59	2,229.67
Cash and cash equivalents	(296.00)	(281.55)
Bank balances other than above	(24.33)	(120.22)
Net debt	10,358.79	10,565.31
Total equity	(25,715.30)	(15,792.65)
Net debt to total equity ratio	**(0.40)**	**(0.67)**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

56. Details of corporate social responsibility ('CSR') expenditure

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Gross amount required to be spent by the Company during the year		-	45.42
Amount spent during the year ending on March 31, 2020		**Paid in cash**	**Yet to be paid in cash**
i)	Construction/acquisition of any asset	-	-
ii)	On purposes other than (i) above	6.88	38.54

57(a) Disclosure required under section 186(4) of Companies Act, 2013 and regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

S. No	Name of Loanee	Opening balance	Loan given	Loan repaid	Outstanding balance	Maximum outstanding balance		Purpose
						March 31, 2021	March 31, 2020	
1	SpiceJet Merchandise Private Limited	256.80	0.48	-	257.28	257.28	256.80	General business purpose
2	SpiceJet Technic Private Limited*	64.90	40.38	20.00	85.28	85.28	64.90	
3	Canvin Real Estate Private Limited	238.70	-	-	238.70	238.70	238.70	
4	SpiceXpress and Logistics Private Limited	-	1.00	-	1.00	1.00	-	

* During the year, loan given to subsidiary amounting to INR 20 million has been converted into equity investment.

57(b) As at March 31, 2021, 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 has identified candidature for proposed appointment as independent woman director on the Board of the Company and has filed necessary application for security clearance in terms of the Civil Aviation requirements of Ministry of Civil Aviation, Government of India which mandates that any director to be appointed on the Board of a schedule airline should first be security cleared by the Government of India. Post appointment of one independent woman director, the Company will comply Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

58. Previous period/year numbers have been regrouped/reclassified wherever considered necessary.

Prior year comparative amounts in these standalone financial statements have been reclassified wherever applicable to confirm to current year's presentation.

Balance sheet	As at March 31, 2020 (Reported)	Adjustments	As at March 31, 2020 (Reclassified)
Assets			
Non-current assets			
Financial assets			
(ii) Loans	330.40	4,638.87	4,969.27
(iii) Other financial assets	11,585.05	(4,638.87)	6,946.18
Other non-current assets	8,004.12	(950.33)	7,053.79

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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

Balance sheet	As at March 31, 2020 (Reported)	Adjustments	As at March 31, 2020 (Reclassified)
Current assets			
Financial assets			
(vi) Loans	-	1,341.33	1,341.33
(vii) Other financial assets	2,391.71	(1,341.33)	1,050.38
Liabilities			
Current liabilities			
Provisions	4,761.75	(950.33)	3,811.42

Statement of profit and loss	For the year ended March 31, 2020 (Reported)	Adjustments	For the year ended March 31, 2020 (Reclassified)
Employee benefits expense	15,257.76	(622.59)	14,635.17
Other expenses	13,294.29	(6,673.45)	6,620.84
Foreign exchange loss/(gain), (net)	-	7,296.04	7,296.04

59. Adoption of accounts

The standalone financial statements were approved for issue by the board of directors on June 30, 2021.

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: June 30, 2021

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: June 30, 2021

Sanjeev Taneja
Chief Financial Officer
Place: Gurugram
Date: June 30, 2021

Chandan Sand
Company Secretary
Place: Gurugram
Date: June 30, 2021

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, 2021, 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 then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group as at 31 March 2021, 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 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.

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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

5. We draw attention to Note 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 amounts 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.

   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 and considering the impact of ongoing Covid-19 pandemic on the operations of the Group;
   - 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 above 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 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 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.

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 30 to the consolidated financial statements for accounting policies and disclosures relating passenger revenue. The Holding Company recognises passenger revenue on flown basis i.e., when the service is rendered. Till that time, the money received is presented as deferred revenue (i.e., contract liabilities) in the balance sheet under the head other current liabilities and is measured basis the net sales price to the customer. In accounting for its passenger revenue, the Holding Company relies on the effectiveness of the integrated Information Technology ('IT') system which processes large volumes of individually low value transactions. Based on the data provided by the said IT system, the journal entries are manually posted into the general ledger (financial reporting IT system) for recognition of passenger revenue. Considering the significance of amount involved and complicated IT systems that handle large volumes of transaction data, including exchange of information with online travel agents, recognition of passenger revenue has been identified as a key audit matter for current year's audit.	Our procedures in relation to passenger revenue included, but not limited to the following: • Obtained and updated our understanding of the revenue business process for each stream of revenue; • Understood the revenue recognition policy of the Holding Company and ensured that it is in line with Ind AS 115 'Revenue from Contracts with Customers'; • Involved our IT specialists to evaluate design and test operating effectiveness of IT general controls and key automated controls of the 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 recognised during the year.

Key audit matter	How our audit addressed the key audit matter
Provision for maintenance in relation to aircrafts We refer to notes 2, 22 and 28 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, 2021, the Holding Company has recognised provisions for aircraft maintenance amounting to Rs. 7,606.88 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 controls over maintenance process including accounting for provision for aircrafts maintenance held under the lease arrangements; • 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, 2021; 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 43 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 leases. These amendments in lease agreements included extension in lease period, rent waivers, rent reduction, deferment of payment and change in the nature of rent i.e., fixed rentals becoming variable. 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 recognised 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 recognised Rs. 1,194.32 million in statement of profit and loss for 'rent concessions' and Rs. 1,240.49 million in the carrying value of right-of-use assets for 'modification'. Considering the judgement involved in assessment of appropriate accounting, such lease rent concessions/ modifications has been identified as a key audit matter for the current year's audit.	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, 2021; and • Evaluated appropriateness and adequacy of the disclosures made in standalone financial statements with respect to lease rent concessions/modifications.

Key audit matter	How our audit addressed the key audit matter
Impairment of non-financial assets We refer to notes 2, 3 and 4 of the consolidated financial statements for accounting policies and information related to accounting judgements, assumptions and estimates relating to impairment of non-financial assets. During the current year, due to the Covid-19 pandemic, impairment indicators were identified in reference to non-financial assets namely right-of-use (ROU) assets and property, plant and equipment (PPE). The Holding Company has identified its fleet of passenger aircrafts and freighter aircrafts as separate cash generating units (CGUs) and accordingly performed impairment assessment in accordance with the accounting principles and determined the value-in-use of its cash generating units (CGUs) and compared with the carrying values of the respective assets. The future cash flow projections and its discounting involved significant inputs such as expected fuel prices, foreign exchange rates, growth rate and discount rate, the determination of these inputs were inherently uncertain due to Covid-19 related travel restrictions and resultant decrease in travel demand. The management has concluded that the recoverable amount of the CGU is higher than its carrying amount and accordingly, no impairment provision has been recorded as at March 31, 2021. Considering significant management judgements involved in determination of said inputs used in computation, impairment of non-financial assets has been identified as a key audit matter for the current year's audit.	Our audit procedures in relation to impairment assessment included, but not limited to the following: • Obtained an understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing and the management process of determining the Value-in-Use (VIU); • Evaluated design and tested the operating effectiveness of relevant internal financial controls implemented for impairment assessment; • Obtained and assessed the management's impairment assessment computation by testing the underlying assumptions used by the management in determining the cash flow projections and VIU; • Together with our valuation specialists, challenged the management on the underlying key assumptions used for cash flow projections and discount rate, considering evidence available to support these assumptions and our understanding of the business; • Engaged in discussions with the management to assess the impact of Covid-19 on cash flow projections; • Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management; • Tested the arithmetical accuracy of the cash flow projections; and • Evaluated the appropriateness and adequacy of the disclosures made in the consolidated financial statements with respect to impairment of non-financial assets.

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

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

   Our opinion on the consolidated financial statements does not cover the other information and we will 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 is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management 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 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 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, 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 management's 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; and
    - 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.

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.

Other Matter

18. 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.

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 has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that nine subsidiary companies, covere d 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.

20. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

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

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, except for the effects of the matter described in paragraph 3 of the Basis for Qualified Opinion section with respect to the 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 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 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;

    g) 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 B'; and

    h) 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 45 and 46 to the consolidated financial statements;

        ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2021;

        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, 2021; and

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 8, 2016 to December 30, 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Neeraj Goel
Partner
Membership Number: 099514
UDIN : 21099514AAAAEQ5739
Place : Gurugram
Date : June 30, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPICEJET LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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 (from October 13, 2020); and
9. SpiceTech System Private Limited (from November 11, 2020).

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, 2021

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, 2021, 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 financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future

periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Holding Company's internal financial controls with reference to financial statements as at March 31, 2021:

   - 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.

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, 2021, based on internal financial controls with reference to financial statements criteria established by the Group 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, 2021.

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, 2021, consolidated financial statements of the Group, and the material weakness has affected our audit on the consolidated financial statements of the Group and we have issued a qualified opinion on the aforesaid consolidated financial statements.

