
Walker Chandiok & Co LLP
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Independent Auditor's Report

To the Members of SpiceXpress and Logistics Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of SpiceXpress and Logistics Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Board of Directors are responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

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

Independent Auditor's Report to the members of SpiceXpress and Logistics Private Limited on financial statements for the year ended March 31, 2023 (cont'd)

The Directors' Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

Independent Auditor's Report to the members of SpiceXpress and Logistics Private Limited on financial statements for the year ended March 31, 2023 (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. 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 financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) 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, 2023 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on March 31, 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position as at March 31, 2023;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2023;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023;
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 27A to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

Walker Chandiok & Co LLP

Independent Auditor's Report to the members of SpiceXpress and Logistics Private Limited on financial statements for the year ended March 31, 2023 (cont'd)

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 27B to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. The Company has not declared or paid any dividend during the year ended March 31, 2023; and

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

Madhu Sudan Malpani

Partner

Membership No.: 517440

UDIN: 23517440BGZUDH8910

Place: Gurugram

Date: August 10, 2023

SpiceXpress and Logistics Private Limited
Balance Sheet as at March 31, 2023
(All amounts are in millions of Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3A	77.08	-
Intangible assets under development	3B	131.29	-
		208.37	-
Current assets			
Financial assets			
(i) Cash and cash equivalents	4	8.00	2.67
(ii) Other financial assets	5	2.44	-
Other current assets	6	0.68	0.13
Total current assets		11.12	2.80
Total assets		219.49	2.80
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	0.10	0.10
Other equity	8		
(i) Retained earnings		(3.05)	(0.74)
(ii) Capital reserve		(25,573.60)	-
Total equity		(25,576.55)	(0.64)
Non-current liabilities			
Financial liabilities			
(i) Borrowings	9	-	1.00
(ii) Other financial liabilities	10	25,560.04	0.19
Provisions	11	9.50	-
Total non-current liabilities		25,569.54	1.19
Current liabilities			
Financial liabilities			
(i) Borrowings	12	1.00	-
(ii) Trade payables	13		-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		1.25	2.25
Other current liabilities	14	219.20	-
Provisions	15	5.05	-
Total current liabilities		226.50	2.25
Total liabilities		25,796.04	3.44
Total equity and liabilities		219.49	2.80

Summary of significant accounting policies

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

This is the balance sheet referred to in our report of even date.

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

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

Sd/-
Madhu Sudan Malpani
Partner
Membership No: 517440

Place: Gurugram
Date: August 10, 2023

Sd/-
Ajay Singh
Director
DIN No: 01360684

Place: Gurugram
Date: August 10, 2023

Sd/-
Shiwani Singh
Director
DIN No: 05229788

Place: Gurugram
Date: August 10, 2023

SpiceXpress and Logistics Private Limited
Statement of Profit and Loss for the quarter ended March 31, 2023
(All amounts are in millions of Indian Rupees, unless otherwise stated)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from operations		-	-
Total income		-	-
EXPENSES			
Finance costs	16	0.14	0.13
Other expenses	17	2.17	0.19
Total expenses		2.31	0.32
Loss before tax		(2.31)	(0.32)
Tax expense	18	-	-
Loss for the year after tax		(2.31)	(0.32)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(2.31)	(0.32)
Earnings per share	19		
Basic		(231.00)	(32.00)
Diluted		(231.00)	(32.00)

Summary of significant accounting policies.

