

# IndiGo™

InterGlobe Aviation Limited

Annual Report 2016-17



The IndiGo way

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#### Forward-looking statements

This report may contain some statements on the Company's business or financials which may be construed as forward-looking based on the management's plans and assumptions. The actual results may be materially different from these forward-looking statements although we believe we have been prudent in our assumptions.



On-time.  
Low fares.  
Courteous &  
hassle-free.

When you bring these simple things together with 15,000 people and a singular focus, what you get is a compelling story.

# Eleven years and counting!



IndiGo as an organisation has come a long way over the past 11 years and we have a strong foundation to continue to build our future.

I am delighted to report that FY17 has been another exciting and fulfilling year at IndiGo. We continue to build on our strong foundation. This was our ninth consecutive year of profitability with a profit after tax of Rs.16,592 million.

Traffic growth continued to be strong during the year. We witnessed a growth of 31.5% in our passengers during the year, much higher than the growth in capacity of 27.5% for the same period.

Our total revenue increased by 16.3%.

Being a low-cost carrier committed to delivering low fares, it is essential that we keep a watchful eye on our costs. This focus on costs has enabled us to reduce our cost per ASK (CASK) excluding fuel, which reduced by 6.3% last year despite overall inflationary pressures.

In the last year, we added 24 aircraft including 16 fuel-efficient A320neo aircraft. The A320neos continue to perform well on fuel burn and we are seeing significant fuel savings on these neo aircraft compared to our A320ceos.

We added Port Blair, Madurai, Amritsar and Sharjah to our network during the last fiscal year, taking the total number of cities on our network to 44.

We continue to invest in the long-term growth opportunity of India and our fleet is expected to grow for many years to come.

We witnessed a growth of 31.5% in our passengers during the year, much higher than the growth in capacity of 27.5% for the same period.



There are many unserved and under-served cities in India, which require reliable air transportation. India's Tier 2 and Tier 3 cities are becoming the new growth engines and our planned turboprop operation will cater to this growing demand. On the international side, we believe that India represents one of the largest untapped international air transportation market opportunities that is out there and IndiGo is a natural player to take advantage of this opportunity specifically because of our large domestic network. We believe we are well-positioned to capture a share of this international traffic by providing passengers non-stop flights at low fares.

IndiGo's operational performance hinges around consistency. IndiGo was recognised as one of the leading On-Time Performers in the Asia-Pacific region by FlightStats Inc. - a leader in global flight information services, part of FlightGlobal - in the 8th Annual Airline On-Time Performance Service Awards, January 2017.

We continue to invest in technology and have entered into our first GDS agreement with Travelport. As we take deliveries of more aircraft and enter new markets, this partnership with Travelport will help us reach new customers in a cost-effective manner without incurring the traditional costs associated with participating in global distribution platforms. This will make it easier for travel agents around the world to access

the IndiGo inventory and sell tickets for IndiGo.

IndiGo remains one of the best employers in India and a great place to work in. Once again, IndiGo was named as one of the Best Employers in India during the AON Best Employer Survey. We grew considerably in the number of respondents who participated and more than 80% of our eligible population took the survey. Over 200 companies were considered representing 12 key industries. This is a recognition that is very close to my heart.

We continue to make a deep impact in the communities we serve with the various initiatives under our CSR program called IndiGoReach. We believe we have the Power to Make a Change.

Amongst the many accolades that we received this year, the high points were that IndiGo was named, once again, as the Best Low Cost Carrier - Central Asia / India at the Skytrax World Airline Awards; IndiGo was adjudged as Company of the year at Business Standard Award for Corporate Excellence 2016 and The Emerging Company of the Year, 2016 at the ET Awards for Corporate Excellence.

For an airline in India to get named Company of the Year is a big shot in the arm for the entire aviation sector in India. It is also a testimony to the hard work that 15,000 of my colleagues put in literally every day, 24/7, putting their heart and soul behind every turn and pushing out planes every minute

somewhere on our network. At the same time, the high expectations from us just have got higher! We will keep trying hard to deliver on the promises we make!

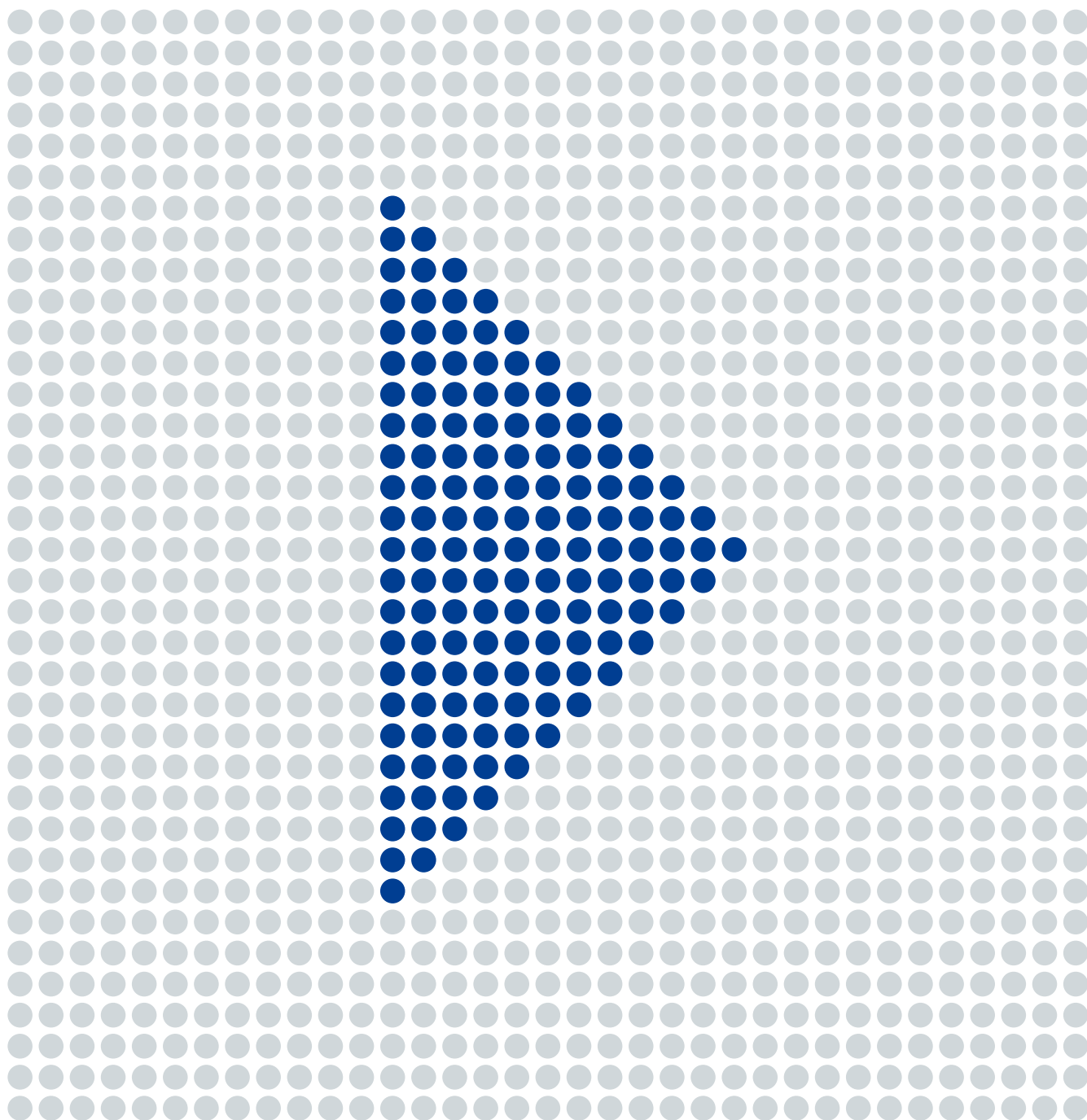
Our growth is unprecedented in the world of aviation and taking this as an opportunity, we need to keep on improving to become a consistently-performing world-class airline.

I wish you all many more 6€ flights to come!

Aditya Ghosh

# On-time; Low Fares; courteous and hassle-free

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We have our systems and processes geared up to ensure our planes take off on time. We believe that our customers deserve nothing less.



## IndiGo stands for three things – on-time; Low fares; courteous and hassle-free.

While we don't have a Mission or Vision statement, it is these three simple promises that we live by. It is the consistency with which we deliver on these promises that brings customers back again and again to fly with us.

The first of the three pillars is being on time. We understand and respect the fact that our customers want to get to their destination on time and their time is precious. Therefore, keeping safety in mind, we engineer our processes and train our people to ensure that our planes take off on time. But what is equally important is how that On Time is measured. We have invested heavily in technology to capture various stages of a flight, such that our On Time Performance is recorded and reported electronically without any manual intervention. Therefore, when we report On Time and are recognised as the leader, ours is not just another tall claim but a fact rooted in data. We believe that our customers expect and deserve authentic numbers.

For us, being on time is not just making sure that our flights run in a timely manner but also extends to our internal brand values. It also means on-time classes, on-time salaries, on-time meetings, on-time promotions, on-time appraisals and so on and so forth.

Providing low fares is another promise we make to our customers. However, offering low fares is not just the responsibility of the pricing team. It is predicated on us being able to keep our costs low. We have been ferociously cost-conscious and yet have churned out a very high quality product consistently.

And then we have the most important pillar of providing a courteous and hassle-free experience to everyone who not just flies IndiGo but also to all those who come to IndiGo.

We focus on a few simple things but strive hard to deliver them with consistency.





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# The IndiGo way of doing things has translated into market leadership and accolades

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We floated one of the largest aviation IPOs in the world in 2015.



We are the fourth largest low-cost carrier in the world.

We enjoy the largest market share in one of the largest and fastest growing aviation markets of the world.

We have emerged as one of India's most respected brands within the short span of only a decade.

We were recognised as one of 'India's Best Companies to Work for' 8 years in a row and were also named 'AON Best Employers India' by AON Hewitt for the last two years in a row.

We won the 'Best Operational Excellence' award in the category of large operators by Airbus globally for the second consecutive time, outperforming 46 international airlines at the A320 Family Symposium.

We are amongst the fastest-growing low-cost carriers in the world.

We own one of the world's youngest fuel-efficient fleets across low-cost carriers.

We floated one of the largest aviation IPOs in the world in 2015.

We placed the largest narrow body Airbus aircraft orders in aviation history.

The IndiGo way of doing things is about touching lives and creating value for every stakeholder