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

Neeraj Goel
Partner
Membership Number: 099514
UDIN : 21099514AAAAEQ5739
Place : Gurugram
Date : June 30, 2021

Consolidated Balance Sheet

as at March 31, 2021

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

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	14,792.13	16,399.21
Capital work-in-progress		58.35	-
Right of use assets	4	55,411.94	70,559.26
Intangible assets	5	123.16	179.08
Financial assets			
(i) Investments	6	0.61	0.50
(ii) Loans	7	4,858.32	4,644.45
(iii) Other financial assets	8	4,970.56	6,946.58
Income-tax assets	9	304.46	678.64
Other non-current assets	10	7,134.13	7,060.16
Total non-current assets		**87,653.66**	**1,06,467.88**
Current assets			
Inventories	11	1,672.92	1,815.87
Financial assets			
(i) Investments	12	4.16	3.89
(ii) Trade receivables	13	3,211.19	2,937.42
(iii) Other receivables	14	16,933.84	12,541.60
(iv) Cash and cash equivalents	15A	330.91	298.08
(v) Bank balances other than (iv) above	15B	24.33	120.22
(vi) Loans	16A	356.22	1,341.46
(vii) Other financial assets	16B	1,364.35	817.50
Other current assets	17	2,124.59	2,261.61
Total current assets		**26,022.51**	**22,137.65**
Total assets		**1,13,676.17**	**1,28,605.53**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	6,009.37	6,000.76
Other equity	19	(32,051.82)	(21,804.74)
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	3,026.74	4,593.03
(ii) Lease liabilities	21	53,635.92	67,977.03
Provisions	22	5,055.34	6,284.80
Other non-current liabilities	23	135.62	152.72
Total non-current liabilities		**61,853.62**	**79,007.58**
Current liabilities			
Financial liabilities			
(i) Borrowings	24	4,044.79	4,144.38
(ii) Lease liabilities	25	30,862.03	21,612.58
(iii) Trade payables	26		
- total outstanding dues of micro enterprises and small enterprises		518.22	174.84
- total outstanding dues of creditors other than micro enterprises and small enterprises		16,767.28	17,022.29
(iv) Other financial liabilities	27	4,029.77	2,801.83
Other current liabilities	29	16,265.32	15,832.55
Provisions	28	5,377.59	3,813.46
Total current liabilities		**77,865.00**	**65,401.93**
Total liabilities		**1,39,718.62**	**1,44,409.51**
Total equity and liabilities		**1,13,676.17**	**1,28,605.53**

Summary of significant accounting policies 2

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

As per our report of even date.

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: June 30, 2021

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: June 30, 2021

Sanjeev Taneja
Chief Financial Officer
Place: Gurugram
Date: June 30, 2021

Chandan Sand
Company Secretary
Place: Gurugram
Date: June 30, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

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

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	30	51,714.48	1,23,745.69
Other income	31	9,011.01	7,601.84
Total income		**60,725.49**	**1,31,347.53**
Expenses			
Operating expenses	33A	39,725.20	87,583.18
Purchase of stock-in-trade	33B	250.84	126.75
Decrease in inventory of stock-in-trade	33B	(74.64)	-
Employee benefits expense	34	6,852.78	14,635.86
Sales and marketing expenses	35	766.76	2,260.99
Other expenses	36	4,570.29	6,704.73
Foreign exchange (gain)/loss, (net)	38	(2,237.63)	7,296.05
Total expense		**49,853.60**	**1,18,607.56**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**10,871.89**	**12,739.97**
Depreciation and amortisation expense	39	(15,611.93)	(17,353.78)
Finance income	32	468.38	703.42
Finance costs	37	(6,027.20)	(5,455.29)
Loss before tax		**(10,298.86)**	**(9,365.68)**
Tax expense		**-**	**-**
Loss for the year		**(10,298.86)**	**(9,365.68)**
Other comprehensive Income:			
Items that will not be reclassified to statement of profit and loss:			
- Remeasurement gains/(losses) on defined benefit obligations		16.99	(32.49)
- Income tax impact		-	-
Other comprehensive income for the year		**16.99**	**(32.49)**
Total comprehensive income for the year		**(10,281.87)**	**(9,398.17)**
Earnings per equity share	40		
- Basic		(17.14)	(15.61)
- Diluted		(17.14)	(15.61)

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: June 30, 2021

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: June 30, 2021

Sanjeev Taneja
Chief Financial Officer
Place: Gurugram
Date: June 30, 2021

Chandan Sand
Company Secretary
Place: Gurugram
Date: June 30, 2021

Consolidated Cash Flow Statement

for the year ended March 31, 2021

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

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities			
Loss before tax		**(10,298.86)**	**(9,365.68)**
Adjustments for:			
Depreciation and amortisation expense		15,611.93	17,353.77
Impairment of trade receivables		21.25	110.49
Loss on sale of property, plant and equipment (net)		0.90	196.40
Provision for contingencies		-	13.50
Advances/other balances written off		26.59	96.73
Share based payment expense		52.29	117.15
Liabilities/provision no longer required written back and rent concessions		(2,901.03)	(402.31)
Interest on lease liabilities and redelivery provision		4,035.98	4,398.37
Other borrowing costs		1,991.22	1,056.93
Interest income from financial assets		-	(165.12)
Other interest income		(468.38)	(703.42)
Net gain on financial assets measured at fair value through profit or loss		(0.27)	(0.21)
Unrealised foreign exchange (gain)/loss		(2,367.49)	7,128.32
Operating profit before working capital changes		**5,704.13**	**19,834.92**
Movements in working capital :			
Trade and other receivables		(4,369.70)	(7,636.82)
Inventories		142.95	(402.63)
Other financial assets		268.29	(1,461.56)
Other assets		(56.51)	64.78
Trade payables		(442.48)	5,554.65
Other financial liabilities		(150.04)	257.09
Other liabilities		409.77	(794.09)
Provisions		402.51	2,754.76
Cash flows from operations		**1,908.92**	**18,171.10**
Income taxes received/(paid) (net of refunds)		374.18	(330.52)
Net cash flows from operating activities	A	**2,283.10**	**17,840.58**
Cash flows from investing activities			
Purchase of property, plant and equipment and capital work in progress (including capital advances)		(769.40)	(2,620.49)
Proceeds from sale of property, plant and equipment		130.05	32.40
Purchase of investments		(0.11)	(0.31)
Proceeds from bank deposits		95.89	9.28

Consolidated Cash Flow Statement (Contd.)

for the year ended March 31, 2021

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

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Amount deposited with Delhi High Court		-	(577.98)
Margin money paid/received (net)		1,976.02	912.95
Interest income received		689.33	589.14
Net cash flows from/(used in) investing activities	**B**	**2,121.78**	**(1,655.01)**
Cash flows from financing activities			
Proceeds from issue of equity shares on exercise of stock options		8.61	3.58
Short-term borrowings paid/received (net)		(75.27)	170.47
Repayment of lease liabilities (including interest)		(3,801.10)	(15,073.68)
Repayment of long-term borrowings		-	(1,140.26)
Borrowing costs paid		(499.61)	(558.86)
Net cash used in financing activities	**C**	**(4,367.37)**	**(16,598.75)**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**37.51**	**(413.18)**
Effects of exchange difference on cash and cash equivalents held in foreign currency		(4.68)	43.65
Cash and cash equivalents at the beginning of the year		298.08	667.61
Cash and cash equivalents at the end of the year		**330.91**	**298.08**
Notes :			
Components of cash and cash equivalents			
Balance with banks in current accounts		276.06	221.60
Cash on hand		53.79	76.18
Fixed deposits		1.06	0.30
		330.91	**298.08**

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: June 30, 2021

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: June 30, 2021

Sanjeev Taneja
Chief Financial Officer
Place: Gurugram
Date: June 30, 2021

Chandan Sand
Company Secretary
Place: Gurugram
Date: June 30, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

(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, 2019	**59,97,18,356**	**5,997.18**
Issued during the year pursuant to exercise of employee stock options	3,57,943	3.58
At March 31, 2020	**60,00,76,299**	**6,000.76**
Issued during the year pursuant to exercise of employee stock options	8,60,604	8.61
At March 31, 2021	**60,09,36,903**	**6,009.37**

b. Other equity

For the year ended March 31, 2021

Particulars	Reserves and surplus					Total other equity
	Securities premium	General reserve	Share options out-standing account	Retained earnings	Foreign currency monetary item translation difference account (FCMITDA)	
As at April 01, 2020	9,949.45	49.09	131.15	(31,952.26)	17.83	(21,804.74)
Loss for the year	-	-	-	(10,298.86)	-	(10,298.86)
Other comprehensive income	-	-	-	16.99	-	16.99
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)**

For the year ended March 31, 2020

Particulars	Reserves and surplus					Total other equity
	Securities premium	General reserve	Share options out-standing account	Retained earnings	Foreign currency monetary item translation difference account (FCMITDA)	
As at April 01, 2019	9,901.12	49.09	62.33	(22,554.09)	21.39	(12,520.16)
Loss for the year	-	-	-	(9,365.68)	-	(9,365.68)
Other comprehensive income	-	-	-	(32.49)	-	(32.49)
Share based payment expense	-	-	117.15	-	-	117.15
Movement during the year	-	-	-	-	46.13	46.13
Transfer to securities premium on exercise of stock options	48.33	-	(48.33)	-	-	-
Recognised in the statement of profit and loss	-	-	-	-	(49.69)	(49.69)
As at March 31, 2020	**9,949.45**	**49.09**	**131.15**	**(31,952.26)**	**17.83**	**(21,804.74)**

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

As per our report of even date.

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

For and on behalf of the Board of Directors

Neeraj Goel
Partner
Membership No: 099514
Place: Gurugram
Date: June 30, 2021

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: June 30, 2021

Sanjeev Taneja
Chief Financial Officer
Place: Gurugram
Date: June 30, 2021

Chandan Sand
Company Secretary
Place: Gurugram
Date: June 30, 2021

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

1. Corporate information

The consolidated financial statements comprises of financials statement of SpiceJet Limited ('SpiceJet' or 'the Company' or 'the Holding Company') and its subsidiaries (collectively, 'the Group') for the year ended March 31, 2021. 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 57. Information on other related party relationships of the Group is provided in Note 51.

The consolidated financial statements were approved for issue by the board of directors on June 30, 2021.