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

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

For Walker Chandiok & Co LLP

Chartered Accountants

ICAI Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors

SpiceXpress and Logistics Private Limited

Sd/-

Madhu Sudan Malpani

Partner

Membership No: 517440

Sd/-

Ajay Singh

Director

DIN No: 01360684

Sd/-

Shiwani Singh

Director

DIN No: 05229788

Place: Gurugram

Date: August 10, 2023

Place: Gurugram

Date: August 10, 2023

Place: Gurugram

Date: August 10, 2023

SpiceXpress and Logistics Private Limited
Statement of Cash Flow for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash flows from operating activities		
Loss before tax	(2.31)	(0.32)
Adjustments for:		
Finance costs	0.14	0.13
Operating loss before working capital changes	(2.17)	(0.19)
Movements in working capital:		
Other current assets	(0.55)	(0.08)
Trade payables	(1.17)	2.12
Other financial liabilities	2.17	-
Other current liabilities	7.05	(0.06)
Cash flows from operations	5.33	1.79
Income-tax paid	-	-
Net cash flows from operating activities	5.33	1.79
B. Cash flows from investing activities	-	-
C. Cash flows from financing activities	-	-
D. Net increase in cash and cash equivalents (A+B+C)	5.33	1.79
E. Cash and cash equivalents at the beginning of the year	2.67	0.88
Cash and cash equivalents at the end of the year (D+E)	8.00	2.67
Notes :		
Components of cash and cash equivalents		
Balance with banks in current accounts	8.00	2.67
Total cash and cash equivalents (refer note 4)	8.00	2.67

Note:

Non-cash transactions during the year pertains to business transfer agreement with SpiceJet Limited for cargo business undertaking. Refer note 28 for details.

The "Statement of Cash Flow" has been prepared as per the Indirect method as set out in Ind AS 7, "Statement of Cash Flow".

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

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

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

Sd/-
Madhu Sudan Malpani
Partner
Membership No: 517440

Place: Gurugram
Date: August 10, 2023

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

Sd/-
Ajay Singh
Director
DIN No: 01360684

Sd/-
Shiwani Singh
Director
DIN No: 05229788

Place: Gurugram
Date: August 10, 2023

Place: Gurugram
Date: August 10, 2023

SpiceXpress and Logistics Private Limited
Statement of Changes in Equity for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees, unless otherwise stated)

A. Equity share capital*

Particulars	Balance as at 1 April 2021	Movement during the year	Balance as at 31 March 2022	Movement during the year	Balance as at 31 March 2023
Equity share capital	0.10	-	0.10	-	0.10
Less: Treasury share capital			(0.00)		(0.00)
Closing balance	0.10	-	0.10	-	0.10

B. Other equity**

Particulars	Retained earnings	Capital reserve	Total other equity
As at April 1, 2020	(0.03)	-	(0.03)
Loss for the year	(0.39)	-	(0.39)
Other comprehensive income for the year	-	-	-
As at April 1, 2021	(0.42)	-	(0.42)
Loss for the year	(0.31)	-	(0.31)
Other comprehensive income	-	-	-
Total comprehensive income	(0.31)	-	(0.31)
As at March 31, 2022	(0.74)	-	(0.74)
Loss for the year	(2.31)	-	(2.31)
Other comprehensive income	-	-	-
Total comprehensive income	(3.05)	-	(3.05)
Transactions with owners in their capacity as owners			
Capital reserve (refer note 28)	-	(25,573.60)	(25,573.60)
As at March 31, 2023	(3.05)	(25,573.60)	(25,576.65)

*Refer note 7 for details

**Refer note 8 for details

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

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

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

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

Sd/-
Madhu Sudan Malpani
Partner
Membership No: 517440

Place: Gurugram
Date: August 10, 2023

Sd/-
Ajay Singh
Director
DIN No: 01360684

Place: Gurugram
Date: August 10, 2023

Sd/-
Shiwani Singh
Director
DIN No: 05229788

Place: Gurugram
Date: August 10, 2023

SpiceXpress and Logistics Private Limited
Notes to financial statements for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees, unless otherwise stated)
3A. Property, plant and equipment

Particulars	Plant and machinery	Rotable and tools	Office equipment	Information technology equipments	Furniture and fixtures	Motor vehicles	Total
Gross block							
As at April 01, 2021	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	-	-	-	-	-	-	-
							-
Additions (refer note (i) below)	1.32	42.91	10.49	2.13	1.21	19.02	77.08
Disposals	-	-	-	-	-	-	-
As at March 31, 2023	1.32	42.91	10.49	2.13	1.21	19.02	77.08
Accumulated depreciation							
As at April 01, 2021							-
Charge for the year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at March 31, 2023	-	-	-	-	-	-	-
Net block							
As at March 31, 2022	-	-	-	-	-	-	-
As at March 31, 2023	1.32	42.91	10.49	2.13	1.21	19.02	77.08

3B. Intangible assets under development

Particulars	Amount
Gross block	
As at April 01, 2021	-
Additions	-
As at March 31, 2022	-
Additions (refer note (i) below)	131.29
As at March 31, 2023	131.29

Notes:

(i) The Company has entered into business transfer agreement with SpiceJet Limited ('the Holding Company') for acquiring cargo business undertaking and accordingly, received the above assets. Refer note 28 for details.