The customer

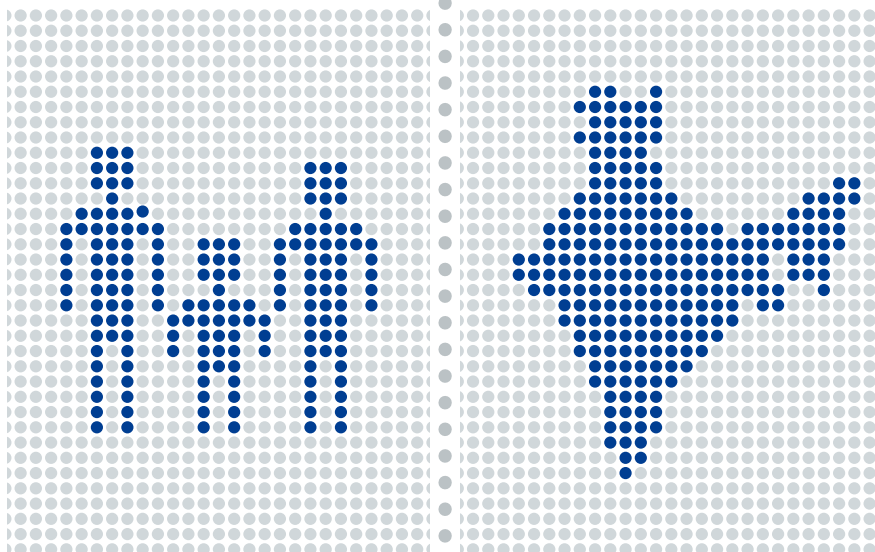
The shareholder

The employee



The  
community

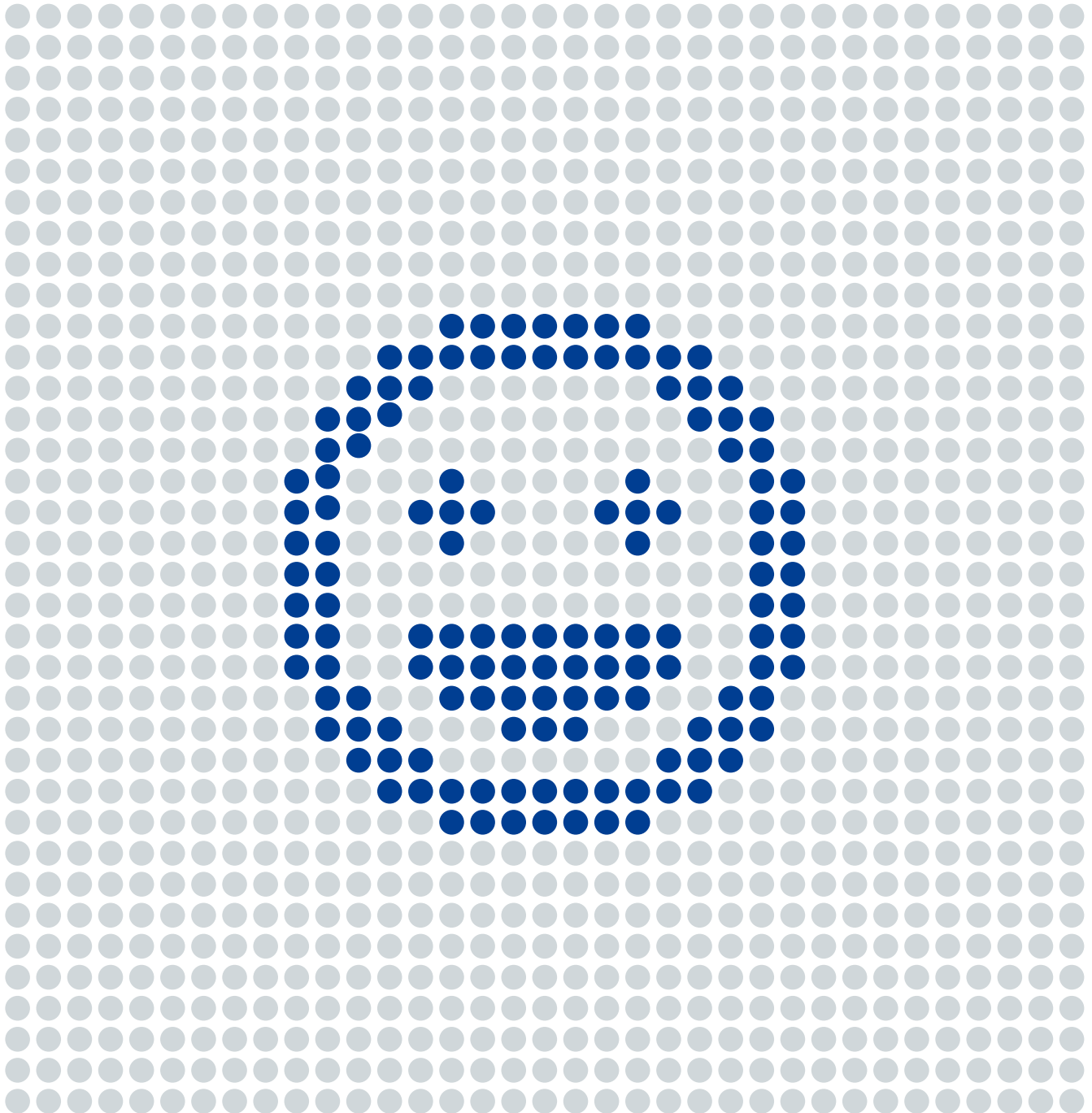
The  
country



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# The customer

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We have focused on providing a reliable and convenient schedule that provides more choices for our customers than any other carrier in India.



At IndiGo,  
we put more  
customers in  
the sky than  
any other  
Indian airline  
by focusing  
on what  
customers  
really value.

We listened faithfully to the Indian customer. What they wanted was to be flown from Point A to Point B in the quickest time – no waiting. At IndiGo, we transformed this from an unspoken commitment into our central proposition. Over the years, this commitment has translated into a popular saying: 'IndiGo's frequent flier program is called 'reliability'.

We enhanced passenger experience by providing service from the heart, reasonable fares, honesty and straightforwardness in our customer dealings, and delivering what we promised.

We have focused on providing a reliable and convenient schedule that meet the needs of both our business and leisure customers. Our schedule provides more choices for our customers than any other carrier in India.

We operate around 1,000 flights daily, which is more than that for any other carrier in India. The number of people we flew during the year under review was 31.5% higher than in FY16. In doing so, we connected 38 Indian cities and 6 international.

Our focus is on creating a consistent experience whether it be on-time performance or our commitment to providing a courteous and hassle-free service. It is this consistency and reliability that has helped us build a loyal fan base amongst our customers.

Our customer service oriented commitment was validated when the Company won the award for the Best Customer Service Training Program in the Gold Category at the CLO Awards in Mumbai 2015 & 2012; it was awarded the Gold Category at CLO in 2014 for its Internal Customer Service training program.

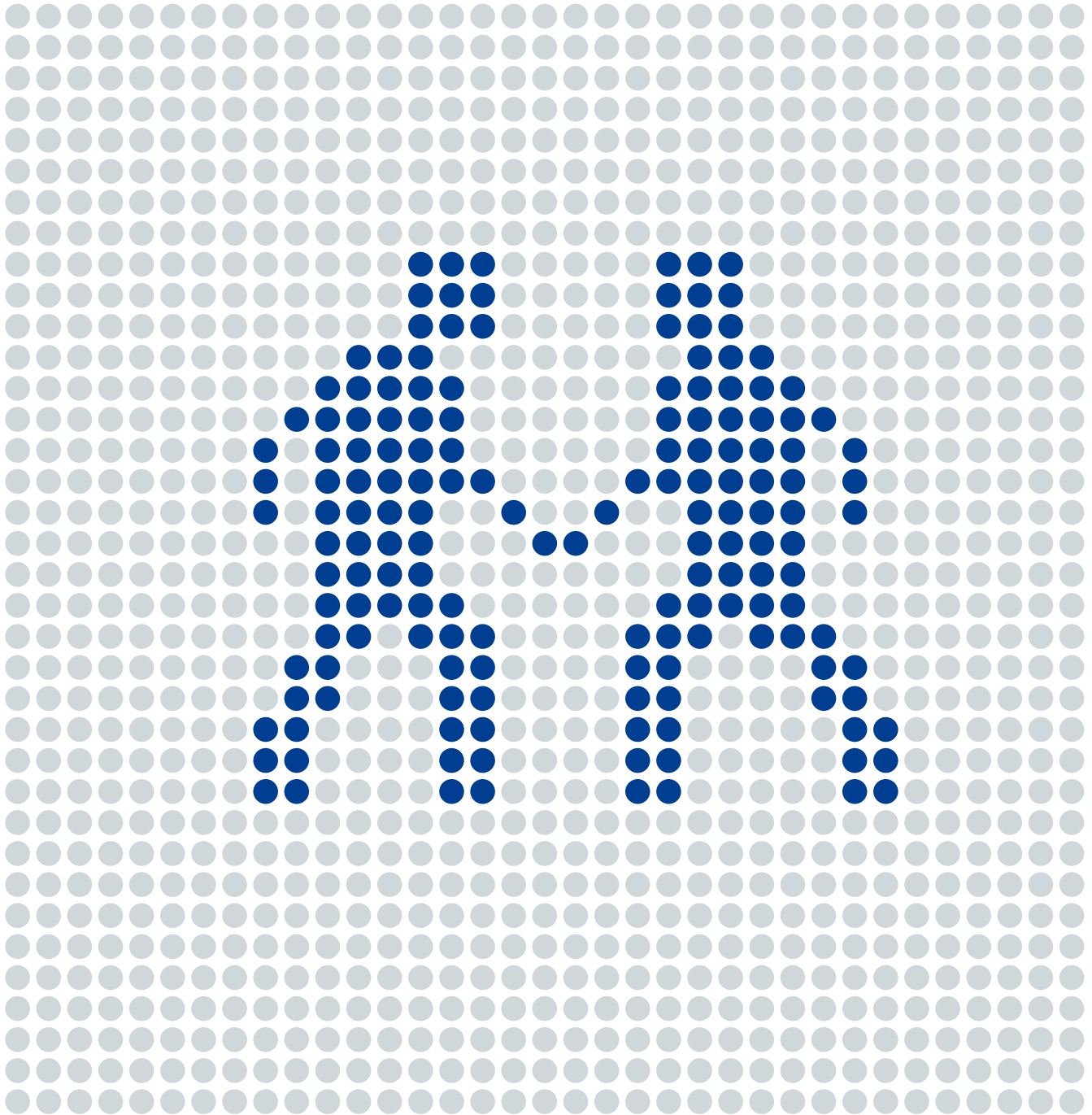
Over the years, IndiGo received industry accolades in recognition of the quality of its airline service, including the award for the Best Low-Cost Airline in Central Asia & India at the SkyTrax World Airline Awards for eight consecutive years (2010 to 2017). We were recognised as one of the leading 'On-Time Performers in the Asia-Pacific Region' by FlightStats, Inc. in the 8th Annual Airline On-Time Performance Service Awards.



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# The shareholder

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IndiGo enjoys one of the lowest costs compared with other public-listed LCCs globally. This has enabled IndiGo to emerge among the most profitable low-cost carriers in the world.



Our disciplined execution of the low-cost carrier model, applied to one of the world's fastest growing markets, represents a unique opportunity.

Our consistent profitability is based around a disciplined execution of the low-cost carrier model, which has proven to be the most successful airline business model globally. This model, when applied to India, one of the world's fastest growing markets, represents a unique opportunity.

The core tenet of this model is to have a very efficient cost structure. We placed one of the largest aircraft orders in history, helping us negotiate favourable terms with our suppliers, resulting in a long-term structural cost advantage. It is also important that our planes continue to fly for as long as possible so that we maximise revenue opportunity from the assets that we have invested in. We optimised the utilisation of our assets at a level comparable to that of the best airlines globally. This has been made possible because we have invested in a modern and fuel-efficient fleet, which enhances aircraft reliability and improves the technical dispatch reliability. In fact, we have achieved the highest benchmarks of operational reliability according to Airbus, which awarded us its Best Operational Excellence Award in the large-fleet category for the second consecutive time.

We engineered our processes right from the very beginning so that they are as efficient as possible. We continue to meticulously scrutinise our non-essential costs without compromising passenger safety, security and quality of service in order to maintain our cost leadership.

The result is that IndiGo enjoys one of the lowest costs, as measured by CASK (excluding fuel expenses) compared with other publicly-listed LCCs globally. This has enabled IndiGo to emerge among the most profitable (as measured by RASK minus CASK) low-cost carriers in the world. This cost advantage also allows us to be successful across business cycles, evidenced by our nine consecutive years of profitability, which includes periods where there were downturns in the overall economic activity.

This is a strong platform that will allow us to confidently execute on our next phase of growth – be it building on our leadership in the domestic market or participating in the long-haul international business through organic or inorganic growth.

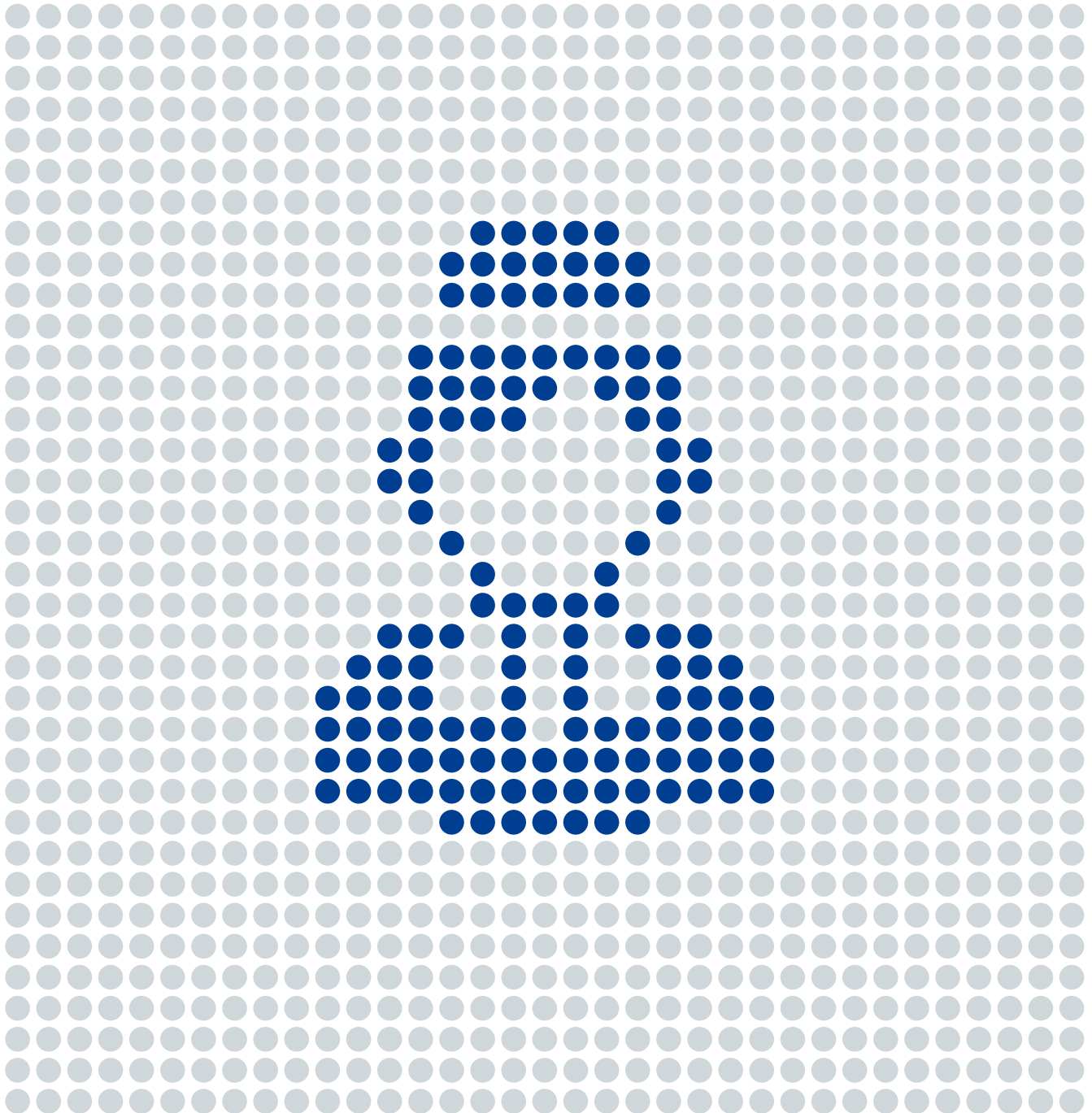




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# The employee

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IndiGo was named the AON Best Employer - India for 2016 and 2017 by AON Hewitt.