2. A. Summary of significant accounting policies

a) Basis of preparation of financial statements

i. Statement of compliance

The consolidated financial statements ('financial statements') of the Group for the year ended March 31, 2021 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 a negative net worth of Rs. 26,042.45 as at March 31, 2021. The losses have been primarily driven by adjustments on account of implementation of Ind AS 116, adverse foreign exchange rates, fuel prices, pricing pressures, and the impact of Covid-19 (first wave and recent second wave), whose effects have continued to have an impact on the financial statements for the year ended March 31, 2021.

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 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.

With increased cargo operations as compared to previous year, the Group has earned revenue of Rs. 14,205.40 million during the current year as compared to Rs. 5,448.26 million in the previous year ended March 31, 2020. The Group also continues to remain confident of accommodation of the aircraft manufacturer in respect of the matter discussed in Note 47 below. 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

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.

iv. Critical accounting estimates and judgements

In preparing these consolidated 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 consolidated financial statements are as follows:

Note 2.(A) (i)(iii)(a) and 42 – 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

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.

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 recognised 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

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
Aircraft, engines and landing gear (excluding cost of major inspection)	8 - 20

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 recognised in the statement of profit and loss when the asset is derecognised.

e) Intangible assets

Recognition and measurement

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

Depreciation

Costs incurred towards purchase of computer software are amortised using the straight-line method over a period based on management's estimate of useful lives of such software being 2/3 years, or over the license period of the software, whichever is shorter.

Derecognition

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 recognised 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 recognised in the statement of profit and loss. After impairment, depreciation/amortisation 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 recognised 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 recognised impairment loss is reversed only if there has been

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. 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/amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised 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 recognised net of amounts collected on behalf of third parties.

Rendering of services

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

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

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

The unutilized balances in unearned revenue is recognised 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 recognised as revenue on rendering of related services.

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 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 and allowances, trade discounts and volume rebates.

Training income

Revenue from training income is recognised 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in finance income in the statement of profit and loss.

i) Employee benefits

i. Short-term employee benefits

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

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

ii. Other long-term employee benefits

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

iii. Post-employment benefits

The Group operates the following post-employment schemes:

a. Defined benefit plans – gratuity

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

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

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

b. Defined contribution plan – provident fund

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

j) Taxes

Current income tax

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

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

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

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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.

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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

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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 cash flow statement, 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 Group's functional and presentation currency.

Initial recognition

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

Conversion

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

Exchange differences

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

p) Fair value measurement

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

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

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,

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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 recognised 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,

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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 recognised 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 recognised 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 recognised 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 recognised 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

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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 and miscellaneous stores 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

<u>Cash incentives</u>

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.

<u>Non-cash incentives</u>

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 recognised 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

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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 recognised 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 recognised 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 amortisation ('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 amortisation, finance income, finance costs and tax expense.

B. Changes in accounting policies/ disclosures and recent accounting pronouncement

New and amended standards applied

Covid-19 related rent concessions amendment notified vide notification dated July 24, 2020

The Group has also elected to apply practical expedient whereby it has assessed all the rent concessions occurring as a direct consequence of the Covid-19 pandemic, basis the following conditions prescribed under the standard:

a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) any reduction in lease payments affects only payments originally due on or before the June 30, 2021; 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.

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.

Recent accounting pronouncement [as applicable]

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 is evaluating the requirements of these amendments and their impact on the financial statements.

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Amendments to Ind AS 107, Financial Instruments: Disclosures

New disclosures requirements are added in the standard to enable the users to understand the effect of interest rate benchmark reforms on entity's risk management strategy. The related amendments are also made in the other accounting standard as applicable. The Group is evaluating the requirements of these amendments and their impact on the financial statements.

Amendments to Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations and Ind AS 16, Property, Plant and Equipment

There is change in definition of recoverable amount from 'fair value less costs to sell' to 'fair value less costs of disposal'. The Group is evaluating the requirements of these amendments and their impact on the financial statements.

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3. Property plant and equipment

Particulars	Plant and equipment**	Rotable and tools**	Office equipment	Computers	Furniture & fixtures	Motor vehicles**	Leasehold improvements	Aircraft	Land	Total
Gross block										
As at April 01, 2019	936.97	3,167.87	141.26	275.78	31.58	602.97	57.25	19,018.59	391.37	24,623.64
Additions #	446.81	755.92	65.41	137.82	9.09	242.81	33.83	736.51	-	2,428.20
Disposals	8.59	300.19	0.73	0.10	0.32	1.78	-	-	-	311.71
Exchange differences*	-	-	-	-	-	-	-	544.08	-	544.08
As at March 31, 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	49.30	43.43	1.97	35.97	16.73	254.73	-	585.91
Disposals	13.97	5.75	0.21	6.06	0.14	18.97	-	2,853.50	-	2,898.60
Exchange differences*	-	-	-	-	-	-	-	(188.42)	-	(188.42)
As at March 31, 2021	**1,409.26**	**3,753.59**	**255.03**	**450.87**	**42.18**	**861.00**	**107.81**	**17,511.99**	**391.37**	**24,783.10**
Depreciation										
At April 1, 2019	**188.52**	**563.52**	**71.79**	**144.13**	**19.65**	**265.77**	**38.20**	**7,203.21**	**-**	**8,494.79**
Depreciation charge for the year	87.13	238.72	27.65	81.06	8.14	83.97	13.14	1,707.21	-	2,247.02
Disposals	5.30	75.70	0.43	0.08	0.06	1.34	-	-	-	82.91
Exchange differences*	-	-	-	-	-	-	-	226.10	-	226.10
As at March 31, 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	37.63	91.55	4.09	104.79	20.12	1,060.10	-	1,662.34
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**	**136.48**	**310.76**	**31.68**	**434.25**	**71.46**	**7,674.94**	**-**	**9,990.97**
Net Block										
As at March 31, 2020	**1,104.84**	**2,897.06**	**106.93**	**188.39**	**12.62**	**495.60**	**39.74**	**11,162.66**	**391.37**	**16,399.21**
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**

*Represents foreign exchange loss capitalised during the year and depreciation thereon. Also refer note 2(A)(c).

#Additions to aircraft comprise of capitalisation of overhaul cost of Rs. 254.73 million for the year ended March 31, 2021 and Rs 736.51 million for the year ended March 31, 2020.

**Rotables and tools, ground support equipment and motor vehicles with net block of Rs. 171.76 million (March 31, 2020 Rs. 237.93 million), are subject to a first charge to secure the facilities provided by Indian Bank (erstwhile Allahabad Bank).

Refer note 44 for contractual commitments for the acquisition of property, plant and equipment.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

4. Right of use assets

Particulars	Aircraft	Aircraft components	Buildings	Total
Gross block				
As at April 1, 2019 on account of transition to Ind AS 116	53,796.96	2,071.69	1,269.06	57,137.73
Reclassified on account of transition to Ind AS 116	-	-	-	-
Additions	26,415.75	2,610.37	324.58	29,350.70
Disposals	1,710.61	-	-	1,710.61
Balance as at March 31, 2020	**78,502.10**	**4,682.06**	**1,593.64**	**84,777.82**
Additions	-	-	-	-
Disposals/modification	3,035.83	208.12	411.87	3,655.82
Balance as at March 31, 2021	**75,466.27**	**4,473.94**	**1,181.77**	**81,122.00**
Accumulated depreciation				
As at April 1, 2019 on account of transition to Ind AS 116	**-**	**-**	**-**	**-**
Depreciation charge for the year	13,897.85	698.84	201.93	14,798.62
Disposals	580.06	-	-	580.06
Balance as at March 31, 2020	**13,317.79**	**698.84**	**201.93**	**14,218.56**
Depreciation charge for the year	12,437.77	886.55	175.55	13,499.86
Disposals	1,880.34	27.97	100.06	2,008.36
Balance as at March 31, 2021	**23,875.22**	**1,557.42**	**277.42**	**25,710.06**
Net block				
As at March 31, 2020	**65,184.31**	**3,983.22**	**1,391.71**	**70,559.26**
As at March 31, 2021	**51,591.05**	**2,916.53**	**904.35**	**55,411.94**

5. Intangible Assets

Particulars	Software	Total
Gross block		
As at April 01, 2019	**224.04**	**224.04**
Additions	132.38	132.38
Disposals	-	-
As at March 31, 2020	**356.42**	**356.42**
Additions	61.99	61.99
Disposals	-	-
As at March 31, 2021	**418.41**	**418.41**
Accumulated Amortisation		
As at April 01, 2019	**95.30**	**95.30**
Amortisation charge for the year	82.04	82.04
Disposals	-	-
As at March 31, 2020	**177.34**	**177.34**
Amortisation charge for the year	117.91	117.91
Disposals	-	-
As at March 31, 2021	**295.25**	**295.25**
Net block		
As at March 31, 2020	**179.08**	**179.08**
As at March 31, 2021	**123.16**	**123.16**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

6. Non-current investments (fully paid up)

	As at March 31, 2021	As at March 31, 2020
Unquoted equity investments, at fair value through profit or loss ('FVTPL')		
2,988 (March 31, 2020: 2,874) equity shares of Aeronautical Radio of Thailand Limited	0.61	0.50
	0.61	**0.50**
Aggregate amount of unquoted investments	**0.61**	**0.50**

7. Long-term loans*

(Unsecured, considered good unless stated otherwise)

Security deposits (at amortised cost)	4,858.32	4,644.45
	4,858.32	**4,644.45**

*The Group does not have any long term loans which are at either credit impaired or where there is significant increase in credit risk.