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

SpiceXpress and Logistics Private Limited
Notes to financial statements for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
4 Cash and cash equivalents		
Balances with banks in current accounts	8.00	2.67
	8.00	2.67
5 Other financial assets - current <i>(Unsecured, considered good)</i>		
Security deposits	2.44	-
	2.44	-
6 Other current assets		
Balance with government authorities	0.44	0.07
Advance to suppliers	0.20	0.06
Prepaid expenses	0.04	-
	0.68	0.13
7 Equity share capital		
(i) Authorised share capital (10,000 equity shares of Rs. 10 each)		
As at March 31, 2022	0.10	0.10
As at March 31, 2023	0.10	0.10
(ii) Issued, subscribed and paid-up capital (10,000 equity shares of Rs. 10 each)		
As at March 31, 2022	0.10	0.10
Treasury share capital*	(0.00)	(0.00)
As at March 31, 2023	0.10	0.10

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

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Value (Rs.)	Number	Value (Rs.)
Shares outstanding at the beginning of the year	9,800	0.10	9,800	0.10
Issued during the year	-	-	-	-
Shares outstanding at the end of the year	9,800	0.10	9,800	0.10

b) Terms/rights attached to class of shares

The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by Holding Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Value (Rs.)	Number	Value (Rs.)
SpiceJet Limited	9,800	0.10	9,800	0.10

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	% against total equity shares	Number	% against total equity shares
SpiceJet Limited	9,800	98.00%	9,800	98.00%

e) Details of promoter shareholding

Name of promoter	As at March 31, 2023			As at March 31, 2022		
	Number of shares*	% of total shares	% change during the year	Number of shares*	% of total shares	% change during the year
SpiceJet Limited	9,800	98.00%	0.00%	9,800	98.00%	0.00%

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

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

SpiceXpress and Logistics Private Limited
Notes to financial statements for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
8 Other equity		
Retained earnings		
Balance as at the beginning of the year	(0.74)	(0.42)
Loss for the year	(2.31)	(0.31)
Balance as at the end of the year	(3.05)	(0.74)
Capital reserve		
Balance as at the beginning of the year	-	-
Movement during the year (refer note 28)	(25,573.60)	-
Balance as at the end of the year	(25,573.60)	-
Retained earnings		
Retained earnings is used to record balance of statement of profit and loss.		
Capital reserve		
Refer note 28 for details.		
9 Long-term borrowings		
<i>(Unsecured - at amortised cost)</i>		
Loan from related parties	-	1.00
	-	1.00
Note:		
The Company had obtained a loan from SpiceJet Limited ('Holding Company') amounting Rs. 1 millions on November 11, 2020 repayable after 3 years from the date of disbursement and carries an interest of 12.75%.		
10 Other financial liabilities - non-current		
Security deposits received	2.08	-
Other payables (refer note 28)	25,557.70	-
Interest accrued	0.26	0.19
	25,560.04	0.19
11 Long-term provisions		
Provision for gratuity (refer note 21)	9.50	-
	9.50	-
12 Borrowings - Current		
<i>(Unsecured - at amortised cost)</i>		
Loan from related parties	1.00	-
	1.00	-
Note:		
The Company had obtained a loan from SpiceJet Limited ('Holding Company') amounting Rs. 1 millions on November 11, 2020 repayable after 3 years from the date of disbursement and carries an interest of 12.75%.		
13 Trade payables		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	1.25	2.25
	1.25	2.25

Note:

There are no overdue amounts payable to micro, small and medium enterprises as defined under Micro, Small and Medium Enterprises Development Act 2006 ('MSMED Act'). Further, the Company has not paid any interest to any micro and small enterprises during the current year.