At IndiGo,  
we provide  
an exciting  
and engaging  
workplace  
to more  
than 15,000  
individuals.

At IndiGo, we believe we have created a youthful company, marked by freshness, enthusiasm and passion. The average age of our employees was 29 years as on March 31, 2017; for a large number of our employees, this is their first job, underlining our role as a responsible opportunity-creator.

At IndiGo, we reinforced our respect as an equal-opportunity provider through dispersed recruitment across geographies. We recruit people from all over India. The proportion of non-metro employees in our overall recruitment was high, underlining our commitment as an equal opportunity provider.

At IndiGo, we believe that the core of our organisational passion is derived from employee empowerment. We empower our people to help them achieve their dreams (professional and personal) and realise their full potential.

At IndiGo, we believe that the most successful companies are those with a high proportion of women. The number of women employed by the Company was 6,377 as on March 31, 2017; this corresponded to over 43% of all IndiGo employees. The number of women

in non-aircraft roles doubled to more than 2,200 in the four years ending March 31, 2017. We have several diversity and inclusion-oriented human resource policies, such as, we help our young parents through three day care centres, including one at the Delhi Airport (Terminal 1D), India's first airport day-care facility that is managed by a reputed third-party service provider.

At IndiGo, a culture of excellence has been reinforced through diverse and continuous training. This training is conducted for every department at 'ifly'. The training is 'inside-out', the departments being encouraged to state their improvement areas resulting in the development of customised training modules. The departments trained at 'ifly' comprise Administration, AO & CS, ifly, Commercial, Engineering, Finance, Flight Operations, Flight safety, Human Resources, Inflight Services, Information Technology, Operations Control Center, Cargo, Corporate Affairs, Legal and Emergency Response.

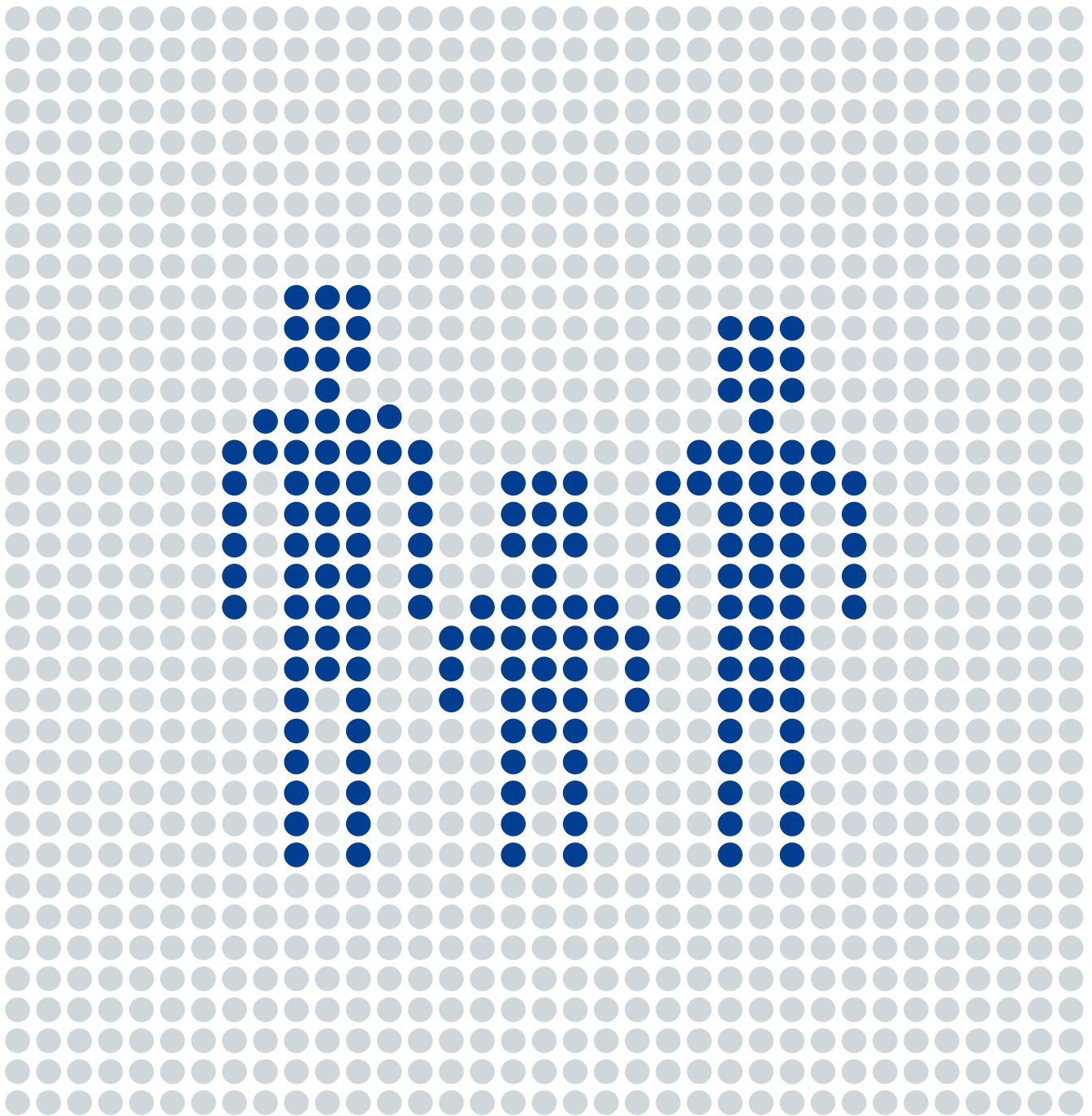
The result of such a people-oriented culture is that IndiGo was named the AON Best Employer - India for 2016 and 2017 by AON Hewitt.



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# The community

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IndiGoReach, IndiGo's CSR initiative, is focused on core areas of children, education and women's empowerment.



Our core values  
extend seamlessly  
into our  
Corporate Social  
Responsibility  
engagement.

At IndiGo, the words 'Power to make a change' not only guide our business ambition; they also direct our CSR aspiration for the benefit of the world at large. IndiGoReach was engaged in 21 concurrent projects at the close of FY17 with a focus on core areas of children, education and women empowerment. Our CSR programmes cover 16 locations in 8 states, touching the lives of approximately 51,000 individuals.

#### Children & Education

IndiGo supports a number of non-government organisations in the field of education. We focus on creating an enabling environment in educational institutions (urban and rural) whereby the less-privileged children may get an opportunity to excel.

Some initiatives include Bandhan Education Program wherein IndiGo has embarked on a collaboration with Bandhan Konnagar to start 400 primary schools in rural Eastern India and 6€ Scholar Program in which IndiGo has assumed the responsibility to mentor 100 students until their graduation and job placement. IndiGo supports the NGO Tamana in running the Autism Center (School of Hope), a dedicated school for autistic children. IndiGo also supports operations of the Divyangs hostel that addresses the needs of autistic children. IndiGo sells Girl Power badges on board its flights, the proceeds of which are used to support the education of girls in Vishakapatnam (in association with Smile Foundation).

After all, in a fast-growing country like India, a well-rounded education can graduate individuals from one station of

life into another in the shortest period with the most enduring impact

#### Women Empowerment

IndiGo believes that empowering women is at the core of national development with cascading impacts on living standards, literacy, nutrition and health.

IndiGo partnered with Bandhan Konnagar to catalyse The Hard Core Poor Program which identifies families (average monthly income of Rs.1,000) without earning male members or a regular income. The program counsels women of these families, provides capacity-building technical support and skill training and provides capital for household enterprises. Within 18 months of the programme, 77% beneficiaries had saved more than Rs.2,000 and could afford at least two square meals a day for the family.

IndiGo and PRADAN facilitate WATER, a collaborative project that targets 37,000 women beneficiaries, directly impacting a population of at least 180,000 people across 430 project villages. This five-year project aims to enhance the capabilities of women through community groups.

Mabia Bibi's husband was unemployed who would torture her for money. Following her son's birth, she escaped to her natal home. Mabilia Bibi was identified by the Bandhan Hardcore Poor Programme through which she received Rs.8,812 as seed capital to start a garment business. Mabilia can now send her son to a convent school.



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# The country

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Our current throughput – close to 1,000 flights per day across 46 destinations carrying an estimated 4.4 million passengers every month – has helped catalyse the national economy.



Since IndiGo has commenced its service, it has helped propel growth in the Indian aviation and has been able to prove that low fares and high-quality can go hand-in-hand.

After decades of existence of commercial flights in India, the country has recently emerged as the fastest growing aviation market, catalysing the country's economy.

At IndiGo, we believe that we have been more than a passive participant in this transformation; we have helped make this a reality.

Our low fares helped democratise a service that was once considered the preserve of the rich; this helped create a market that most insisted did not exist; this graduated the Company from a mere service provider into a national opportunity-creator.

Our service punctuality redefined the dependability of India's aviation sector by raising the game; this helped millions plan their schedules accurately based on the conviction that IndiGo could be trusted right down to the minute.

Our current throughput – close to 1,000 flights per day across 46 destinations carrying an estimated 4.4 million passengers every month – has helped catalyse the national economy.

And we are proud of having emerged as one of the world's best brands in our space while being completely Indian.





# Board of Directors



**Devadas Mallaya  
Mangalore**  
Chairperson and  
Non-Executive  
Independent Director



**Anupam Khanna**  
Non-Executive  
Independent Director



**Rahul Bhatia**  
Non-Executive  
Promoter Director



**Rakesh Gangwal**  
Non-Executive  
Promoter Director



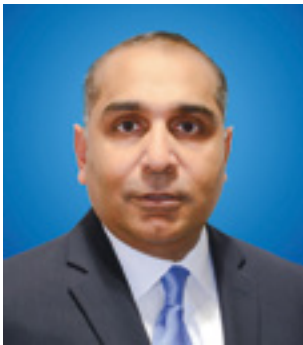
**Rohini Bhatia**  
Non-Executive  
Promoter Director



**Aditya Ghosh**  
President and  
Whole Time Director



# Key Management



**Rohit Philip**  
Chief Financial Officer



**Sanjay Kumar**  
Chief Commercial Officer



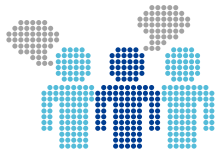
**Riyaz Haider Peer Mohamed**  
Chief Aircraft Acquisition and Financing Officer



**Sanjeev Ramdas**  
Executive Vice President  
Customer Service and  
Operations Control



**Captain Dhruv Rebbapragada**  
Chief of Flight Safety



# Management discussion and analysis



## Company overview

IndiGo is India's fastest-growing carrier and the largest domestic passenger airline with a market share of 40.1% during FY17 according to the DGCA. IndiGo has carved a niche for itself in the domestic low-cost carrier category by focusing on 'on-time performance, a courteous and hassle-free experience and affordable fares'.

The Indian aviation industry is highly under-penetrated with the current

capacity of just ~450 commercial aircraft serving a population of over 1.3 billion people. Strong economic growth, expansion of the middle class and growth in tourism are some of the key catalysts to the growth of the Indian aviation market. We believe in this huge opportunity in India. As a result, we placed an order for 100 A320 aircraft in 2005, 180 A320neo aircraft in 2011 and 250 A320neo aircraft in 2015. While all the A320 aircraft under the 2005 order have been delivered, we

## India: a unique opportunity – one of the world's largest and the fastest growing aviation markets



have taken deliveries of 19 A320neos as of March 31, 2017. These new generation Airbus A320neo aircraft are 15% more fuel-efficient than the existing A320 aircraft without sharklets. We believe that these fuel-efficient aircraft, along with our disciplined execution of low-cost carrier model, have created structural cost advantages for our airline that are difficult to replicate by our competitors.

Since inception, the Company has successfully achieved strong and sustained traffic growth. Over the last 5 years, our domestic capacity, measured in terms of ASKs, and domestic traffic volumes, measured in terms of RPKs, have increased at a CAGR of 24.2% and 25.0% respectively. In contrast, for the domestic aviation industry excluding IndiGo, the domestic capacity and traffic volumes have grown at a CAGR of 1.8% and 4.6% respectively. We started our international operations in September 2011 and have grown our network to 6 international destinations, representing 9.8% of our total capacity for FY17. We have remained consistently profitable across various business cycles and have delivered our 9th consecutive year of profitability.