8. Other non-current financial assets

(Unsecured, considered good unless stated otherwise)

Non-current bank balances (also refer note 15B)	4,970.56	6,946.58
	4,970.56	**6,946.58**

9. Income-tax assets

Advance income-tax	304.46	678.64
	304.46	**678.64**

10. Other non-current assets

Deposit with Delhi High Court (also refer note 46)	3,187.02	3,187.02
Goods and services tax paid under protest (refer note 45)	2,556.29	2,369.53
Capital advances		
Unsecured, considered good	1,390.82	1,503.61
Unsecured, considered doubtful	109.32	109.32
	7,243.45	**7,169.48**
Impairment allowance		
Unsecured, considered good	-	-
Unsecured, considered doubtful	(109.32)	(109.32)
	(109.32)	**(109.32)**
	7,134.13	**7,060.16**

11. Inventories

(valued at lower of cost or net realisable value)

Engineering stores and spares	1,494.80	1,641.83
Stock held in trade - merchandise and others	114.64	40.00
Stock held in trade - in flight inventory	38.04	75.18
Other stores	25.44	58.86
	1,672.92	**1,815.87**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

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

	As at March 31, 2021	As at March 31, 2020
Quoted investment in mutual funds		
7,122 (March 31, 2020: 7,122) units of ICICI Prudential Saving Funds - Direct Plan- Growth [NAV Rs. 419.69 (March 31, 2020: Rs.390.37)]	2.99	2.78
52,700.92 (March 31, 2020: 52,700.92) units of L&T Low Duration Fund-Direct Plan-Growth [NAV Rs. 22.18 (March 31, 2020: Rs. 21.11)]	1.17	1.11
	4.16	**3.89**
Aggregate amount of quoted investments and market value thereof	4.16	3.89

13. Trade receivables

(Unsecured, considered good unless stated otherwise)

Trade receivables		
Unsecured, considered good	3,262.16	2,997.25
Unsecured, credit impaired	74.26	101.35
	3,336.42	**3,098.60**
Impairment allowance		
Unsecured, considered good	(50.97)	(59.83)
Unsecured, credit impaired	(74.26)	(101.35)
	(125.23)	**(161.18)**
	3,211.19	**2,937.42**

For details of contract balances refer to note 30.

For information related to trade receivables from related parties, refer note 51.

The carrying amount of trade receivables approximates their fair value, is included in note 52. The Group's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 54.

14. Other receivables

(Unsecured, considered good unless stated otherwise)

Maintenance receivables	1,984.21	2,738.83
Insurance claim receivables	100.48	204.67
Other receivables (refer note 47)	14,849.15	9,598.10
	16,933.84	**12,541.60**

15. A. Cash and cash equivalents

Balances with banks:		
– In current accounts	276.06	221.60
– In deposit accounts (with original maturity upto 3 months)	1.06	0.30
Cash on hand	53.79	76.18
	330.91	**298.08**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

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

	As at March 31, 2021	As at March 31, 2020
Deposits with original maturity for more than 3 months but less than 12 months	23.72	0.23
Deposits with original maturity more than 12 months	0.61	119.99
Margin money/security against fund and non-fund based facilities*	4,970.56	6,946.58
	4,994.89	**7,066.80**
Less: Amount disclosed under other non-current asset (refer note 8)	(4,970.56)	(6,946.58)
	24.33	**120.22**

*Margin money deposit have been placed with banks for non-fund based facilities sanctioned to the Group.

16. A. Short-term loans*

(Unsecured, considered good)

Security deposits	356.22	1,341.46
	356.22	**1,341.46**

*The Group does not have any short-term loan which are either credit impaired or where there is significant increase in credit risk .

16. B. Other current financial assets

(Unsecured, considered good)

Employee advances	155.50	162.47
Interest accrued on fixed deposits	178.37	399.32
Contract asset	1,030.48	255.71
	1,364.35	**817.50**

17. Other current assets

Prepaid expenses	675.96	1,212.68
Balance with government authorities	276.58	20.71
Advances to suppliers	1,172.05	1,028.22
	2,124.59	**2,261.61**

18. Equity share capital

Authorised	
(1,500,000,000 equity shares of Rs.10 each)	
As at April 01, 2019	15,000.00
Increase during the year	-
As at March 31, 2020	15,000.00
Increase during the year	-
As at March 31, 2021	**15,000.00**
Issued, subscribed and paid-up capital	
Equity shares of Rs. 10 each issued, subscribed and fully paid	
As at April 01, 2019	5,997.18
Issued during the year pursuant to exercise of employee stock options	3.58
As at March 31, 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**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

A. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Value (₹)	Number	Value (₹)
Shares outstanding at the beginning of the year	600,076,299	6,000.76	599,718,356	5,997.18
Issued during the year	860,604	8.61	357,943	3.58
Shares outstanding at the end of the year	**600,936,903**	**6,009.37**	**600,076,299**	**6,000.76**

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 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, the holders of equity shares will be entitled to receive remaining assets, 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 shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Mr. Ajay Singh	304,333,450	50.64%	304,333,450	50.72%
Mr. Ajay Singh (HUF)	52,846,838	8.79%	52,846,838	8.81%
Total	**357,180,288**	**59.44%**	**357,180,288**	**59.52%**

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 1,486,720 shares (March 31, 2020 - 626,116) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan ('ESOP') wherein part consideration was received in form of employee services.

E. Shares reserved for issue under options

For details of shares reserved for issue under ESOP, refer note 41.

19. Other equity

	As at March 31, 2021	As at March 31, 2020
Reserves and surplus		
Securities premium account	10,054.58	9,949.45
General reserve	-	49.09
Share options outstanding account	78.31	131.15
Retained earnings	(42,184.71)	(31,952.26)
Foreign currency monetary item translation difference account	-	17.83
	(32,051.82)	**(21,804.74)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

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.

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**9,949.45**	**9,901.12**
Additions during the year	105.13	48.33
Balance at the end of the year	**10,054.58**	**9,949.45**

b. General reserve

Balance at the beginning of the year	**49.09**	**49.09**
Transferred to retained earnings	**(49.09)**	**-**
Balance at the end of the year	**-**	**49.09**

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	**131.15**	**62.33**
Share based payment expense	52.29	117.15
Transfer to securities premium on exercise of stock options	(105.13)	(48.33)
Balance at the end of the year	**78.31**	**131.15**

d. Retained earnings

Balance at the beginning of the year	**(31,952.26)**	**(22,554.09)**
Loss for the year	(10,298.86)	(9,365.68)
Other comprehensive income	16.99	(32.49)
Transferred from general reserves	49.09	-
Others	0.33	-
Balance at the end of the year	**(42,184.71)**	**(31,952.26)**

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**	**21.39**
Movement during the year	-	46.13
Recognised in the statement of profit and loss during the year	(17.83)	(49.69)
Balance at the end of the year	**-**	**17.83**

20. Long term borrowings (secured)

Term loans		
Rupee loan from bank	500.00	500.00
Less: Current maturities of long term borrowings (refer note 27)	(500.00)	(500.00)
	-	**-**
Other loans		
External commercial borrowing	6,134.33	6,322.70
Less: Current maturities of long term borrowings (refer note 27)	(3,107.59)	(1,729.67)
	3,026.74	**4,593.03**
	3,026.74	**4,593.03**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

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

a. During the previous year, the Group had taken a loan of Rs. 500 million from IDFC First Bank Limited. The loan is repayable after 3 years from the date of the borrowing and carries an interest rate of 12.35% per annum. The loan has been secured by first pari-passu charge on the land of the Holding Company and one of the subsidiary (Canvin Real Estate Private Limited) 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 Group have not complied with this financial covenant and accordingly, the borrowing have been reclassified to current maturities of long term borrowings.

Repayment terms (including current maturities) and security details for external commercial

b. 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 Group and Maple Leaf Financing Limited with lending from Export Development Canada ('EDC'). As per the terms of the agreement, the Group 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 Group has negotiated revised payment schedule and the repayment will now commence w.e.f April 1, 2021. Accordingly, the Group has updated classification of the borrowing amount in current and non-current.

21. Non-Current lease liabilities

	As at March 31, 2021	As at March 31, 2020
Lease liabilities	53,635.92	67,977.03
	53,635.92	**67,977.03**

22. Long-Term provisions

Provision for gratuity (also refer note 42)	572.51	458.51
Provision for aircraft redelivery	1,533.61	1,335.86
Provision for aircraft maintenance	2,949.22	4,490.43
	5,055.34	**6,284.80**

23. Other non-current liabilities

Deferred incentive	152.86	169.96
Less: Current portion	(17.24)	(17.24)
	135.62	**152.72**

24. Short-term borrowings (secured)

Working capital demand loan from bank	1,000.00	1,000.00
Pre-shipment credit foreign currency loan	3,044.79	3,144.38
	4,044.79	**4,144.38**

At March 31, 2021, the Group had available Rs. 185.70 million (March 31, 2020: Rs. 1,500.00 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. Pre-shipment credit foreign currency loan from bank is secured by fixed deposits placed by the Group having a carrying value of Rs. 870 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 3.19% to 4.92% per annum.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

Changes in liabilities arising from financing activities

Particulars	April 01, 2020	Cash flows	Foreign exchange impact	Others*	March 31, 2021
Non-current borrowings	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)	2,236.44	(3,526.99)	84,497.95
Total liabilities from financing activities	**93,811.16**	**(4,375.98)**	**2,212.12**	**(3,027.32)**	**88,619.97**

Particulars	April 01, 2019	Cash flows	Foreign exchange impact	Others*	March 31, 2020
Non-current borrowings	6,918.16	(1,140.26)	544.80	500.00	6,822.70
Current borrowings	4,179.44	170.47	294.47	(500.00)	4,144.38
Finance costs	32.06	(558.86)	-	603.97	77.17
Lease liabilities	64,019.04	(15,073.68)	6,970.19	33,674.06	89,589.61
Total liabilities from financing activities	**75,148.70**	**(16,602.32)**	**7,809.45**	**34,278.03**	**100,633.86**

*This includes inter-caption reclassification, lease addition and modifications, rent concessions and other adjustments.