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

As at March 31, 2022	Outstanding for following periods from date of invoice					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME^	-	-	-	-	-	-
(ii) Undisputed dues - Others	0.10	2.12	0.02	-	-	2.24
Total	0.10	2.12	0.02	-	-	2.24

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

SpiceXpress and Logistics Private Limited
Notes to financial statements for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
14 Other current liabilities		
Statutory dues	0.25	-
Advance received from agents	218.95	-
	219.20	-
15 Short-term provisions		
Provision for gratuity (refer note 21)	0.39	-
Provision for compensated absences (refer note 21)	4.66	-
	5.05	-
16 Finance costs		
Interest expense	0.14	0.13
	0.14	0.13
17 Other expenses		
Rent	0.03	0.03
Legal and professional fees*	2.02	0.16
Miscellaneous expenses	0.12	-
	2.17	0.19
*Payments to statutory auditors (exclusive of taxes)		
Audit fees	0.10	0.10
18 Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-

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

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	As at March 31, 2023	As at March 31, 2022
Loss before tax	(2.31)	(0.32)
At India's statutory income tax rate of 25.168% (31 March 2022: 25.168%)	(0.58)	(0.08)
Adjustments:		
Tax impact on losses where deferred tax is not recognised	0.58	0.08
Tax expense	-	-

Notes:

- (i) The Company did not recognise deferred tax asset on unabsorbed business losses in the absence of probability of realization of deferred tax asset in the near future.
- (ii) Below is the expiry details.

As at 31 March 2023

Particulars	0-5 Years	More than 5 years	Total
Unabsorbed business losses	0.03	2.81	2.84
Unabsorbed depreciation	-	-	-

As at 31 March 2022

Particulars	0-5 Years	More than 5 years	Total
Unabsorbed business losses	-	0.63	0.63
Unabsorbed depreciation	-	-	-

19 Earnings per share ('EPS')

Earnings per share ('EPS') is determined based on the net profit attributable to the shareholders. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loss after tax	(2.31)	(0.32)
Weighted average number of shares		
- Basic	10,000	10,000
- Diluted	10,000	10,000
Earnings per share :		
- Basic	(231.00)	(32.00)
- Diluted	(231.00)	(32.00)

20 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Company's management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Reconition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

b) Going concern assumption

During the year, the Company has incurred net loss of Rs. 2.31 (March 31, 2022: Rs. 0.32) millions and the Company has negative retained earning of Rs. 3.05 millions as at March 31, 2023 (March 31, 2022: Rs. 0.74 millions) and as at March 31, 2023, the current liabilities of the Company exceed its current assets by Rs. 215.38. As at the year-end, the Company has entered into business transfer agreement with SpiceJet Limited ('the Holding Company') for acquiring cargo business undertaking (refer note 28 for details) and the Company has commenced its cargo business operations from April 1, 2023. Hence, considering the future business outlook of cargo business, these financial statements have been prepared on going concern basis.

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

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

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

e) **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(This space has been intentionally left blank)

SpiceXpress and Logistics Private Limited**Notes to financial statements for the year ended March 31, 2023***(All amounts are in millions of Indian Rupees, unless otherwise stated)***21 Employee benefits obligation****Defined benefit plan****A. Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded and accordingly the disclosures relating to plan assets are not provided.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet.

(i) Amount recognised in balance sheet

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation ('DBO')	9.89	-
Defined benefit obligation ('DBO')	9.89	-

(ii) Bifurcation of DBO at the end of the year in current and non-current

Particulars	As at March 31, 2023	As at March 31, 2022
Current liability	0.39	-
Non-current liability	9.50	-

(iii) For determining the DBO liability, the following actuarial assumptions were used:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salary increase rate	4.50%	-
Pre-retirement mortality	100% of IALM (2012 - 14)	-
Attrition rate	Up to 30 yrs- 13.30%, from 31 to 44 Yrs-7.00%, above 44 years- 0.90%	-
Retirement age	60	-
Average age (years)	38.57	-
Average past service (years)	4.55	-
Average monthly salary	0.26	-
Future service (years)	21.43	-
Weighted average duration of DBO	11.93	-

SpiceXpress and Logistics Private Limited
Notes to financial statements for the year ended March 31, 2023