### Indian Economy

Indian economy is one of the fastest growing economies of the world. As per the Ministry of Statistics and Programme Implementation, the provisional estimate of growth of India's real GDP was 7.1% for FY17. For the period January – March 2017, the same stood at 6.1%, which was lower than China's 6.9%, primarily on account of demonetisation that had a pronounced broad-based impact on

our economy in the fourth quarter. While the growth in trade, hotels, transport and communication, mining and public administration continued to outperform the overall GDP growth rate, growth in manufacturing, construction and major services were impacted due to currency squeeze during the fourth quarter.

During FY17, the Government embarked on decisive initiatives in digitisation, GST and FDI to ensure that all major services and industry sectors returned to status quo by the end of Q4. Overall, adequate monsoons, moderated inflation, banking reforms and strong consumption appetite helped grow the economy. Consequently, the Asian Development Bank expects the Indian economy to grow at an accelerated 7.4% in FY18 and 7.6% in FY19, retaining its position as the world's fastest-growing major economy.

### Industry overview

India is the world's third-largest and fastest growing air travel market. India's domestic air passenger traffic reached 100 million in 2016, behind only that of USA (719 million), China (436 million) and ahead of Japan (97 million). According to Airbus, the number of passengers flying in the Indian domestic market is expected to multiply by almost six times in the next 20 years compared to 1.5 times for domestic USA and almost four times for domestic China. The key growth factors behind growth in the Indian aviation market are as follows.

**Demographic distribution:** India is the second-most populous country, its population growing more than 14% over the past decade to 1.3 billion. Even

with such a high population, only about 100 million passengers fly on domestic routes in a year, less than a quarter of the size of air travel in China, which has a similar population. As India is projected to emerge as the world's most populous country by 2022, with more than 50% of its population younger than 25 years old, air travel is likely to increase manifold.

**Burgeoning middle-class:** India's per capita income at current prices crossed Rs.100,000 in FY17, increasing 9.7% Y-o-Y from ~Rs.94,000 in the previous year. Rising affluence is the biggest driver of consumer spending in India. The affluent segment is all set to grow from 8% to 16% of the national population by 2025; the share of strugglers is expected to decline from 31% to 18% during the period; growth in the country's middle-class could increase air travel.

(Source: BCG)

**Economic growth:** India is expected to be one of the fastest-growing major economies in the world over the next four years, with Real GDP expected to grow at a CAGR of 7.1% from CY14 to CY19, according to the IUI. Growth in the aviation sector is closely linked with the overall growth of the economy. Domestic RPK growth on an average was 1.7 times the real GDP growth rate of India from FY10-17. Over the last 3 years, RPK growth on an average was 2.6 times the real GDP growth rate.

Over the last 3 years, RPK growth on an average was 2.6 times the real GDP growth rate



**Regional connectivity:** The Indian Government rolled out its regional air-connectivity scheme (UDAN – Ude Desh Ka Am Naagrik) under the National Civil Aviation Policy 2016 to ensure connectivity with smaller cities. Subsequently, 43 new airports are likely to be created, raising the number of Indian airports to 118.

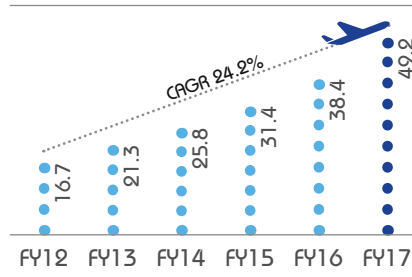
**Tourism boom:** India’s tourism industry is fast-growing and contributes to ~6% of India’s GDP. According to the World Travel and Tourism Council, India would form part of the ten fastest-growing destinations across the world for leisure travel.

(Source: The Travel & Tourism Competitiveness Report 2017, Morgan Stanley research)

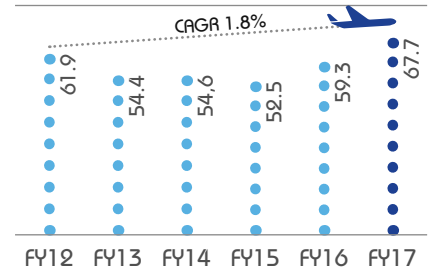
IndiGo has been driving growth in the airline industry, combining a reliable on-time product and a hassle-free experience with affordable fares. IndiGo’s domestic ASKs have increased from 16.7 billion in FY12 to 49.2 billion in FY17, growing at a CAGR of 24.2%, while all the other Indian carriers collectively grew at a CAGR of 1.8% over the same period, according to DGCA data. In terms of traffic, IndiGo’s domestic RPKs have increased from 13.7 billion in FY12 to 41.9 billion in FY17, growing at a CAGR of 25.0%, while all the other Indian carriers collectively grew at a CAGR of 4.6%. IndiGo has doubled its domestic market share in last 5 years from 20.3% in FY12 to 40.1% in FY17.



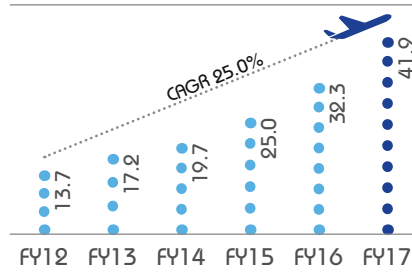
ASK - IndiGo (In billion)



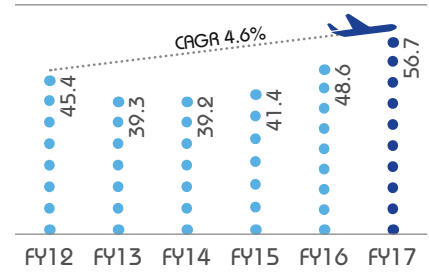
ASK - Rest of the Industry (In billion)



RPK - IndiGo (In billion)

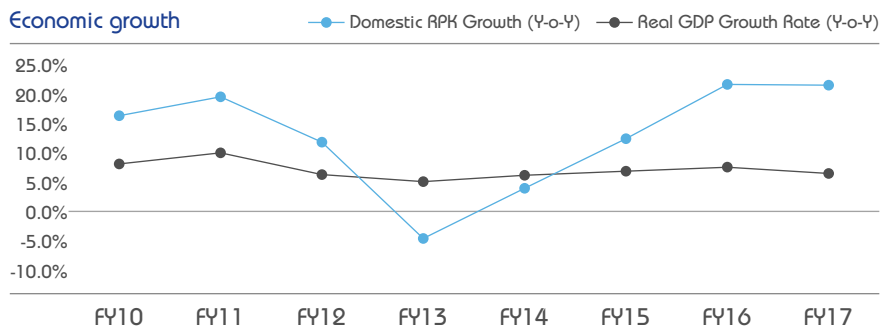


RPK - Rest of the Industry (In billion)



The above charts are for Domestic operations only

**Economic growth**





IndiGo reported its 9th consecutive year of profitable operations this year



## Operational Highlights

The following table sets forth key operational data for the periods indicated

Particulars	FY Ended March 31		
	2017	2016	Change
ASK (in million)	54,583	42,826	27.5%
RPK (in million)	46,288	35,968	28.7%
Number of Scheduled Passengers Carried (in thousands)	43,532	33,104	31.5%
Passenger Load Factor (%)	84.8%	84.0%	+0.8 points
Block Hours	558,567	436,739	27.9%
Number of Scheduled Destinations Served as of period end	44	40	10.0%
Total Number of Flights	300,526	236,385	27.1%
Number of aircrafts at period end	131	107	22.4%
RASK (Rs.)	3.44	3.78	-9.2%
Yield (Rs.)	3.50	3.91	-10.5%
CASK (Rs.)	3.04	3.12	-2.5%
CASK ex-fuel (Rs.)	1.88	2.01	-6.3%

IndiGo has grown its cash balance by over 50% during the year, taking the total cash balance to Rs.93,432.13 million in FY17.



## Financial performance

### Income

**Passenger ticket revenue:** Passenger ticket revenue increased by 15.2% from Rs.140,624.22 million in FY16 to Rs.161,970.72 million in FY17.

**Revenue from ancillary products and services:** Revenue from ancillary products and services primarily include cargo, special service requests, ticket modification and cancellation, in-flight sales and tours. Revenue from ancillary products and services increased by 13.2% from Rs.20,019.98 million in FY16 to Rs.22,667.58 million in FY17.

**Other Income:** Other income primarily comprises financial income on our cash, net mark to market gain on net liabilities denominated in foreign

currency and other non-operating income. Other income increased by 53.2% from Rs.5,151.21 million in FY16 to Rs.7,890.70 million in FY17.

**Revenue per available seat kilometre (RASK):** RASK reduced by 9.2% from Rs.3.78 in FY16 to Rs.3.44 in FY17 primarily driven by a decline in yield by 10.5% which was partially offset by a 0.8 point increase in load factor.

### Expenses

Total expenses increased by 24.5% from Rs.138,315.23 million in FY16 to Rs.172,252.30 million in FY17.

**Aircraft fuel expenses:** Aircraft fuel expenses increased by 32.7% from Rs.47,793.24 million in FY16 to Rs.63,415.13 million in FY17 because of an increase in capacity and fuel prices.

## Focus on cost control continues; CASK excluding fuel reduced by 6.3% during the year.



**Aircraft ownership cost:** Aircraft ownership cost comprises aircraft and engine rentals, depreciation and net interest expense. Aircraft ownership cost increased by 15.4% from Rs.28,566.47 million in FY16 to Rs.32,965.08 million in FY17.

**Employee benefits expense:** Employee benefits expense increased by 14.6% from Rs.17,879.84 million in FY16 to Rs.20,481.90 million in FY17. On a per ASK basis, employee benefits expense reduced by 10.1% owing to higher employee productivity.

**Other expenses:** Other expenses increased by 25.2% from Rs.38,342.18 million in FY16 to Rs.47,985.83 million in FY17.

**Cost per available seat kilometre (CASK):** CASK reduced by 2.5% from Rs.3.12 in FY16 to Rs.3.04 in FY17 primarily driven by our continued focus on cost performance.

Profit after Tax reduced by 16.5% over the last fiscal year to Rs.16,591.88 million.

### Balance sheet

Total debt for the Company reduced by 20.0% to Rs.25,961.74 million as of March 31, 2017. Our total cash increased by 54.2% to Rs.93,432.13 million as of March 31, 2017, comprising free cash of Rs.44,326.48 million and restricted cash of Rs.49,105.65 million.

### Opportunities, Threat, Risks and Concerns

The Indian aviation market witnessed rapid growth beginning in 2003, following liberalising actions by the Indian Government. Between FY12 and FY17, domestic carrier capacity, as measured in available seat kilometres

(ASK), grew at a CAGR of 8.3%, while domestic passenger traffic, as measured by revenue passenger kilometres (RPK), grew at a higher CAGR of 10.8%. Among several initiatives, the government's focus on developing greenfield airports is the key catalyst for the next level of accelerated growth. Expansion of the middle-class population, rail travel substitution, and strong economic growth, fuelled by improved regional connectivity, are also growth drivers.

While we believe that our structural advantages give us the ability to withstand different business cycles, our profitability is dependent on certain external factors:

**Depreciation of the Indian Rupee against the US Dollar:** Substantially all of our revenues are denominated in Rupees, but we are exposed to foreign exchange rate risk as a large portion of our expenses are denominated in US Dollars, including our aircraft orders with Airbus, all of our aircraft and engine leases and financing payments, our aircraft fuel and a significant portion of our aircraft maintenance expenses.

**Price and availability of aircraft fuel:** Aircraft fuel expenses represent the

single largest item of our total expenses and, hence, our operating results are significantly impacted by changes in the availability and cost of aircraft fuel.

**Competition in the airline industry:** The airline industry is highly competitive. We face intense competition from other low-cost carriers as well as full-cost carriers that operate on our routes. We may also face competition from airlines that could be established in the future.

**Lack of airport infrastructure and facilities and increased airport costs in India:** We are dependent on the quality of airport infrastructure in India and any other market where we operate for future expansion. The availability and cost of terminal space, slots and aircraft parking are critical to our operations.

**Changes in government regulations:** The civil aviation industry in India is regulated by the MoCA, the DGCA and the Airports Authority of India (AAI). The regulations are extensive, complex and cover all major aspects of operations, including basic licenses, aircraft acquisitions and routing. Any changes in regulations, or the imposition of additional restrictions and conditions that affect our business and operations





IndiGo participated in the prestigious AON Best Employer Survey and was chosen as AON Best Employer India – 2017



could impact our revenues, profitability and ability to grow our business.

### Internal control systems and their adequacy

Our internal control procedures are adequate to ensure compliance with various policies, practices and statutes in keeping with the organisation's pace of growth and increasing complexity of operations.

We have in place systems and processes commensurate with our size and nature of business and we maintain a system of internal controls designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of operations
- Adequacy of safeguards for assets

- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records
- Timely preparation of reliable financial information

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

### Human resources

The Company participated in the

prestigious AON Best Employer Survey and was chosen as AON Best Employer India – 2017. This was made possible thanks to the dedicated efforts of the employees. The Company fosters a sense of empathy and patience among its people to serve customers better and attain the best hospitality standards. The Company commissioned a 75,000 square feet state-of-the-art learning academy named 'ifly' for training employees. It collaborated with third-party agencies to train pilots. As of March 31, 2017, the Company had 14,604 employees on its roster, comprising 2,094 pilots and 3,880 cabin crew. Keeping growth in mind, the Company added a net 2,242 employees during FY17.