25. Current lease liabilities

	As at March 31, 2021	As at March 31, 2020
Lease liabilities	30,862.03	21,612.58
	30,862.03	**21,612.58**

26. Trade payables

Trade payables		
- total outstanding dues of micro enterprises and small enterprises	518.22	174.84
- total outstanding dues of creditors other than micro enterprises and small enterprises	16,767.28	17,022.29
	17,285.50	**17,197.13**
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	489.21	167.74
- Interest due on above	29.01	7.10
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	29.01	7.10
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	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

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

27. Other current financial liabilities

	As at March 31, 2021	As at March 31, 2020
Unsecured		
Employee related payable	109.55	370.20
Book overdraft	116.63	-
Security deposits received	118.77	124.79
Secured		
Current maturities of long-term borrowings (also refer note 20)	3,607.59	2,229.67
Interest accrued and due on borrowings	10.49	2.53
Interest accrued but not due on borrowings	66.74	74.64
	4,029.77	**2,801.83**

28. Short-term provisions

Provision for employee benefits		
-Provision for gratuity (also refer note 42)	51.79	44.89
-Provision for compensated absences	305.48	183.34
Provision for contingencies (also refer note 45)	107.20	107.20
Provision for aircraft maintenance	4,657.66	3,018.46
Provision for aircraft redelivery	255.46	459.57
	5,377.59	**3,813.46**
Provision for contingencies:		
At the beginning of the year	107.20	107.20
Additions during the year	-	13.50
Utilisation/reversal during the year	-	(13.50)
At the end of the year	**107.20**	**107.20**
Provision for aircraft maintenance		
At the beginning of the year	7,508.89	4,416.10
Additions during the year	382.08	4,914.58
Utilisation/reversal during the year	(284.09)	(1,821.79)
At the end of the year	**7,606.88**	**7,508.89**
Provision for aircraft redelivery		
At the beginning of the year	1,795.43	673.10
Additions during the year	-	1,241.79
Utilisation/reversal during the year	(6.36)	(119.46)
At the end of the year	**1,789.07**	**1,795.43**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

29. Other current liabilities (unsecured)

	As at March 31, 2021	As at March 31, 2020
Current portion of deferred incentives	17.24	17.24
Amount due under order of Delhi High Court (also refer note 46)	6,425.55	6,425.55
Contract liabilities	2,604.32	3,626.17
Advance received from agents	4,205.85	3,765.23
Statutory dues (including interest thereon)	2,289.95	998.63
Airport taxes payable	710.74	991.21
Others liabilities	11.67	8.52
	16,265.32	**15,832.55**

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	3,211.19	2,937.42
Contract assets	1,030.48	255.71
Contract liabilities	2,604.32	3,626.17

Contract liabilities comprise of consideration from sale of tickets not yet flown, Contract assets relates to unbilled revenue.

30. Revenue from operations

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of services		
Passenger revenue*	35,281.98	114,447.88
Cargo revenue	14,191.68	5,448.26
Sale of products	394.41	158.89
Other operating revenues		
Incentives received	287.98	196.98
Income from training services	384.02	368.10
Subsidies received under various schemes	581.35	1,681.59
Others**	593.06	1,443.99
	51,714.48	**123,745.69**
India	34,845.99	114,829.33
Outside India	16,868.49	8,916.36
	51,714.48	**123,745.69**

* Includes sale of food and beverages in flight.

** Others mainly includes income from ground handling services.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

31. Other income

	Year ended March 31, 2021	Year ended March 31, 2020
Net gain on financial assets measured at fair value through profit or loss	0.27	0.21
Net gain on sale of investments	-	24.21
Liabilities/provision no longer required written back	1,706.71	402.31
Rent concessions	1,194.32	-
Warranty claims from aircraft manufacturer/insurance claims	5,851.53	6,937.30
Miscellaneous income	258.18	237.81
	9,011.01	**7,601.84**

32. Finance income

Interest income on financial assets	15.39	165.12
Interest income		
- on bank deposits	401.84	538.30
- others	51.15	-
	468.38	**703.42**

33. A. Operating expenses

Aviation turbine fuel	15,288.35	46,162.03
Lease charges - aircraft, engines and auxiliary power units (also refer note 43)	2,662.55	3,629.71
Aircraft repairs and maintenance	4,021.21	8,290.74
Supplemental lease charges - aircraft, engines and auxiliary power units	6,437.61	11,674.84
Consumption of stores and spares	534.70	1,534.87
Aviation insurance	1,251.69	1,048.19
Landing, navigation and other airport charges	6,469.95	11,446.48
Cost of inflight food and beverages (refer note (i) below)	734.73	1,581.26
Aircraft navigation software expenses	632.99	785.99
Aircraft redelivery costs	27.18	219.33
Cargo handling costs	1,360.29	724.84
Other operating expenses	303.95	484.90
	39,725.20	**87,583.18**
Note (i):		
Cost of inflight food and beverages		
Inventory at the beginning of the year	75.18	47.67
Add : Purchases during the year	697.59	1,608.77
Less : Inventory at the end of the year	38.04	75.18
Cost of inflight food and beverages	**734.73**	**1,581.26**

33. B. Purchase and decrease of stock-in-trade

Purchases of stock-in-trade	**250.84**	**126.75**
Inventory at the beginning of the year	40.00	40.00
Inventory at the end of the year	114.64	40.00
Decrease in inventory of stock-in-trade	**(74.64)**	**-**

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34. Employee benefits expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	6,108.87	13,404.53
Contribution to provident and other funds	361.49	660.43
Share based payment expense	52.29	117.15
Gratuity expense (also refer note 42)	163.74	133.40
Staff welfare	166.39	320.35
	6,852.78	**14,635.86**

35. Sales and marketing expenses

Commission to agents	486.82	1,328.13
Business promotion and advertisement	279.94	932.86
	766.76	**2,260.99**

36. Other expenses

Rent	799.85	646.11
Rates and taxes	594.27	674.31
Repairs and maintenance		
- buildings	87.31	132.15
- plant and machinery	11.28	23.03
- others	479.10	424.75
Crew accommodation cost	281.83	705.51
Recruitment and training cost	361.22	622.68
Communication	116.38	134.86
Printing and stationery	113.64	182.97
Travelling and conveyance	802.21	1,538.25
Legal, and professional fees*	450.32	455.36
Power and fuel	107.61	140.36
Advances/other balances written off	26.59	96.73
Impairment of trade receivables	21.25	110.49
Provision for contingencies	-	13.50
Insurance	152.95	197.28
Credit card charges	86.87	342.83
Bank charges	11.21	9.70
Loss on sale of property, plant and equipment (net)	0.90	196.40
Miscellaneous expenses	65.50	57.46
	4,570.29	**6,704.73**

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	Year ended March 31, 2021	Year ended March 31, 2020
Payment to auditor		
As auditor		
Audit fees	8.73	10.56
Tax audit fees	0.65	0.85
Limited review	3.45	3.00
In other capacity		
Other services (certification fees)	2.86	0.23
Reimbursement of expenses	-	0.72

37. Finance costs

Interest		
- on term loan from banks	325.16	320.73
- on loan from others	174.51	283.23
Interest on lease liabilities and redelivery provisions	4,035.98	4,398.37
Other borrowing costs	1,491.55	452.96
	6,027.20	**5,455.29**

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

Foreign exchange (gain)/loss, (net)*	(2,237.63)	7,296.05
	(2,237.63)	**7,296.05**

*Foreign exchange gain for the year ended March 31, 2021 includes Rs. 2,246.99 million (March 31, 2019 : loss of Rs. 6,970.19 million), pertaining to foreign exchange gain on restatement of lease liabilities.

39. Depreciation and amortisation expense

Depreciation on property, plant and equipment (refer note 3)	1,994.16	2,473.12
Depreciation on right of use assets (refer note 4)	13,499.86	14,798.62
Amortisation on intangible assets (refer note 5)	117.91	82.04
	15,611.93	**17,353.78**

40. Earnings per share ('EPS')

a. Basic EPS is calculated by dividing the net 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.

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The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Number of equity shares outstanding at the beginning of the year	600,076,299	599,718,356
Number of equity shares issued	860,604	357,943
Number of equity shares outstanding at the end of the year	600,936,903	600,076,299
Weighted average number of equity shares		
a. Basic	**600,322,354**	**599,765,428**
Effect of dilution: stocks options	1,106,553	1,886,990
b. Diluted	**601,428,907**	**601,652,417**
Loss for the year	**(10,298.86)**	**(9,365.68)**
Earnings per share :		
— Basic earnings per share (₹)	(17.14)	(15.61)
— Diluted earnings per share (₹)	(17.14)	(15.61)
Face value per share (₹)	10.00	10.00

c. Having regard to the status of the matters relating to the allotment and conversion of share warrants, as stated in note 46, 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 46.