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

(iv) Maturity plan of defined benefit obligation:

Particulars	As at March 31, 2023	As at March 31, 2022
Within the next 12 months (next annual reporting period)	0.39	-
Between 2 and 5 years	2.01	-
Beyond 5 years	7.49	-

(v) Sensitivity analysis for gratuity

Particulars	As at March 31, 2023	As at March 31, 2022
Impact of the change in discount rate on present value of DBO at the end of the year		
Discount rate + 50 basis points	(0.46)	-
Discount rate - 50 basis points	0.50	-
Impact of the change in salary increases on present value of DBO at the end of the year		
Salary increase rate + 50 basis points	0.51	-
Salary increase rate - 50 basis points	(0.48)	-

(vi) Risk

- a) Salary Increases – Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- b) Investment Risk – If Plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- c) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- d) Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- e) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

B. Short term compensated absences

The assumptions used for computing the short term accumulated compensated absences on actuarial basis are as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1. Discount rate	7.36%	0.00%
2. Future salary increase	4.50%	0.00%

Notes:

- (i) The Company has entered into business transfer agreement with SpiceJet Limited ('the Holding Company') for acquiring cargo business and accordingly, received the above employee related obligations. Refer note 28 for details.

22 Related party transactions
a. List of related party

Relationship	Name of the party
Holding Company	SpiceJet Limited
Key Managerial Personnel	Ajay Singh, Director Shiwani Singh, Director Easwaran Sundaram, Director

b. Transactions with related party

Particulars	March 31, 2023	March 31, 2022
SpiceJet Limited		
Transactions during the year :		
Borrowings taken	-	1.00
Interest expense	0.13	0.13
Outstanding balance :		
Loan from related parties	1.00	1.00
Interest accrued	0.26	0.19
Other payables (refer note 28 for details)	25,557.70	-

SpiceXpress and Logistics Private Limited
Notes to financial statements for the year ended March 31, 2023

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

23 Fair value disclosures

Particulars	March 31, 2023		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortised cost (level 3)				
Cash and cash equivalents	8.00	8.00	2.67	2.67
Other financial assets	2.44	2.44	-	-
Total	10.44	10.44	2.67	2.67
Financial liabilities at amortised cost (level 3)				
Borrowings	1.00	1.00	1.00	1.00
Other financial liabilities-non current	25,560.04	25,560.04	0.19	0.19
Trade payables	1.25	1.25	2.25	2.25
Total	25,562.29	25,562.29	3.44	3.44

Notes:

- (i) The management assessed that cash and cash equivalents, long-term borrowings, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- (ii) 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.

24 Financial risk management objectives and policies

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

The Company is exposed to credit risk 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:

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has only cash and cash equivalents which is not subject to credit risks.

Credit risk management
Credit risk rating

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

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

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

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

Assets under credit risk –

Credit rating	Particulars	31 March 2023	31 March 2022
A: Low credit risk	Cash and cash equivalents and other financial assets	10.44	2.67

Cash and cash equivalents

Credit risk related to cash and cash equivalents is managed by only investing in deposits with highly rated banks and financial institutions and diversifying bank deposits and accounts in different banks. Credit risk is considered low because the Company deals with highly rated banks and financial institution.

Other financial assets

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

SpiceXpress and Logistics Private Limited**Notes to financial statements for the year ended March 31, 2023**

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

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

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

As at March 31, 2023	Up to 1 year	1 to 5 years	Total
Borrowings	1.00	-	1.00
Other financial liabilities	-	25,560.04	25,560.04
Trade payables	1.25	-	1.25
Total	2.25	25,560.04	25,562.29

As at March 31, 2022	Up to 1 year	1 to 5 years	Total
Borrowings	-	1.00	1.00
Other financial liabilities	-	0.04	0.04
Trade payables	0.15	-	0.15
Total	0.15	1.04	1.19

25 Capital management

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

Particulars	March 31, 2023	March 31, 2022
Current assets	11.12	2.80
Current liabilities	226.50	2.25
Current ratio	0.05	1.24

(This space has been intentionally left blank)

SpiceXpress and Logistics Private Limited
Notes to financial statements for the year ended March 31, 2023
(All amounts are in millions of Indian Rupees, unless otherwise stated)
26 Financial ratios