# Board's Report

## Board's Report

### Dear Shareholders,

Your directors have pleasure in presenting their fourteenth report on the business and operations of InterGlobe Aviation Limited (the "Company", "IndiGo" or "We") for the financial year ended March 31, 2017.

### Financial statements and results

#### 1. Financial Performance

The Company's financial performance, for the year ended March 31, 2017 is summarised below:

(Rupees in millions) (except earnings per share)

Particulars	2016-17	2015-16
Revenue from operations	185,805.00	161,399.09
Other Income	7,890.70	5,151.21
<b>Total Income</b>	<b>193,695.70</b>	<b>166,550.30</b>
Profit before tax	21,443.40	28,235.07
Current Tax	(4,911.51)	(7,303.93)
Deferred tax (credit) / charge	59.99	(1,069.53)
Profit after Tax (PAT)	16,591.88	19,861.61
Other Comprehensive Income net of Tax	(21.72)	(12.68)
<b>Total Comprehensive Income</b>	<b>16,570.16</b>	<b>19,848.93</b>
Earnings per equity shares of the face value of Rs. 10 each		
Basic (Rs.)	45.94	58.06
Diluted (Rs.)	45.85	56.39

#### 2. Results of operations

The total income increased from Rs. 166,550.30 million to Rs. 193,695.70 million thereby registering an increase of 16.30% over the previous financial year. The Profit after tax decreased from Rs. 19,861.61 million to Rs. 16,591.88 million, a decline of 16.46% over the previous financial year. For details, please refer to the financial statements forming part of this Annual Report.

#### 3. Dividend

Your Directors are pleased to recommend a final dividend of Rs. 34 per equity share of the face value of Rs.10 each for the financial year ended March 31, 2017.

The Final Dividend, subject to the approval of the Members at the forthcoming Annual General Meeting, will be paid to the Members whose names appear in the Register of Members/ Register of beneficial owner as on the record date fixed for this purpose. The total estimated amount of dividend payable, if approved by the shareholders, based on the current paid up share capital of the Company is Rs. 12,294.38 million (excluding corporate dividend tax).

#### 4. Adoption of Indian Accounting Standards (Ind AS)

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 01, 2016, with transition date of April 01, 2015, pursuant to notification issued by Ministry of

Corporate Affairs dated February 16, 2015, notifying the Companies (Indian Accounting Standard) Rules, 2015. Accordingly, the standalone financial statements of the Company and the consolidated financial statements of the Company with its subsidiary for the financial year ended March 31, 2017, have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with the relevant rules made thereunder and other accounting principles generally accepted in India.

### Operational performance

During the year under review, the fleet size of the Company increased from 107 aircraft to 131 aircraft including 19 A320neos. As at the end of the year, the Company was operating in 44 destinations including 6 international destinations. The Company had a Technical Dispatch Reliability of 99.89%, on-time performance of 79.70% at four key metros and flight cancellation rate of 0.71%. A detailed analysis of operational performance is given in the Management Discussion and Analysis Report forming part of this Annual Report.

The Company has signed a term sheet with Avions de Transport Regional G.I.E. (ATR) for the purchase of 50 ATR 72-600 aircraft with the flexibility to reduce the number of aircraft deliveries based on certain conditions. This term sheet is subject to reaching a mutually satisfactory final purchase agreement. The Company plans to launch its turboprop operation at the end of calendar 2017 and expects to induct upto 20 ATR aircraft by December 2018.

### Material changes

#### 1. Incorporation of a wholly owned subsidiary

On February 14, 2017, Agile Airport Services Private Limited ('Agile') was incorporated as a wholly owned subsidiary of the Company for the purpose of carrying out the work of ground handling and other allied services at the airports, having paid up capital of Rs. 1,00,000 divided into 10,000 equity shares of Rs. 10 each. Agile is yet to commence its business operations.

In accordance with section 129(3) of the Act, the Company has, for the first time, prepared the consolidated financial

statements of the Company with its subsidiary for the financial year ended March 31, 2017 which forms part of this Annual Report.

#### 2. Increase in share capital

During the year under review, the Company issued 1,111,819 equity shares of the face value of Rs. 10 each to the employees upon exercise of stock options vested under InterGlobe Aviation Limited Tenured Employees Stock Option Scheme 2015 (Scheme-I). Consequently, the issued, subscribed and paid up capital of the Company increased from 360,356,544 equity shares to 361,468,363 equity shares of Rs. 10 each aggregating to Rs. 3614.68 million as on March 31, 2017.

Further, during the current financial year 2017-18 till the date of this report, the Company has issued 130,952 equity shares of the face value of Rs. 10 each to the employees upon exercise of stock options vested under InterGlobe Aviation Limited Employees Stock Option Scheme, 2015 (Scheme-II). Consequently, the issued, subscribed and paid up capital of the Company has increased to 361,599,315 equity shares of Rs. 10 each aggregating to Rs. 3615.99 million.

#### 3. Utilisation of IPO proceeds

During the financial year 2015-16, the Company had completed its Initial Public Offer ("IPO"), pursuant to which 39,464,562 equity shares of Rs. 10 each were allotted, at an issue price of Rs. 765, consisting of fresh issue of 16,640,544 equity shares and an offer for sale of 22,824,108 equity shares by selling shareholders. Out of the fresh issue of 16,640,544 equity shares, 104,790 equity shares were issued to eligible employees at a discount of 10% to issue price and the remaining 16,535,754 equity shares were issued to public. The equity shares of the Company were listed on NSE and BSE on November 10, 2015.

As per the terms set out in the prospectus on "Utilisation of Net Proceeds", the Company was required to utilise IPO proceeds amounting to Rs. 12,091 million (net of fresh issue related expenses) (including service tax)) to retire certain outstanding financing lease liabilities and consequent acquisition of aircrafts, purchase of ground support equipment for our airline operations and general

corporate purposes. During the year under review, the Company had utilised the entire IPO proceeds. Please refer note 39 to the notes to accounts to the financial statements as annexed to this Annual Report.

The Company had appointed HDFC Bank Limited as the Monitoring Agency of the IPO. In compliance of Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), the Company had received Monitoring Report from HDFC Bank Limited confirming utilization of entire IPO proceeds as on March 31, 2017.

#### 4. Employee stock option scheme

The Company had adopted two Employees Stock Option Schemes namely InterGlobe Aviation Limited Tenured Employees Stock Option Scheme 2016 (Scheme - I) and InterGlobe Aviation Limited Employee Stock Option Scheme 2015 (Scheme - II) pursuant to the approval of the shareholders of the Company at its extraordinary general meeting held on June 25, 2015. The Scheme - II was further amended by the shareholders through special resolution passed by postal ballot on September 07, 2016. The Schemes were framed to recognise the efforts made by employees towards the growth and success of the Company and to bring employees participation in the growth and prospects of the Company. The Compensation Committee of the Board of Directors ("Board") administers and monitors the Scheme - I and Scheme - II.

During the year under review, all 1,111,819 stock options granted under the Scheme - I were vested and exercised by the employees to convert into equivalent number of equity shares of the Company. Further, during the current year 2017-18, till the date of this report, 130,952 vested stock options granted under Scheme-II were exercised by the eligible employees to convert into equivalent number of equity shares of the Company.

Details of the stock options granted under Scheme- I and Scheme- II and other disclosures in compliance with Section 62 of the Act read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014 are uploaded on the website of the Company at [https://www.goindigo.in/](https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations_footer)

[content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations_footer). No employee has been issued stock options equal to or exceeding 1% of the share capital of the Company.

## Disclosures

### 1. Public deposits

During the year under review, the Company has not accepted any deposits under Section 73 of the Act and as such, no amount on account of principal or interest on public deposits was outstanding as of March 31, 2017.

### 2. Particulars of loans, investments, guarantees

Details of loans, guarantees and investments covered under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2017 are given at note no. 5 and 6 of the notes to accounts to the financial statements forming part of this Annual Report.

### 3. Report on the performance and financial position of subsidiary

A report on the performance and financial position of the subsidiary as per Section 129(3) of the Act, in the prescribed format AOC - 1 is annexed to the consolidated financial statements and hence not repeated here for the sake of brevity. The Company has adopted a policy on material subsidiaries pursuant to Regulation 16(1) (c) of the Listing Regulations. The same is available on the website of the Company at [https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations_footer)

### 4. Related party transactions

All related party transactions are placed before the Audit Committee for review and approval. All the transactions entered into by the Company during the year 2016-17 were on an arm's length basis and in the ordinary course of business. During the year under review, the Company had not entered into any transaction with its related party which could be considered material, requiring approval of the Board/Shareholders, in accordance with the policy of the Company on materiality of related party transactions. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act, in Form AOC -2 is not applicable.

The Policy on related party transactions as approved by the Board is available on the website of the Company at [https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations_footer). The details of related party transactions are given at note no. 35 of the notes to accounts to the financial statements forming part of this Annual Report.

#### 5. Management discussion and analysis report

The Management's Discussion and Analysis Report on Company's operational performance, industry trends and other required details prepared in compliance of Regulation 34 of the Listing Regulations forms part of this Annual Report.

#### 6. Business responsibility report

A Business responsibility Report as per Regulation 34 of the Listing Regulations dealing with the various initiatives taken by your Company on the environmental, social and governance front forms part of this Annual Report.

#### 7. Corporate governance report

The Company has adopted good governance practices and lays strong emphasis on transparency, accountability and integrity. The Company has adopted the policies in line with governance requirements including Policy on Related Party Transactions, Policy on Material Subsidiaries, Policy for Materiality of Information and Events, Corporate Social Responsibility Policy and Whistle Blower Policy and Vigil Mechanism. These policies are available on the website of the Company at [https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations_footer)

In compliance with the provisions of Regulation 34(3) of the Listing Regulations, a separate report on Corporate Governance together with a Certificate from the Secretarial Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under the Listing Regulations forms part of this Annual Report.

#### 8. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") as required under Ind AS 108.

The CODM is considered to be Board who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments. The principal activities of the Company comprises of Air Transportation operating in Domestic and International sectors. Accordingly, the Company has two reportable segments consisting of Domestic air transportation within India and International air transportation outside India.

#### 9. Disclosure of Internal Financial Control and their adequacy

The Company has an adequate Internal Financial Control (IFC) system which ensures that the transactions are authorised, recorded and reported correctly. The Company's IFC system has been designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of Operations
- Adequacy of safeguards for assets
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting standards (Ind AS)
- Timely preparation of financial statements

The Company's IFC system also comprises due compliances with Company's policies and Standard Operating Procedures (SOP's) and is subject to periodic testing by the management of the Company.

#### 10. Corporate social responsibility

At IndiGo, we bring to our Corporate Social Responsibility ("CSR") engagement, the same seriousness that we do to our core business. IndiGoReach, our CSR program is based on shared values, responsible business and exposure to voluntary social activities. We truly believe that it's not just the funds, but true intentions and actions that go a long way. We focus on the identified areas that have long term and sustainable impact on the society by having a holistic approach towards all our Projects which help the beneficiaries in attaining sustainability in long run. IndiGoReach focuses on three of the most under-addressed areas in India marked by inequity and the potential to create the biggest catalytic impact in the shortest time the socio-economic status of women from backward sections; the educational and holistic development of children; the



implementation of environment friendly practices; providing disaster relief in affected areas.

During the year under review, the Company was engaged in 33 CSR projects. An Annual Report on CSR activities undertaken during the year under review, in accordance with Section 135 of the Act read with the CSR rules made thereunder and the CSR Policy of the Company, is annexed to this Report as Annexure A. The policy is uploaded at the website of the Company at [https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations_footer)

## Disclosures relating to Board and Committees

### 1. Board meetings

During the year under review, eight meetings of the Board of the Company were held. For details kindly refer to the "Report on Corporate Governance" forming part of this Annual Report.

### 2. Committees of the Board

A detailed note on the Board and its Committees is provided in the "Report on Corporate Governance" forming part of this Annual Report. As on March 31, 2017, the Board has the following standing Committees;

- i. Audit Committee
- ii. Nomination and Remuneration Committee\*
- iii. Corporate Social Responsibility Committee
- iv. Stakeholders' Relationship Committee
- v. Compensation Committee \*
- vi. Risk Management Committee

\*The Board of Directors of the Company at its meeting held on June 21, 2017, combined the terms of reference of the Compensation Committee with the Nomination and Remuneration Committee. Thereafter, the Compensation Committee was dissolved.

For details of the terms of reference, meetings held during the year, membership and attendance of the members at the meetings of the above Committees of the Board, kindly refer to the "Report on Corporate Governance" forming part of this Annual Report.

### 3. Board evaluation

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board has carried out the performance evaluation of all the Directors (including Independent Directors) on the basis of recommendation of Nomination and Remuneration Committee and the criteria formulated for the performance evaluation.