41. 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 Group determined by Nomination and Remuneration Committee of Holding Company, 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	No. of options	Vesting period	Market value per share (In INR)	Fair value per option (In INR)	Exercise price (In INR)	Expected volatility	Expected life (in years)	Expected dividend	Risk free return
February 7, 2018	1,201,155	2 years 10 months and 24 days	129.35	122.29	10.00	58.50% to 57.61%	3.50 to 5.40	Nil	7.53% to 7.51%
May 28, 2019	500,000	1 year 7 months and 3 days	145.75	138.26	10.00	48.66% to 51.32%	3.50 to 4.10	Nil	6.92%
May 28, 2019	85,000	2 years 6 months and 2 days	145.75	138.26	10.00	48.66% to 57.76%	3.50 to 5.00	Nil	6.92% to 7.03%
August 9, 2019	140,000	4 years	135.95	128.81	10.00	46.37% to 56.21%	3.50 to 6.50	Nil	6.33% to 6.54%
November 13, 2019	250,000	4 years	115.05	107.96	10.00	46.56% to 55.64%	3.50 to 6.50	Nil	6.32% to 6.92%
February 14, 2020	500,000	2 years	84.70	76.90	10.00	46.50% to 50.93%	3.50 to 4.50	Nil	6.00% to 6.02%
November 11, 2020	75,000	3 years	51.35	43.79	10.00	48.89% to 51.46%	3.50 to 5.50	Nil	5.02% to 5.86%
February 10, 2021	475,000	3 years	86.85	79.26	10.00	50.385 to 52.33%	3.50 to 5.50	Nil	5.75% to 6.13%

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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, 2021	Year ended March 31, 2020
Share based payment expense	52.29	117.15

Reconciliation of outstanding share options:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Options outstanding as at the beginning of the year	**2,050,039**	**10.00**	**932,982**	**10.00**
Add: Options granted during the year*	550,000	10.00	1,475,000	10.00
Less: Options forfeited during the year	176,923	10.00	-	10.00
Less: Options exercised during the year	860,604	10.00	357,943	10.00
Options outstanding as at the year end	**1,562,512**	**10.00**	**2,050,039**	**10.00**

*Includes only options granted to employees who have fulfilled the related conditions in respect of such grant.

The weighted average share price at the date of exercise of stock options during the year was Rs. 72.84 (March 31, 2020 Rs. 91.65).

The weighted average remaining period of stock options as at March 31, 2021 is 5 years (March 31, 2020: 6 years).

42. Employee benefits obligation

a. Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rs. 2.00 million. The scheme is unfunded and accordingly the disclosures relating to plan assets are not provided.

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

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Amounts recognised in consolidated balance sheet		
Defined benefit obligation ('DBO')	624.30	503.40
Defined benefit obligation ('DBO')	**624.30**	**503.40**
Bifurcation of DBO at the end of the year - current and non-current		
Current liability	51.79	44.89
Non-current liability	572.51	458.51
(ii) Amount recognised in other comprehensive income	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Actuarial (gain)/loss	(16.99)	32.49
Actuarial (gain)/loss recognised in other comprehensive income	**(16.99)**	**32.49**

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		Year ended March 31, 2021	Year ended March 31, 2020
(iii)	**Expenses recognised in Statement of profit and loss**		
	Current service cost	129.74	105.64
	Interest cost on DBO	34.00	27.76
	Expense recognised during the year	**163.74**	**133.40**
(iv)	**Movement in the liability recognised in the consolidated balance sheet is as under:**	**As at March 31, 2021**	**As at March 31, 2020**
	Present value of defined benefit obligation at the beginning of the year	**503.40**	362.42
	Current service cost	129.74	105.64
	Interest cost	34.00	27.76
	Benefits paid	(25.86)	(24.91)
	Actuarial (loss)/gain		
	a. Effect of changes in financial assumption	(38.23)	24.41
	b. Effect of experience adjustments	15.30	1.73
	c. Effect of changes in demographic assumptions	5.95	6.35
	Present value of defined benefit obligation at the end of the year	**624.30**	**503.40**
(v)	**For determining the DBO liability the following actuarial assumptions were used:**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
	Discount rate	6.76% - 7.08%	5.00%
	Salary escalation rate	4.5% - 5.00%	6.76% - 6.83%
	Pre-retirement mortality	IALM(2012-14)	IALM(2012-14)
	Attrition rate	10.30%(Upto 30 years) 3.90% (Age 31-44) 0.80% (above age 44)	13.90% (Upto 30 years) 3.90% (Age 31-44) 0.40% (above age 44)
	No. of employees	14,810	16,288
	Retirement age (years)	58.00	58.00
	Average age (years)	31.41	29.91
	Average past service (years)	3.62	2.67
	Average remaining working life (years)	26.59	28.09
	Average monthly salary	3,693.14	3,027.64
	Weighted average duration of DBO	14.93	18.98
(vi)	**Maturity profile of defined benefit obligation:**	**As at March 31, 2021**	**As at March 31, 2020**
	Within the next 12 months (next annual reporting period)	51.58	44.05
	Between 2 and 5 years	97.46	81.00
	Beyond 5 years	475.26	378.35
(vii)	**Sensitivity analysis for gratuity:**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
	Impact of the change in discount rate on present value of DBO as at the end of the year		
	Discount rate + 50 Basis points	(34.90)	(28.74)
	Discount rate - 50 Basis points	38.38	31.64
	Impact of the change in salary increase on present value of DBO as at the end of the year		
	Salary Rate + 50 Basis points	39.04	32.04
	Salary Rate – 50 Basis points	(35.77)	(29.33)

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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, 2021	As at March 31, 2020
Discount rate	6.76%	6.76%
Future salary increase	4.50%	5.00%

c. Defined contribution plan:

During the year, the Group recognised Rs. 324.83 million (March 31, 2020 - Rs. 606.54 million) as provident fund expense under defined contribution plan and Rs. 36.66 million (March 31, 2020 - Rs. 53.89 million) for contributions to employee state insurance scheme in the Statement of profit and loss.

43. 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 Company incurs variable payments towards maintenance of the aircraft which are disclosed under "Supplemental lease charges - aircraft, engines and auxiliary power units".

During the year ended March 31, 2021, the Group has recognised an expense of Rs. 2,662.55 million (March 31, 2020 Rs. 3,629.71 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 recognised during the year ended March 31, 2021.

A. Amount recognised in the statement of profit and loss

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation on right of use assets	13,499.86	14,798.62
Interest on lease liabilities	4,130.33	4,351.74
Rent expenses related to short term leases	3,462.40	4,275.82

Refer note 4 for additions to right-of-use assets and the carrying amount of right of use assets as at March 31, 2021. Further, refer note 54 for maturity analysis of lease liabilities.

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B. Total cash outflow of leases

Particulars	As at March 31, 2021	As at March 31, 2020
Total cash outflow of leases	3,801.10	15,073.68

C. Pursuant to the renegotiations with lessors, the Group has recognised other income of Rs. 1,194.32 million for the year ended March 31, 2021, 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.

44. Capital and other commitments

a. As at March 31, 2021, the Group has commitments of Rs. 533,786.89 million (March 31, 2020 - Rs. 550,134.75 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 powerby-the-hour cost based on aircraft/component utilization.

45. 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 28.

ii) Matters wherein management has concluded the liability to be possible have been disclosed under note 45 (b) below.

b) Contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Liability arising out of legal cases filed against the Group in various Courts/Consumer Redressal Forums, Consumer Courts, disputed by the Group	159.85	150.56
Liability arising out of other legal cases filed against the Group	63.86	68.32
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	4,475.99
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	2,556.29	2,369.53
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	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

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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. 67.09 million (including a portion of applicable interest) on a conservative basis (also refer note 28). 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 consolidated financial statements.

iv. The Holding Company has received certain orders from customs authorities levying IGST and basic customs duty, on re-import of various aircraft equipment repaired abroad, 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.

v. 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 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 consolidated 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 consolidated financial statements.

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vii. The aircraft manufacturer of Q400 aircrafts initiated a claim against the Holding Company 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 aircrafts. During the year, while there has been a summary judgement decided in favour of the aircraft manufacturer, the Holding Company has been permitted to assail the said judgement relating to termination of certain aircrafts and the same is presently pending for adjudication before the Court of Appeal. In view of the foregoing and pending outcome of the aforesaid challenge before the Court of Appeal, 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) and accordingly, no further adjustments have been made in this regard, to these consolidated financial statements.

viii. There are numerous interpretative issues relating to the Hon'ble Supreme Court judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the Hon'ble Supreme Court order. The Group will update its provision, on receiving further clarity on the subject.

ix. 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.

46. Advance money received against securities proposed to be issued

The Holding Company had, in earlier financial years, received amounts aggregating Rs. 5,790.9 million from Mr. Kalanithi Maran and M/s 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.

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 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.

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 and notices issued, 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 statements.

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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, 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 statements. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

47. Claims on the aircraft manufacturer

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 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 recognised by the Holding Company upon conclusion of discussions with the aircraft manufacturer.

48. Impact of Covid-19

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 had announced a strict lockdown to contain the spread of the virus till May 31, 2020, which was extended by certain states, with varying levels of relaxations. 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. However, the scheduled international/ commercial passenger service is continued to be suspended. 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 leading to significant drop in demand which has impacted the Group's revenue and profitability for the last quarter of financial year ended March 31, 2021.

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-run. It is also to be noted that while generally the passenger business was either suspended or very low demand during the lockdown, the Group enhanced its cargo operations which were fulfilled by dedicated fleet of freighter aircraft and passenger converted aircraft.

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, is in negotiations with lenders regarding deferment of dues and other waivers, and also assessed the recoverability and carrying values of its assets while preparing the consolidated financial statements as of and for the year ended 31 March 2021. 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 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 Group 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 consolidated financial statements.