Ratio	Measurement unit	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Change	Reason for variance
Current ratio	Times	Current assets	Current liabilities	0.05	1.24	(96.05%)	Refer note 2 below.
Debt-equity ratio#	Times	Total debt	Total equity	(0.00)	(1.56)	(100.00%)	Refer note 3 below.
Debt service coverage ratio	Times	Earnings before depreciation and amortisation and interest [Loss after tax + Depreciation and amortisation expense + Finance costs]	Interest expense + Principal repayment (including prepayments)	(15.50)	(1.46)	960.53%	Refer note 4 below.
Return on equity ratio	Percentage	Loss after tax	Average of total equity	0.02%	66.32%	(99.97%)	Refer note 3 below.
Trade payables turnover ratio	Times	Other expenses	Average trade payables	1.24	0.27	(364.25%)	Refer note 5 below.
Return on capital employed	Percentage	Earnings before depreciation and amortisation, interest and tax = (loss)/profit before tax + Depreciation and amortisation expense + Finance costs	Capital employed [Total assets - Current liabilities + Current borrowings]	(30.96%)	(34.65%)	(10.65%)	Refer note 1 below.

Notes:

- The change in ratio is less than 25% as compared to previous year and hence, no explanation required to be furnished.
- Decrease in the ratio is primarily due to increase in current liability position of the Company as on account of the business transfer transaction the Company has obtained certain customer contracts along with there advances as on the reporting date.
- Decrease in the ratio is primarily due to the reason that there is increase in the total equity of the Company on account of the business transfer transaction.
- Increase in ratio is primarily due to increase in loss as compared to the previous year.
- Decrease in the ratio is on account of increase in the other expenses as compared to the previous year.
- Turnover ratios and profitability ratios do not form part of this note as the same are not applicable to the Company, owing to the fact that there is no revenue from operations during the current year and immediately preceding financial year. Further Return on investment ratio is also not applicable as there are no such investments available with the Company.

SpiceXpress and Logistics Private Limited**Notes to financial statements for the year ended March 31, 2023***(All amounts are in millions of Indian Rupees, unless otherwise stated)***27 Other statutory information:**

A The Company has not advanced or loaned or invested funds to any person or any entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Company (Ultimate Beneficiaries);
- (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B The Company has not received any fund from any person or any entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Funding Party (Ultimate Beneficiaries); or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

C The Company does not have any transactions and outstanding balances during the current as well previous year with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

D The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

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

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

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

Details related to transaction:**Consideration**

Purchase consideration	25,557.70
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Net consideration (A)	25,557.70
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Assets and liabilities acquired**Assets**

Intangible assets under development	131.29
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Security deposits	2.43
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Property, plant and equipment	77.08
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Total assets (B)	210.80
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Liabilities

Provision for gratuity	9.89
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Provision for leave encashment	4.66
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Advance received from agents	212.15
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Total liabilities (C)	226.70
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Net assets acquired (D=B-C)	(15.90)
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Capital reserve (E=A-D)	25,573.60
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29 Adoption of financial statements

The financials have been approved by the Board of Directors on August 10, 2023 and there have been no significant events after the reporting period till such date.

This is summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

ICAI Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors

SpiceXpress and Logistics Private Limited

Sd/-

Madhu Sudan Malpani

Partner

Membership No: 517440

Sd/-

Ajay Singh

Director

DIN No: 01360684

Sd/-

Shiwani Singh

Director

DIN No: 05229788

Place: Gurugram**Date:** August 10, 2023**Place:** Gurugram**Date:** August 10, 2023**Place:** Gurugram**Date:** August 10, 2023

SpiceXpress and Logistics Private Limited
Notes to financial statements for the year ended March 31, 2023
(All amounts in Rs. millions unless otherwise stated)

1. Corporate information

SpiceXpress and Logistics Private Limited ("the Company") is domiciled in India. The registered office of the Company is 318, 3rd Floor, H-6, Aggarwal Tower, Netaji Subhash Place, Pitampura, New Delhi, 110034. The Company was incorporated on December 30, 2019 (CIN - U63030DL2019PTC359462) under the Companies Act, 2013 ("the Act"). The objective of the Company is to be engaged in the business of providing cargo services.