The evaluation of the Board of and the various committees was made on the basis of the following assessment criteria:

- (i) Adequacy of the constitution and composition of the Board and its Committees
- (ii) Understanding of the Company's principles, values, philosophy and mission statement
- (iii) Matters addressed in the Board and Committee meetings
- (iv) Effectiveness of the Board and its Committees in providing guidance to the management of the Company
- (v) Processes followed at the meetings
- (vi) Board's focus, regulatory compliances and Corporate Governance

The performance of the Committees was also evaluated by the members of the respective Committees on the basis of the Committee effectively performing the responsibility as outlined in its Charter/Terms of reference.

Similarly, the evaluation of the Independent Directors and other individual Directors' performance was made by the entire Board, on the basis of the following assessment criteria:

- (i) Attendance and active participation in the Meetings
- (ii) Contribution in Board and Committee Meetings
- (iii) Execution and performance of specific duties, obligations, regulatory compliances and governance

The Board members had submitted their response for evaluating the entire Board and respective Committees of which they are members.

### 4. Meeting of Independent Directors

The Independent Directors of the Company had met separately on March 31, 2017 without the presence of Non-Independent Directors and the members of management.



However, the Company Secretary and Chief Compliance Officer of the Company was present in the meeting. The Independent Directors discussed, inter-alia, the performance of Non-Independent Directors and Board as a whole and the performance of Chairman of the Board and assessment of the quality, quantity and timeliness of the flow of information between the Company management and the Board that was necessary for effective performance of duties of the Board.

## Auditors and their reports

### 1. Statutory Auditors and their Report

M/s B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/ W-100022), were appointed as Statutory Auditors of the Company at the Annual General Meeting held on September 08, 2014 for a term of five consecutive years. As per the provisions of Section 139 of the Act, the appointment of Statutory Auditors is required to be ratified by the members at every Annual General Meeting of the Company. The Statutory Auditors have submitted a certificate, as required under Section 139(1) of the Act to the Company stating that they satisfy the criteria provided in section 141 of the Act.

The Reports given by the Statutory Auditors on the financial statements of the Company and the consolidated financial statements of the Company and its subsidiary for the financial year ended March 31, 2017, form part of this Annual Report. There has been no qualification, reservation or adverse remarks made by Statutory Auditors in their Reports. The Statutory Auditors have not reported any frauds to the Audit Committee under Section 143(12) of the Act.

### 2. Secretarial Auditors and their Report

Pursuant to Section 204 of the Act read with relevant rules, the Company had appointed Sanjay Grover & Associates, Practising Company Secretaries as Secretarial Auditors of the Company for the financial year 2016-17.

The Secretarial Audit Report issued by the Secretarial Auditors in the prescribed form MR-3 is attached as Annexure - B to this Report. There have been no qualifications, reservations or adverse remarks made by the Secretarial Auditors in their Report which calls for any explanation from the Board.

## Disclosures relating to the Directors, Key Managerial Personnel and Policies

### 1. Directors

Mr. Devadas Mallya Mangalore (DIN: 01804955) was reappointed as the Chairman and Independent Director and Dr. Anupam Khanna (DIN: 03421015) was reappointed as Independent Director for a period of five years effective from March 27, 2017 through special resolutions passed by the shareholders of the Company at the last Annual General Meeting held on September 21, 2016.

Mrs. Rohini Bhatia (DIN 01583219), retires by rotation and being eligible, has offered herself for re-appointment at the ensuing Annual General Meeting of the Company.

The Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. The details of familiarisation programmes for Independent Directors for the financial year 2016-17 are uploaded on the website at [https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations_footer)

None of the Directors of the Company is disqualified to act as a Director under Section 164(2) of the Act.

### 2. Key Managerial Personnel

During the year under review, Mr. Rohit Philip joined the Company as the Chief Financial Officer effective July 18, 2016, succeeding Mr. Pankaj Madan who left the Company effective from July 17, 2016. Mr. Sanjay Gupta joined the Company as the Company Secretary and Chief Compliance Officer effective August 18, 2016, succeeding Mr. Suresh Kumar Bhutani who left the Company effective July 15, 2016. The Board took on record the resignation of Mr. Pankaj Madan and Mr. Suresh Kumar Bhutani and appreciated their sincere efforts and contributions towards the success of the Company.

### 3. Whistle Blower Policy / Vigil Mechanism

In compliance with the requirements of the provisions of Section 177 of the Act read with Regulation 22 of the Listing Regulations, the Board has established a vigil mechanism for directors, employees and other stakeholders

to disclose instances of wrongdoing in the workplace and report instances of unethical behavior, actual or suspected fraud or violation of the Company's Policies. The Audit Committee periodically reviews the status of complaints received under this policy on a quarterly basis. The policy is available at the website of the Company at [https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations_footer). For details, kindly refer to the Report on Corporate Governance forming part of this Annual Report.

#### 4. Remuneration Policy

The Board on the recommendation of the Nomination & Remuneration Committee, framed a policy "InterGlobe Aviation Limited – Nomination and Remuneration Policy" relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The policy is uploaded at the website of the Company at [https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations_footer).

#### 5. Risk Management

The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Risk Management Committee is responsible for reviewing the risk management policies and ensure its effectiveness.

#### 6. Prevention and prohibition of sexual harassment of women at work place

At IndiGo, we are committed to provide a healthy work environment that is free of discrimination and unlawful harassment and that enables employees to work without fear of prejudice, gender bias and sexual harassment. Keeping with this commitment, IndiGo expressly and strictly prohibits any form of employee harassment based on race, color, religion, sex, national origin, age, disability, sexual orientation, or status in any group protected by

state or local law. The Company has always endeavored for providing a better and safe environment free of sexual harassment at all its work places. In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, the Company continued conducting workshops and awareness programs for sensitising the employees with the provisions of the aforesaid Act.

As per the requirement of the aforesaid Act and Rules made thereunder, the Company has constituted an Internal Complaints Committee. During the year under review, 4 complaints were received by the Company and the same were investigated and resolved as per the provisions of the Act.

#### Awards and accolades

During the year under review, the Company won multiple awards and recognitions, both international and national. Some of the significant awards include:

- Awarded the "Best Low Cost Airline in India/ Central Asia" for the seventh successive year at the 2016 Skytrax World Airline Awards.
- Awarded "Best Low Cost Airline – Domestic" for the year 2015-16 by the Air Passengers Association of India (APAI).
- Awarded "The Emerging Company of the year 2016" for Corporate Excellence at the Economic Times Awards.
- Awarded "Company of the Year" at Business Standard Award for Corporate Excellence 2016.
- Awarded one of the leading "On-Time Performers in the Asia – Pacific region" by FlightStats. Inc in the 8<sup>th</sup> Annual Airline On-Time Performance Service Awards, January 2017.
- Received an Order of Merit for its outstanding financial performance and profitability in FY16 by Center for Asia Pacific Aviation India Private Limited (CAPA).
- Won "TripAdvisor Travelers Choice Award" (Airline).
- Awarded "Aon Best Employers India – 2017" for two years in a row.
- Won "The Better Holiday Awards" and "India's Favorite Budget Airline For Holidays" by Holiday IQ.

- Won "Best Operational Excellence" award in the category of large operators by Airbus for the second consecutive time globally, outperforming 46 international airlines of repute.
- Awarded "Passenger Airline of the Year - Domestic", "Customer Choice Airline of the Year - Domestic" and the "Domestic Airline of the Year for Cargo" by Bangalore International Airport Limited (BIAL) Pinnacle Awards, May 2017

## Other Disclosures

### 1. Extract of Annual Return

The extract of annual return in Form MGT -9 as required under Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as Annexure - C to this Report.

### 2. CEO and CFO Certificate

A Certificate of the President and Whole Time Director and Chief Financial Officer of the Company in terms of the Listing Regulations, inter-alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee / Board, forms part of this Report.

### 3. General Disclosures

Pursuant to the Act and the Listing Regulations, the Board hereby confirms that during the year under review;

- The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.
- The Company has not issued shares (including sweat equity shares) to the employees of the Company under any scheme save and except Scheme - I as referred in this Report.
- There are no significant material orders passed by the Regulators or Courts and Tribunals impacting the going concern status of the Company and its operations in future.

## Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Act, the Board hereby confirms:

- (a) That in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along

with proper explanation relating to material departures;

- (b) That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That they have prepared the annual accounts on a going concern basis;
- (e) That they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (f) That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Particulars of employees

The Company had 14,604 permanent employees as on March 31, 2017. The disclosures pertaining to remuneration and other information as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and is appended as Annexure - D.

The information required pursuant to Section 197(12) of the Act read with Rule 5(2) and 5(3) of the aforesaid Rules forms part of this Report and will be furnished to the shareholders on request.

## Conservation of energy, technology absorption,

At IndiGo, we are committed to running fuel and emission efficient operations. This endeavor entails the Company's continuous commitment towards conservation of energy and an ardent proclivity to engage in newer technological advances.

- The flight operating procedures of the Company are designed with focus on fuel efficiency and passenger safety. The average age of our aircraft was 5.17 years as of March 31,

2017 which is one of the youngest fleets of any Low Cost Carrier globally. A young fleet is more fuel efficient than an older fleet. The Company actively seeks to maintain a young fleet because it helps us to mitigate against technological obsolescence and achieve better reliability in terms of aircraft performance, lower maintenance costs, improved fuel-efficiency, higher flight dispatch reliability and higher passenger appeal.

- Fuel consumption is directly proportional to the weight of an aircraft. The Company has sought to reduce the weight of the aircraft by selecting lighter seats and by choosing to not have in-flight entertainment system.
- The Company has also adopted conservation of fuel consumption policies which are inculcated in all pilots and engineering staff training procedures.
- The Company provides an adequate fuel for sectors after evaluating various traffic trends thus avoiding any additional/unnecessary fuel upliftment, installing software for accurate flight planning which provides accurate maps and most efficient flight path, restricting the use of auxiliary power units, employing continuous descent approaches and economy cruise speeds, minimising aircraft weight by removing unnecessary equipment and optimising engine settings for take-off and climb.
- Additionally, the Company has also adopted fuel policies designed to reduce costs on the ground including the use of the Eco-Power Engine Wash process for our engines, the use of ground equipment in place of aircraft auxiliary power units which consumes more fuel, use of single engine for taxing on ground and other engineering/operations protocols. These policies are all designed to optimise fuel consumption, reduce carbon footprint and thereby finally reducing costs.
- The A320 aircraft delivered by Airbus to the Company since January 2013 have been equipped with "sharklets" and consume less fuel than aircraft without sharklets because of its improved aerodynamic efficiency. All the A320 aircraft delivered to us since September 2008 use International Aero Engines SelectOne engines. These engines use various technological advancements to reduce aircraft fuel consumption compared to previous IAE engines.

- The Company had ordered 430 Airbus A320neo aircraft, 22 of which have been delivered till June, 2017. These new generation A320neo aircraft which have introduced revolutionary engine enhancements, are up to 15% more fuel efficient than the current A320 aircraft (without sharklets). In the last one year, 19 in service A320neo aircraft have operated 20541 flights thereby reducing carbon emissions by 29.5T during the year.

### Foreign exchange earnings and outgo

The details of Foreign Exchange earnings and outgo for the year ended March 31, 2017 are set out below;

Particulars	Amount (Rs. in millions)
Foreign Exchange Earnings	15,694.70
Foreign Exchange Outgo	57,004.30

### Green initiative

Electronic copies of the Annual Report for the financial year 2016-17 will be sent to all the Members whose email addresses are registered with the Company / depository participant(s) and have not opted for receiving physical copies of the Annual Report. The Annual Report will be sent to other Members through permitted mode.

### Appreciations and acknowledgements

We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their solidarity, cooperation and support.

We also take this opportunity to thank all Investors, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock exchanges for their continued support.

On behalf of the Board of Directors of  
InterGlobe Aviation Limited

Devadas Mallaya Mangalore Chairman (DIN 01804955)	Aditya Ghosh President and Whole Time Director (DIN 01243445)
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Date : June 21, 2017

Place : Gurgaon

# Annexure to the Board's Report

## Annexure - A

### Annual Report on Corporate Social Responsibility Activities

1. A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

InterGlobe Aviation Limited ("Company", "we" or "IndiGo") from the very beginning, when it was a fledgling start up to this day when it is the country's largest and most successful domestic airline, has always been acutely aware of its responsibilities towards the community that it serves. We may not be able to change the world, but have the power to bring a change in the country as well as the communities we serve. IndiGoReach is an expansion of our Power to Make a Change. At IndiGo, we try to reach out not just with our airplanes, but also with our hearts.

The government guideline of utilising minimum 2% of the Company's average net profit during the immediately preceding three financial year is only a mandate; IndiGoReach is much beyond that. At IndiGo, CSR is synonymous to shared values, a responsible business and social activities. We ensure that, any project that we take up, is able to make a social and economic impact. A holistic approach is what helps attain sustainability in any project.

IndiGoReach brings employees together as a team to its shared values and to contribute towards a better tomorrow. Our CSR initiatives have always provided a platform to the employees to volunteer. Our policy of iServe allows each employee to volunteer and dedicate 3 working days towards a CSR initiative.. A lot of our employees have volunteered to be a part of these activities on regular basis and they form the CSR Core Group at IndiGo. IndiGo associates with grass root not-for-profit entities, working towards the causes IndiGo supports. All the project designs are synchronised with CSR policy and IndiGoReach focus areas.