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49. Segment reporting

Earlier, the Group had considered "Air Transport Services" and "other services" as the only segment of the Group. During the previous year, based on the relative significance of, and focus on, freighter-related and associated operations, and the consequent changes to the nature of internal reporting provided to the chief operating decision maker, management has reassessed the Group's segments. Accordingly, operating segments of the Company 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, 2021

Particulars	Air transport	Freighter and logistics services*	Other services	Total segments	Inter segment adjustment and elimination	Total
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	40,486.84	11,175.39	1,052.50	52,714.73	(1,000.25)	51,714.48
Other income	9,335.59	-	3.32	9,338.91	(327.90)	9,011.01
Total revenue	**49,822.43**	**11,175.39**	**1,055.82**	**62,053.64**	**(1,328.15)**	**60,725.49**
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	9,335.59	-	3.32	9,338.91	(327.90)	9,011.01
Finance income	538.57	-	1.10	539.67	(71.29)	468.38
Operating expenses	(31,690.53)	(8,208.65)	(453.79)	(40,352.98)	627.78	(39,725.20)
Purchase of traded goods	-	-	(255.53)	(255.53)	4.69	(250.84)
Decrease in inventory of traded goods	-	-	74.64	74.64	-	74.64
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	(4,570.29)
Foreign exchange loss/(gain), (net)	2,088.75	148.42	0.46	2,237.63	-	2,237.63
Depreciation and amortisation expense	(14,717.21)	(862.35)	(32.37)	(15,611.93)	-	(15,611.93)
Finance costs	(5,678.12)	(342.39)	(77.99)	(6,098.49)	71.29	(6,027.20)
Segment (loss)/profit	**(11,394.78)**	**1,309.01**	**(122.17)**	**(10,207.94)**	**(90.92)**	**(10,298.86)**
Total assets	**108,260.61**	**5,500.54**	**936.94**	**114,698.09**	**(1,021.92)**	**113,676.17**
Total liabilities	**133,978.25**	**5,585.80**	**1,420.31**	**140,984.37**	**(1,265.75)**	**139,718.62**

*This includes inter segment revenue of ₹336 million

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Year ended March 31, 2020

Particulars	Air Transport	Freighter and Logistics Services	Other Services	Total Segments	Inter segment adjustment and elimination	Total
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
External customers	121,780.16	1,806.25	408.88	123,995.29	(249.60)	123,745.69
Other income	7,773.46	-	-	7,773.46	(171.62)	7,601.84
Total revenue	**129,553.62**	**1,806.25**	**408.88**	**131,768.75**	**(421.22)**	**131,347.53**
Income /(expenses)						
Revenue from operations	121,780.16	1,806.25	408.88	123,995.29	(249.60)	123,745.69
Other income	7,773.46	-	-	7,773.46	(171.62)	7,601.84
Finance income	703.12	-	0.30	703.42	-	703.42
Operating expenses	(85,925.49)	(1,874.05)	-	(87,799.54)	216.36	(87,583.18)
Purchase of traded goods	-	-	(126.75)	(126.75)	-	(126.75)
Decrease in inventory of traded goods	-	-	-	-	-	-
Employee benefits expense	(15,051.63)	(206.14)	(110.29)	(15,368.06)	732.20	(14,635.86)
Sales and marketing expenses	(2,265.80)	(3.79)	(10.74)	(2,280.33)	19.34	(2,260.99)
Other expenses	(5,924.77)	(73.48)	(163.11)	(6,161.36)	(543.38)	(6,704.74)
Foreign exchange loss/(gain), (net)	(6,884.09)	(411.95)	-	(7,296.04)	-	(7,296.04)
Depreciation and amortisation expense	(16,959.42)	(379.93)	(14.43)	(17,353.78)	-	(17,353.78)
Finance costs	(5,251.20)	(198.88)	(50.74)	(5,500.82)	45.53	(5,455.29)
Segment (loss)/profit	**(8,005.66)**	**(1,341.97)**	**(66.88)**	**(9,414.51)**	**48.83**	**(9,365.68)**
Total assets	**123,175.88**	**5,542.65**	**476.70**	**129,195.23**	**(589.70)**	**128,605.53**
Total liabilities	**138,962.43**	**5,548.75**	**840.83**	**145,352.01**	**(942.50)**	**144,409.51**

Other information:

Revenue from external customers

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
India	34,845.99	114,670.05
Outside India	16,868.49	8,916.36
Total revenue as per statement of profit or loss	**51,714.48**	**123,586.41**

The revenue information above is based on the locations of the customers.

Non-current operating assets

Particulars	As at March 31, 2021	As at March 31, 2020
India	77,519.71	94,197.71
Outside India	-	-
Total	**77,519.71**	**94,197.71**

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.

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50. Income tax expense

For the current assessment year, the Group intends to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised provision for income-tax for the year ended March 31, 2021 and re-measured its deferred tax assets/liabilities basis the rate prescribed in the aforesaid section.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting loss before income tax	**(10,298.86)**	**(9,365.68)**
Loss before income tax multiplied by standard rate of corporate tax in India 25.168% (March 31, 2020: 34.944%)	(2,592.02)	(3,272.74)
Effects of:		
Income exempted from tax	-	(57.70)
Non-deductible expenses for tax purposes	(485.82)	2,661.14
Set-off of brought forward losses	3,077.84	669.30
Net effective income tax	**-**	**-**

The Group has recognised 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. 3,552.77 million as at March 31, 2021 (Rs. 4,016.14 million as at March 31, 2020).

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities	(2,647.69)	(4,016.14)
Deferred tax asset	2,647.69	4,016.14
Net deferred tax asset/ (liabilities)	-	-

Year ended March 31, 2021	Opening Balance	*Recognised in profit or loss	Recognised in OCI	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	-	-	-	-

Year ended March 31, 2020	Opening Balance	*Recognised in profit or loss	Recognised in OCI	Closing Balance
Property, plant and equipment	(4,185.33)	169.19	-	(4,016.14)
Brought forward losses	4,185.33	(169.19)	-	4,016.14
Total	-	-	-	-

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

Particulars	As at March 31, 2021	As at March 31, 2020
Unused tax losses*	10,742.61	11,579.89
Unabsorbed tax depreciation #	16,597.03	14,351.80
Net deferred tax asset/ (liabilities)	**27,339.65**	**25,931.69**

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

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Particulars	As at March 31, 2021	As at March 31, 2020
0-4 years	2,014.20	2,851.47
4-8 years	8,728.42	8,728.42
Total	**10,742.61**	**11,579.89**

The brought forward losses and unabsorbed depreciation considered above are based in the tax records and returns filed upto Assessment Year 2020-21 and does not consider the potential effect of matters under dispute/litigation with the tax authorities which are currently sub-judice at various levels. Also refer note 46.

51. 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
	Crosslink Finlease Private Limited
	Greenline Transit System Private Limited
	Argentum Electric Vehicles Private Limited
	i2n Technologies Private Limited
	Greenline Communication Private Limited
	Pan India Motors Private Limited
	Spice Fresh Private Limited
	Spice Wecare Private Limited
	SpiceJet Innovate Private Limited
	Royston Beverages Private Limited
	Genestore India Services Private Limited
Key management personnel	Mr. Ajay Singh, Chairman and Managing Director
	Ms. Shiwani Singh, Non-Executive Promoter Director
	Mr. HarshaVardhana Singh, Independent Director (upto September 30, 2019)
	Mr. Anurag Bhargava, Independent Director
	Mr. Ajay Chhotelal Aggarwal, Independent Director
	Mr. Manoj Kumar, Independent Director (from May 28, 2019)
	Mr. Kiran Koteshwar, Chief Financial Officer (Upto August 31, 2020)
	Mr. Sanjeev Taneja, Chief Financials Officer (from November 11, 2020)
	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:

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Affiliates	**March 31, 2021**	**March 31, 2020**
Spice Healthcare Private Limited		
Transactions during the year		
Rendering of services	70.29	-
Sale of products	2.64	-
Reimbursement of expenses	8.23	-
Balances outstanding as at the year end		
Trade receivables	72.82	-
Contract asset	10.20	-

Key management personnel	**March 31, 2021**	**March 31, 2020**
Transactions during the year		
Advance given/(received) (net)	5.62	-
Balances outstanding as at the year end		
Employee advances#	24.80	19.18

#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

	Year ended March 31, 2021	**Year ended March 31, 2020**
Short-term employee benefits#	74.00	87.94
Share-based payment transactions*	(12.16)	33.94
Provident fund contribution	1.30	1.46
Total	**63.14**	**123.34**
Sitting fees		
Mr. Anurag Bhargava	0.40	0.40
Mr. Harsha Vardhana Singh	-	0.10
Ms. Shiwani Singh	0.40	0.20
Mr. Ajay Chhotelal Aggarwal	0.40	0.10
Mr. Manoj Kumar	0.40	0.30
Total	**1.60**	**1.10**
Total compensation paid to key management personnel**	**64.74**	**124.44**

#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.

*Includes a reversal of employee stock option scheme expense of INR 17.65 million (31 March 2020: INR Nil) 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.

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52. 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets				
Investments - Non-current	0.61	0.50	0.61	0.50
Investments - Current	4.16	3.89	4.16	3.89
Loans	4,858.32	4,644.45	4,858.32	4,644.45
Other financial assets - Non-current	4,970.56	6,946.58	4,970.56	6,946.58
Other financial assets - Current	1,364.35	817.50	1,364.35	817.50
Trade receivables	3,211.19	2,937.42	3,211.19	2,937.42
Other receivables	16,933.84	12,541.60	16,933.84	12,541.60
Cash and cash equivalents	355.24	418.30	355.24	418.30
Total	**31,698.27**	**28,310.24**	**31,698.27**	**28,310.24**
Financial liabilities				
Borrowings - Non-current	3,026.74	4,593.03	3,026.74	4,593.03
Borrowings - Current	4,044.79	4,144.38	4,044.79	4,144.38
Trade payables - Current	17,285.50	17,197.13	17,285.50	17,197.13
Lease liabilities - Non-current	53,635.92	67,977.03	53,635.92	67,977.03
Lease liabilities - Current	30,862.03	21,612.58	30,862.03	21,612.58
Other current financial liabilities	4,029.77	2,801.83	4,029.77	2,801.83
Total	**112,884.75**	**118,325.98**	**112,884.75**	**118,325.98**

The Management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated 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 consolidated 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.