During the year, the Company has entered into a business transfer agreement with SpiceJet Limited for cargo business undertaking. Refer note 28 for details.

The financial statements were approved for issue by the board of directors on August 10, 2023.

2. A. Summary of significant accounting policies

a) Basis of preparation of financial statements

i. Statement of compliance

The financial statements ('financial statements') of the Company for the year ended March 31, 2023 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules 2015, as amended.

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

ii. Historical cost convention

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

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

The Company has identified twelve months as its operating cycle.

c) Business acquisition

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

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

Asset acquisition

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

Business restructuring

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

d) Property, plant and equipment

Recognition and measurement

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

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

Depreciation

The Company depreciates items of property, plant and equipment over-estimated useful lives which are either in line with useful life prescribed in Schedule II to the Act or lower if the asset is acquired under business transfer agreement. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

SpiceXpress and Logistics Private Limited
Notes to financial statements for the year ended March 31, 2023
(All amounts in Rs. millions unless otherwise stated)

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

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 derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e) Intangible assets under development

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

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

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

f) Impairment of non-financial assets

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

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

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

SpiceXpress and Logistics Private Limited
Notes to financial statements for the year ended March 31, 2023
(All amounts in Rs. millions unless otherwise stated)

g) 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.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Taxes

Current income tax

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

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

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

Deferred tax

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

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

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

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

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

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

SpiceXpress and Logistics Private Limited
Notes to financial statements for the year ended March 31, 2023
(All amounts in Rs. millions unless otherwise stated)

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) Cash and cash equivalents

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

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

l) Financial Instruments

Recognition and initial measurement

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

Non-derivative financial assets

Subsequent measurement

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

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

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

De-recognition of financial assets

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

Non-derivative financial liabilities

Subsequent measurement

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

SpiceXpress and Logistics Private Limited
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(All amounts in Rs. millions unless otherwise stated)

De-recognition of financial liabilities

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

m) Impairment of financial assets

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

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

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

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

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

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

n) 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.

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

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

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

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

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

o) 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.

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

B. Recent accounting pronouncement

Amendment to Ind AS 1, Presentation of Financial Statements

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

SpiceXpress and Logistics Private Limited
Notes to financial statements for the year ended March 31, 2023
(All amounts in Rs. millions unless otherwise stated)

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

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

Amendment to Ind AS 12, Income Taxes

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

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Walker ChandioK &Co LLP

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of SpiceXpress and Logistics Private Limited on the financial statements for the year ended March 31, 2023

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

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

(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its property, plant and equipment during the year. Further, the Company does not hold any intangible assets.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

Walker Chandiok & Co LLP

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of SpiceXpress and Logistics Private Limited on the financial statements for the year ended March 31, 2023 (cont'd)

- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub clause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
 - (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
 - (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
 - (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
 - (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
 - (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
 - (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) The Company has not entered into any transactions with the related parties covered under Section 177 or Section 188 of the Act. Accordingly, reporting under clause 3(xiii) of the Order is not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

Walker Chandiok & Co LLP

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of SpiceXpress and Logistics Private Limited on the financial statements for the year ended March 31, 2023 (cont'd)

- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial year amounting to Rs. 2.35 million and Rs. 0.32 million respectively.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

Madhu Sudan Malpani

Partner

Membership No.: **517440**

UDIN : 23517440BGZUDH8910

Place: Gurugram

Date: August 10, 2023

Walker Chandio & Co LLP

Annexure B to the Independent Auditor's Report of the even date to the members of SpiceXpress and Logistics Private Limited on the financial statements for the year ended March 31, 2023

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

1. In conjunction with our audit of the financial statements of SpiceXpress and Logistics Private Limited ('the Company') as at and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to 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 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.

Walker Chandiok & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of SpiceXpress and Logistics Private Limited on the financial statements for the year ended March 31, 2023 (cont'd)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Madhu Sudan Malpani

Partner

Membership No.: 517440

UDIN: 23517440BGZUDH8910

Place: Gurugram

Date: August 10, 2023