To ensure CSR is well integrated in the business, IndiGo takes up initiatives which are synonymous with IndiGo's

values. IndiGoReach works on the below 4 areas:

- Children & Education
- Women Empowerment
- Environment
- 6E Responsibility

#### Children & Education

IndiGo believes in creating leaders of tomorrow by providing hope through education to children. With our focused approach through projects like 6E Scholar, Nai Disha School in Vasant Kunj, New Delhi, Tamana School for children with special needs, Manas Primary school in Gurgaon, we are able to reach out to 14,000 children.

The education projects are strategically designed to cover the rural and urban slum population. Most of the students from the Bandhan program are first generation learners from their families. All the children are now able to go to school and eventually get admission in government schools. We also work closely with the families to ensure there are no drop-outs.

The 6E Scholar program is an initiative in collaboration with Mensa through which we provide mentorship and scholarship to school children till they graduate from college. All these children fall in the 98 or above percentile of the standardised IQ test. 6E Mentorship Program aligns one employee as a mentor to each of the 100 6E Scholars. We have moved 81% of the scholars to English medium schools. The 6E scholar initiative is now being mapped at Varanasi as well. We are currently conducting tests for identification of these children.

IndiGo, with the help of the 'All India Human Development Council' is running Manas Primary School to provide free education to children from lesser privileged sections in the villages of Gurgaon. In August 2015, 'Manas' was started with an endeavor to keep young children away from the streets, begging or picking rags. IndiGo collaborated with

KK Academy in 2016, after which, the school has been able to provide free education to 24 children and engage dedicated teachers.

We also work in Dhela village in Jim Corbett where we support government schools to facilitate education. Under Swachh Bharat Guidelines, toilets have been installed in all households. We have partnered with SEED to work towards skill enhancement trainings for the women and youth, to increase household incomes.

Our association with Smile Foundation helps provide education to 200 school dropout children from slums of South Delhi. All the beneficiaries fall under the age category of 6 to 16 years.

IndiGo also adopted ALNA - a family home at the SOS Village, Faridabad in 2014. The home has a mother and ten children- nine girls and one boy. Our support to the family aims to provide all the basic facilities like food, clothing, shelter, medication, education, extra - curricular activities and capacity building workshops for all the children. Education and overall development of the children is given priority over all other matters. Health is also taken care of and the children have a medical checkup every 6 months.

### Women empowerment

Women empowerment is yet another focus area of IndiGoReach. In May 2015, we started working with Bandhan Konnagar to support Targeting the Hardcore Poor Program (THP).

The program targets poor families, where a male earning member is missing, there is no regular source of income and the family is unable to afford 2 square meals for themselves. The families identified have an income of not more than Rs.1000 per month.

The program provides household level counseling to improve the self-confidence & attitude of the women who head these families. Capacity building technical support is extended through regular on-site/on-job assistance and business skill development training. We provide productive assets for household level enterprise development, advocacy & institutional linkages for entitlements & benefits and any other support including facilitation for linkages with financial institutions. We also teach them how to open a bank account and manage finances independently.

IndiGo is supporting Professional Assistance for Development Action (PRADAN) by facilitating the running of Women Collective Action Towards Environment Rejuvenation (WATER), a collaborative project that targets to benefit approximately 37,000 women in as many families, directly impacting a population of at least 180,000 people across 430 project villages in 3 districts of Hazaribagh, Godda and Bokaro district in Jharkhand.

This project is to continue over a span of 5 years and aims at enhancing the capabilities of women through community groups and providing environmental sustainability. We sell Girl Power badges on board on our flights. Proceeds from the sale of these badges are used to support education for girls at Vishakapatnam with the Smile Foundation in Andhra Pradesh.

### Environment

Emission Reduction Agreement:

In 2013, IndiGo signed ERPA (Emission Reduction Purchase Agreement) with Fair Climate Network (FCN) for 5000 biogas units in Chittoor district of Andhra Pradesh. By 2015 we signed another ERPA for 2500 biogas units in Anantapur district at Andhra Pradesh and last year we signed for another 2000 units in Uttarakhand. This partnership has been facilitated by the Environmental Defence Fund (EDF), a science and economics based global NGO that harnesses the power of policy frameworks and markets to deliver sound environmental outcomes.

The overall objective of the Biogas CDM (Clean Development Mechanism) Project is to mitigate climate change through enabling rural families from using fuel wood. A family of 5-6 members can meet their needs of cooking and hot water by using a biogas plant of 2 Cubic Meters. Thereby the woman's time, effort, drudgery and expenditure also comes down. As on March 31, 2017, 4178 biogas units are commissioned, which is impacting lives of the people in 4178 households.

Recycle, Reuse, Repeat:

We are working with Greenobin where we give all our used waste paper, inflight magazines and other scrap paper from Delhi airport and the corporate office to Greenobin. In return of the waste paper we take paper reams from them for office use.

Similar efforts are made in our offices in Bangalore & Hyderabad as well.



As an organization, IndiGo strongly believes in cutting down waste and being responsible towards the environment. In alignment with this philosophy, a partnership was fostered between IndiGo and Green the Map in 2016. IndiGo was discarding a large quantity of aircraft seat covers every year. Green the Map have over the last one year, created a range of beautiful, functional, upcycled products from these discarded seat covers. These products are now a part of the in-flight product range that the flyers can buy. In the process of taking ownership of our waste, this has also created respectable livelihood and training opportunities for the women and men from underprivileged communities who work at Green the Map.

During the project period, over 10,000 seat covers have been upcycled.

Maintenance of 2 kms Green Patch:

Road 99A in Gurgaon IndiGo took the responsibility of cleaning and maintaining a stretch of 2 kms on Road 99A in Gurgaon. This gave our employees another opportunity to volunteer their time and effort for a cleanliness drive as well as plantation of trees and install drip irrigation on all the trees in the entire 2 km stretch.

## 6€ Responsibility

As a responsible organisation, IndiGo also focuses on providing relief and support during and after natural disasters. Extending its support to address the public health emergency in Manipur, IndiGo partnered with the Government of Manipur to deliver life saving drugs on priority basis for a period of one month. It was a humanitarian effort by IndiGo taken in cooperation with the government to help those affected by an 80-day old highway blockade imposed by the Union Naga Council (UNC) on NH-2 (Imphal - Dimapur) and NH-37 (Imphal - Jiribam).

Employee volunteering is a central part of IndiGoReach. Our CSR initiatives have always provided a platform to the employees to volunteer. Our policy of iServe allows each employee to volunteer and dedicate 3 working days towards a CSR initiative. All the new hires- our cabin crew, pilots, engineers and ground staff employees have half day of volunteering activity as part of their training calendars. They all get together and make sandwiches and plan activities to be conducted during their visits to the orphanages, old age homes or schools for underprivileged children.

All our departments and airport location staff is aligned to a cause and volunteer each quarter to be a part of a CSR activity. This helps us to keep the IndiGoReach culture alive across the network and live up to our CSR philosophy.

We also allow flexible volunteering opportunities to all our employees and their family or friends by associating with IndiGoReach initiatives as per their time availability.

IndiGo has also partnered with the Rajiv Gandhi Cancer Institute and Research Centre to support the cause of cancer recovery especially for children. The theme and purpose of the collaboration was spreading awareness and preventive health care measures for cancer for children & women.

We have taken a twofold approach to this project:

- Preventive Health Care Measures
  - i. Awareness on cancer and identification of early signs- especially women & children
  - ii. Educate and facilitate screening for women and children
  - iii. Facilitating long term chronic illnesses of survivors of childhood cancer
- Capacity building & Livelihood for Nurses
  - i. Nurse Education Program- to provide specialised training for treatment of survivors of childhood cancer

### FitToFly

FitToFly is an IndiGoReach initiative and aims to build awareness on the positive impact of fitness in one's life. At IndiGo we believe that fitness is not just about looking good, it is about living a healthy and disciplined life. When people choose to make fitness, a positive lifestyle choice, they experience transformation in every aspect of life.

The objectives of the campaign are:

1. Inspire/Motivate individuals to lead a healthier lifestyle
2. Build awareness around preventive healthcare measures
3. Encourage people to establish healthy habits

We are committed to the cause of fitness, and we have set up recreation centers at Police stations which operates 24x7 and deals with some of the most frustrating cases on a daily basis. Till March 2017, we have launched these centres in Jaipur, Chennai, Dimapur and Gurgaon.

Weblink to CSR policy: The Company's CSR Policy is uploaded

on the website of the Company at the link [https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations_footer)

2. **The composition of the CSR Committee :** The Company's CSR Committee comprises of the following Directors as members:
- Mrs. Rohini Bhatia, Chairperson - Non-executive Director
  - Dr. Anupam Khanna, Member - Non-executive Independent Director
  - Mr. Aditya Ghosh, Member - President and Whole Time Director

3. **Average net profit of the Company for last three financial years:**

Rs. 15630.14 million

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

Rs. 312.60 million

5. **Details of CSR spent during the financial year:**

i) Total amount to be spent for the financial year: Rs.312.60 million

ii) Amount unspent: Rs.96.80 million.

iii) Details and manner in which the amount on CSR has been spent during the financial year are given below: Amount in Rs.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs Local area or other (Specify the state and district where projects or programs are undertaken)	Amount outlay (budget) project or program wise	Amount spent on the projects or programs during the year Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure during the FY 2016-17	Amount Spent: Direct or through implementation agency
1	Bandhan Education Program	Promotion of Education	Kolkata (West Bengal)	115,317,707	(1)29,033,251	29,033,251	Bandhan Konnagar
2	The Hard Core Poor Program	Women Empowerment	Kolkata (West Bengal)	13,429,840	(1)4,650,418	4,650,418	Bandhan Konnagar
3	Facilitating education for visually disabled person	Promotion of Education and Vocational Skill	Delhi	2,380,775	(1)2,380,775	2,380,775	Foster & Forge Foundation
4	FitToFly	Promotion of Health Care and Preventive Health Care	PAN India	12,631,500	(1)13,316,094 (2)1,523,073	14,839,167	Direct
5	Iroar- Upliftment of Dhela Village	Promotion of Education	Dhela Village (Uttaranchal)	5,024,886	(1)5,024,886	5,024,886	Direct
6	Manas Primary School	Promotion of Education	Gurgaon (Haryana)	2,304,000	(1)1,684,124 (2)14,438	1,698,562	All India Human Development Council
7	6E Scholars - Mensa India	Promotion of Education	Delhi NCR	13,242,385	(1)242,385	242,385	Mensa India
8	6E Scholars - Vidya	Promotion of Education	Delhi NCR	7,082,500	(1)6,662,500	6,662,500	Vidya Integrated Development for Youth & Adults
9	6E Scholars - Mensa India	Promotion of Education	Varanasi (UP)	14,571,700	(1)9,567,700	9,567,700	Mensa India
10	Maintenance of 2km Green Patch - Road 99A	Protection of Flora & Environmental sustainability	Gurgaon (Haryana)	5,000,000	(1)6,769,652	6,769,652	Direct, Uththan
11	Disaster Relief	Disaster Relief	Srinagar (J&K)	376,373	(1)376,373	376,373	Direct

Amount in Rs.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs Local area or other (Specify the state and district where projects or programs are undertaken)	Amount outlay (budget) project or program wise	Amount spent on the projects or programs during the year Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure during the FY 2016-17	Amount Spent: Direct or through implementation agency
12	Supporting a child (adopting a child with SOS Children Village by employees of IndiGo, expenses shared by Company and employee)	Promotion of Education and eradicating Poverty, Hunger and Providig Health Care	Faridabad (Haryana), Bhimtal (Uttarakhand), Latur (Maharashtra) Chennai (Tamil Nadu), Cochin (Kerala), Hyderabad (Telangana), Guwahati (Assam), Raipur (Chattisgarh), Varanasi (UP)	As per the agreed terms, employees of the Company can sponsor children @ Rs. 9,800 per child in which case half of the sponsorship fee is paid by the Company. There is no limit to the number of children the Company may sponsor.	(1)2,450,600	2,450,600	SOS Children's Village
13	School of Hope- Children with Special needs	Promotion of Education	Delhi	2,655,804	(1)2,655,804	2,655,804	Tamana
14	Food distribution, stationary and volunteering initiatives by our employees across the network	Eradication of Hunger	PAN India	1,544,106	(1)1,544,106	1,544,106	Direct
15	Donation of old computers for refurbishing and use for education of children by NGOs	Promoting of Education	Delhi	15,257	(1)15,257	15,257	Yes We can
16	IndiGoReach Donation Boxes Collection drives across the network all around the year	Eradication of Hunger, Promotion of Education	PAN India	300,000	(1)290,912	290,912	Direct
17	Donation of old uniform overcoats	Preventive Health Care- Protection from Cold	Delhi NCR	45,150	(1)45,150	45,150	Direct
18	Divyangs- Hostel for special children	Promotion of Education	Delhi	1,981,600	(1)1,981,600	1,981,600	Tamana
19	SOS- ALNA - Family home	Promotion of Education	Faridabad (Haryana)	880,000	(1)880,000	880,000	SOS Children's Village
20	Nai Disha School	Promotion of Education	Delhi	6,442,404	(1)2,023,752	2,023,752	Smile Foundation
21	Prajnopaya - Hearing aid for 100 people	Promoting Health care	Delhi	500,000	(1)500,000	500,000	Pranjopaya Foundation Charitable Society
22	Recycle old seat covers to create employment	Women Empowerment	Delhi	2,100,000	(1)2,100,000	2,100,000	Swechha
23	Unsettled waters- Coffee table book to generate funds for PMNRF	Disaster Relief	Srinagar (J&K)	10,553	(1)10,553	10,553	Direct
24	Administrative overheads for CSR	Promotion of Education, Preventive Health Care & Women Empowerment	Agartala (Tripura), Delhi, Jammu (J&K), Udaipur (Rajasthan), Bengaluru (Karnataka), Hyderabad (Telangana), Cochin (Kerala)	1,976,378	1,976,378	1,976,378	Direct