53. 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.

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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, 2021		
	Level 1	Level 2	Level 3
Investments in mutual funds	4.16	-	-
Equity Investments	-	-	0.61

Particulars	Fair value hierarchy as at March 31, 2020		
	Level 1	Level 2	Level 3
Investments in mutual funds	3.89	-	-
Equity Investments	-	-	0.50

There have been no transfers between level 1 and level 2 during the year.

* The difference between current and last year represents acquisition during the year.

54. 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, 2021 and March 31, 2020.

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, 2021 would decrease/increase by Rs. 0.21 million (March 31, 2020: decrease/increase by Rs. 0.20 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, 2021 approximately 57.90% of the Group's borrowings are at a variable rate of interest (March 31, 2020 - 48.31%)

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, 2021 would increase/decrease by Rs. 35.95 million (March 31, 2020: increase/decrease by Rs. 37.10 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.

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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, 2021 would decrease/increase by Rs. 5,504.91 million (March 31, 2020: decrease/increase by Rs. 4,666.65 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, 2021, the Group had 38 customers (March 31, 2020: 47 customers) that owed the Group more than Rs. 10 million each and accounted for approximately 86% (March 31, 2020: 84%) 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 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, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**161.18**	**50.69**
Add: Impairment loss recognised	21.25	110.49
Less: Bad debts written off/reversed	57.20	-
Balance at the end of the year	**125.23**	**161.18**

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Group also constantly monitors funding options available in the debt markets with a view to maintaining financial flexibility.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments

Year ended March 31, 2021	Upto 1 year	1 to 5 years	> 5 years	Total
Financial Liabilities (Non-current and Current)				
Borrowings	4,044.79	3,026.74	-	7,071.53
Trade payables	17,285.50	-	-	17,285.50
Lease liabilities	30,862.02	37,852.35	15,783.57	84,497.95
Other current financial liabilities	4,029.77	-	-	4,029.77
Total	**56,222.08**	**40,879.09**	**15,783.57**	**112,884.75**

Year ended March 31, 2020	Upto 1 year	1 to 5 years	> 5 years	Total
Financial Liabilities (Non-current and Current)				
Borrowings	4,144.38	4,593.03	-	8,737.41
Trade payables	17,197.13	-	-	17,197.13
Lease liabilities	21,612.58	39,556.97	28,420.06	89,589.61
Other current financial liabilities	2,677.04	124.79	-	2,801.83
Total	**45,631.13**	**44,274.79**	**28,420.06**	**118,325.99**

55. 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, 2021	As At March 31, 2020
Long term borrowings	3,026.74	4,593.03
Short term borrowings	4,044.79	4,144.38
Other current liabilities (Current maturities of Long term borrowing)	3,607.59	2,229.67
Cash and cash equivalents	(330.91)	(298.08)
Bank balances other than above	(24.33)	(120.22)
Net debt	10,323.88	10,548.78
Total equity	(26,042.45)	(15,803.98)
Net debt to total equity ratio	**(0.40)**	**(0.67)**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

56(a) Additional information required by schedule III of the companies act, 2013

As at 31 March 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 (Consolidated)	100%	(26,042.45)	100%	(10,298.86)	100%	16.99	100%	(10,281.87)
Holding Company								
SpiceJet Limited	99%	(25,764.66)	95%	(9,792.72)	100%	16.99	95%	(9,775.73)
Indian Subsidiaries								
SpiceJet Merchandise Private Limited	0%	22.05	0%	30.81	1%	0.10	0%	30.91
SpiceJet Technic Private Limited	1%	(348.76)	4%	(457.08)	-1%	(0.10)	4%	(457.18)
Canvin Real Estate Private Limited	0%	126.84	0%	(0.10)	0%	-	0%	(0.10)
SpiceJet Interactive Private Limited	0%	(0.00)	0%	(0.09)	0%	-	0%	(0.09)
Spice Club Private Limited	0%	(0.00)	0%	(0.08)	0%	-	0%	(0.08)
Spice Shuttle Private Limited	0%	(85.60)	0%	(32.94)	0%	-	0%	(32.94)
SpiceXpress and Logistics Private Limited	0%	0.68	0%	(0.35)	0%	-	0%	(0.35)
SpiceTech System Private Limited	0%	6.97	0%	(46.25)	0%	-	0%	(46.25)
Spice Ground Handling Services Private Limited	0%	0.04	0%	(0.06)	0%	-	0%	(0.06)
Total	**100%**	**(26,042.45)**	**100%**	**(10,298.86)**	**100%**	**16.99**	**100%**	**(10,281.87)**

As at 31 March 2020

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 (Consolidated)	100%	(15,803.98)	100%	(9,365.68)	100%	(32.49)	100%	(9,398.17)
Holding Company								
SpiceJet Limited	94%	(14,905.89)	99%	(9,264.37)	100%	(32.49)	90%	(9,296.86)
Indian Subsidiaries								
SpiceJet Merchandise Private Limited	3%	(476.64)	0%	(20.10)	0%	0.02	0%	(20.08)
SpiceJet Technic Private Limited	1%	(101.70)	1%	(50.61)	0%	(0.02)	0%	(50.63)
Canvin Real Estate Private Limited	2%	(320.02)	0%	(30.47)	0%	-	0%	(30.47)
SpiceJet Interactive Private Limited	0%	0.07	0%	(0.03)	0%	-	0%	(0.03)
Spice Club Private Limited	0%	0.07	0%	(0.03)	0%	-	0%	(0.03)
Spice Shuttle Private Limited	0%	0.07	0%	(0.03)	0%	-	0%	(0.03)
SpiceXpress and Logistics Private Limited	0%	0.07	0%	(0.03)	0%	-	0%	(0.03)
Total	**100%**	**(15,803.98)**	**100%**	**(9,365.68)**	**100%**	**(32.49)**	**100%**	**(9,398.17)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

56(b) Group information

Information about subsidiaries

The financials statements of the Group includes subsidiaries listed in the table below:

S. No	Name of Loanee	Principal activities	Country of incorporation	% equity interest	
				March 31, 2021	March 31, 2020
1	SpiceJet Merchandise Private Limited	Business of consumer merchandise and goods through various channels	India	100.00	100.00
2	SpiceJet Technic Private Limited	Engineering related service including but not limited to maintenance, repair and overhaul services of aircraft and its parts	India	100.00	100.00
3	Canvin Real Estate Private Limited	Real estate	India	100.00	100.00
4	SpiceJet Interactive Private Limited	Information and communication technology	India	100.00	100.00
5	Spice Club Private Limited	Loyalty and rewards programme management	India	100.00	100.00
6	Spice Shuttle Private Limited	Charter operation by aeroplanes and/or helicopters	India	100.00	100.00
7	SpiceXpress and Logistics Private Limited	Cargo transportation and logistics	India	100.00	100.00
8	SpiceTech System Private Limited*	Information and communication technology	India	68.00	NA
9	Spice Ground Handling Services Private Limited*	Ground handling services	India	100.00	NA

*These companies have been incorporated during the year.

57. As at March 31, 2021, 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 has identified candidature for proposed appointment as independent woman director on the Board of the Company and has filed necessary application for security clearance in terms of the Civil Aviation requirements of Ministry of Civil Aviation, Government of India which mandates that any director to be appointed on the Board of a schedule airline should first be security cleared by the Government of India. Post appointment of one independent woman director, the Company will comply Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

58. Previous period/year numbers have been regrouped/reclassified wherever considered necessary.

Prior year comparative amounts in these consolidated financial statements have been reclassified wherever applicable to confirm to current year's presentation.

Balance sheet	As at March 31, 2020 (Reported)	Adjustments	As at March 31, 2020 (Reclassified)
Assets			
Non-current assets			
Financial assets			
(ii) Loans	-	4,644.45	4,644.45
(iii) Other financial assets	11,591.03	(4,644.45)	6,946.58
Other non-current assets	8,009.84	(949.68)	7,060.16

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

Balance sheet	As at March 31, 2020 (Reported)	Adjustments	As at March 31, 2020 (Reclassified)
Current assets			
Financial assets			
(vi) Loans	-	1,341.46	1,341.46
(vii) Other financial assets	2,158.96	(1,341.46)	817.50
Liabilities			
Current liabilities			
Provisions	4,763.14	(949.68)	3,813.46

Statement of profit and loss	For the year ended March 31, 2020 (Reported)	Adjustments	For the year ended March 31, 2020 (Reclassified)
Employee benefits expense	15,292.55	(656.69)	14,635.86
Other expenses	13,344.09	(6,639.35)	6,704.74
Foreign exchange loss/(gain), (net)	-	7,296.04	7,296.04

59. Adoption of accounts

The consolidated financial statements were approved for issue by the board of directors on June 30, 2021.

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: June 30, 2021

For and on behalf of the Board of Directors

Ajay Singh
Chairman & Managing Director
Place: Gurugram
Date: June 30, 2021

Sanjeev Taneja
Chief Financial Officer
Place: Gurugram
Date: June 30, 2021

Chandan Sand
Company Secretary
Place: Gurugram
Date: June 30, 2021

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SPICEJET LIMITED

319, Udyog Vihar, Phase IV, Gurugram - 122 016, Haryana