Amount in Rs.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs Local area or other (Specify the state and district where projects or programs are undertaken)	Amount outlay (budget) project or program wise	Amount spent on the projects or programs during the year Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure during the FY 2016-17	Amount Spent: Direct or through implementation agency
25	Capacity Building of CSR Personnel	Capacity Building	Not applicable	151,471	(1)151,471	151,471	Direct
26	Facilitating travel for various projects towards promotion of education, women empowerment and promotion of health care for underprivileged	Promotion of Education and Health Care	Mumbai (Maharashtra), Kolkata (West Bengal), Srinagar (J&K), Imphal (Manipur), Guwahati (Assam)	2,000,000	(1)461,512	461,512	Direct
27	Women collectives led Action Towards Environment Rejuvenation (WATER)	Women Empowerment	Ranchi (Jharkhand)	99,984,252	(1)99,984,252	99,984,252	PRADAN
28	Facilitating school transport for children coming to Tamana for education- Special needs children & children from Underprivileged sections	Promotion of Education	Delhi	5,360,000	(1)5,360,000	5,360,000	Tamana
29	Kiddy Kingdom School	Promotion of Education	Lucknow (UP)	900,000	(1)300,000	300,000	K. K. Academy
30	Laksh Foundation School	Promotion of Education	Faridabad (Haryana)	120,000	(1)120,000	120,000	Laksh Foundation
31	Prevention & Awareness from Cancer amongst children	Promotion of Education and Preventive Health Care	Delhi	7,215,000	(1)7,215,000	7,215,000	Indraprastha Cancer Society & Research Center
32	Supporting education of girls in Seemadhara	Promotion of Education	Seemadhara (Telangana)	235,200	(1)235,200	235,200	Smile Foundation
33	Promotion of Ayurvedic treatment and providing treatment at subsidised rates	Preventive Health Care	Coimbatore (Tamil Nadu)	4,260,000	(1)4,260,000	4,260,000	Ayurvedic Trust
			Total		215,807,216	215,807,216	

**6. Reasons for not spending the prescribed amount :**

Most of the projects undertaken by the Company were of long gestation period with budget spread over 3-5 years thus resulting into lesser utilization of earmarked budget for the financial year 2016-17.

**7. Responsibility Statement of the CSR Committee:**

We hereby confirm that the implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and Policy of the Company.

On behalf of the Board of Directors

Rohini Bhatia  
 (Chairperson of CSR Committee)  
 (DIN 01583219)

Date : June 21, 2017

Place : Gurgaon

Aditya Ghosh  
 (President and Whole Time Director)  
 (DIN 01243445)

# Secretarial Audit Report

## Annexure - B

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

InterGlobe Aviation Limited

(CIN: L62100DL2004PLC129768)

Central Wing, Ground Floor,

Thapar House, 124, Janpath,

New Delhi, 110001

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

We report that

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion;
- c) We have not verified the correctness and appropriateness of the financial statements of the Company;
- d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.;
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis;
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers,

minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of

Capital and Disclosure Requirements) Regulations, 2009;

- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing clients;
- g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

\* No event took place under these regulations during the Audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above.

(vi) The Company is engaged in the business of providing domestic and international scheduled air transport services under the name of "IndiGo". As informed by the management, following are some of the laws which are specifically applicable to the Company:

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

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company seems adequate to ensure

compliance of laws specifically applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

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

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period

- a. the shareholders of the Company in their Annual General Meeting held on September 21, 2016 passed following special resolutions for:
  - (i) Re-appointment of Mr. Devadas Mallya Mangalore and Dr. Anupam Khanna as Independent directors of the Company, for a period of five years from March 27, 2017 to March 26, 2022;
  - (ii) Alteration of Articles of Association of the Company; and
  - (iii) Approval for increase in the borrowing limits of the Company which shall not at any time exceed the limit of Rs. 200 billion (Rupees two hundred billion).
- b. the shareholders of the Company through Postal Ballot passed (result declared on September 09, 2016) a special resolution for ratification and amendment of InterGlobe Aviation Limited Employees Stock Option Scheme -2015 ("ESOS 2015 – II") on September 07, 2016 through Postal Ballot.

For Sanjay Grover & Associates  
Company Secretaries  
Firm Registration No.: P2001DE052900

Sanjay Grover

Date : June 21, 2017  
Place : New Delhi

Managing Partner  
CP No. 3850



# Annexure to the Board's Report

## Annexure - C

FORM No. MGT 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management &amp; Administration) Rules, 2014

### I. Registration & other details:

i)	CIN	L62100DL2004PLC129768
ii)	Registration Date	January 13, 2004
iii)	Name of the Company	InterGlobe Aviation Limited
iv)	Category/Sub-category of the Company	Public Listed Company / Limited by shares
v)	Address of the Registered office & contact details	Central Wing, Ground Floor, Thapar House, 124 Janpath, New Delhi-110001 Tel: +91 11 6500 0428 Fax: +91 11 4351 3200 Email: investors@goindigo.in
vi)	Whether listed company	Yes
vii)	Name, Address & contact details of the Registrar and Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad – 500 032 Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 Email: einward.ris@karvy.com

### ii. Principal business activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Passenger Services – Air transport	51101, 51201, 52243 and 52291	93.65%

### iii. Particulars of holding, subsidiary and associate companies

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Agile Airport Services Private Limited Regd office: Grd Floor, Thapar House, 124, Janpath Connaught Place, New Delhi - 110001.	U74999DL2017PTC312881	Subsidiary	100%	2 (87)(ii) of the Companies Act, 2013

#### IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year As on 01.04.2016				No. of Shares held at the end of the year As on 31.03.2017				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual / HUF	1,449,355	–	1,449,355	0.41	1,449,355	–	1,449,355	0.40	(0.01)
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt.(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	153,659,581	–	153,659,581	42.64	153,659,581	–	153,659,581	42.51	(0.13)
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1)	155,108,936	–	155,108,936	43.05	155,108,936	–	155,108,936	42.91	(0.14)
(2) Foreign									
a) NRIs-Individuals	95,713,571	–	95,713,571	26.56	95,713,571	–	95,713,571	26.48	(0.08)
b) Other-Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	3,240,000	–	3,240,000	0.90	3,240,000	–	3,240,000	0.90	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other – Foreign Trust	56,375,730	–	56,375,730	15.64	56,375,730	–	56,375,730	15.59	(0.05)
Sub-Total (A) (2)	155,329,301	–	155,329,301	43.10	155,329,301	–	155,329,301	42.97	(0.13)
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	310,438,237	–	310,438,237	86.15	310,438,237	–	310,438,237	85.88	(0.27)
<b>B. Public Shareholding</b>									
1. Institutions	–	–	–	–	–	–	–	–	–
a) Mutual Funds	5,805,584	–	5,805,584	1.61	5,875,100	–	5,875,100	1.62	0.01
b) Banks / FI	150,735	–	150,735	0.04	65,953	–	65,953	0.02	(0.02)
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others - Foreign Portfolio Investors	21,855,326	–	21,855,326	6.07	23,193,946	–	23,193,946	6.42	0.35
ii) Alternate Investment Funds	–	–	–	–	3,350	–	3,350	0.00	–
Sub-total (B) (1)	27,811,645	–	27,811,645	7.72	29,138,349	–	29,138,349	8.06	0.34

#### IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year As on 01.04.2016				No. of Shares held at the end of the year As on 31.03.2017				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2,881,224	–	2,881,224	0.80	3,354,911	–	3,354,911	0.93	0.13
ii) Overseas	–	–	–	–					
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	5,956,365	156	5,956,521	1.65	5,286,319	56	5,286,375	1.47	(0.18)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	7,307,330	–	7,307,330	2.03	6,986,839	–	6,986,839	1.93	(0.10)
c) Others – NBFC	224,909	–	224,909	0.06	36,954	–	36,954	0.01	(0.05)
Trust	12,248	–	12,248	0.00	9,957	–	9,957	0.00	–
Non – Indian Residents	645,375	4,854,500	5,499,875	1.53	1,224,551	4,343,500	5,568,051	1.54	0.01
Clearing Members	224,515	–	224,515	0.06	648,690	–	648,690	0.18	0.12
Sub-total (B)(2) :	17,252,006	4,854,656	22,106,662	6.13	17,548,221	4,343,556	21,891,777	6.06	(0.07)
Total Public Shareholding (B) = (B) (1) + (B)(2)	45,063,651	4,854,656	49,918,307	13.85	46,686,570	4,343,556	51,030,126	14.12	0.27
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	355,501,888	4,854,656	360,356,544	100.00	357,124,807	4,343,556	361,468,363	100.00	–

## ii) Shareholding of Promoters

S. No.	Promoter Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Rahul Bhatia	40,000	0.01	–	40,000	0.01	–	0.00
2	Kapil Bhatia	50,000	0.02	–	50,000	0.01	–	(0.01)
3	Rohini Bhatia	10,000	0.00	–	10,000	0.00	–	0.00
4	Asha Mukherjee	1,349,100	0.37	–	1,349,100	0.37	–	0.00
5	Shobha Gangwal	34,852,858	9.67	–	34,852,858	9.64	–	(0.03)
6	InterGlobe Enterprises Limited	153,649,581	42.64	–	153,649,581	42.51	–	(0.13)
7	Rakesh Gangwal	60,860,713	16.89	–	60,860,713	16.84	–	(0.05)
8	Acquire Services Private Limited	10,000	0.00	–	10,000	0.00	–	0.00
9	The Chinkerpoo Family Trust (Trustee: Shobha Gangwal & J. P. Morgan Trust Company of Delaware)	56,375,730	15.64	–	56,375,730	15.60	–	(0.04)
10	IGE Mauritius Private Limited	3,240,000	0.91	–	3,240,000	0.90	–	(0.01)
11	Alok Mehta	255	0.00	–	255	0.00	–	0.00
	<b>Total</b>	<b>310,438,237</b>	<b>86.15</b>	<b>–</b>	<b>310,438,237</b>	<b>85.88</b>	<b>–</b>	<b>(0.27)</b>

## iii) Change in Promoters' Shareholding (please specify, if there is no change) –

S. No.	Particulars	Date	Shareholding		Cumulative Shareholding at the end of the year	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	01.04.2016	310,438,237	86.15	–	–
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer / bonus/ sweat equity etc.)*					
3	At the end of the year	31.03.2017	310,438,237	85.88*	310,438,237	85.88

Note: \*There is no change in the total shareholding of promoters between April 01, 2016 and March 31, 2017. The decrease in % of total shareholding of promoters of the Company from 86.15% to 85.88% is due to increase in total share capital of the Company resulting from ESOS allotment of 1,111,819 shares.

iv) Shareholding Pattern of top ten Shareholders  
(Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Riyaz Haider Peer Mohamed ®					
	At the beginning of the year	01.04.2016	5,110,000	1.42		
	Increase / Decrease in shareholding during the year		–	–		
	At the end of the year	31.03.2017	5,110,000	1.41	5,110,000	1.41
2	Kunal Chanana					
	At the beginning of the year	01.04.2016	2,705,400	0.75		
	Increase / Decrease in shareholding during the year					
	Transfer (Market Purchase)		–	–		
	Transfer (Market Sale)		716,782			
	At the end of the year	31.03. 2017	1,988,618	0.55	1,988,618	0.55
3	Anil Chanana					
	At the beginning of the year	01.04.2016	2,404,800	0.67		
	Increase / Decrease in shareholding during the year					
	Transfer (Market Purchase)		–	–		
	Transfer (Market Sale)		519,818			
	At the end of the year	31.03. 2017	1,884,982	0.52	1,884,982	0.52
4	Motilal Oswal Most Focused Multicap Thirty Five Fund					
	At the beginning of the year	01.04.2016	2,437,730	0.68		
	Increase / Decrease in shareholding during the year					
	Transfer (Market Purchase)		986,798			
	Transfer (Market Sale)		1,231,392			
	At the end of the year	31.03. 2017	2,193,136	0.61	2,193,136	0.61
5.	Stichting Depository APG Emerging Markets Equity Pool					
	At the beginning of the year	01.04.2016	1,806,816	0.50		
	Increase / Decrease in shareholding during the year					
	Transfer (Market Purchase)		222,935			
	Transfer (Market Sale)		130,000			
	At the end of the year	31.03.2017	1,899,751	0.53	1,899,751	0.53
6.	Swiss Finance Corporation (Mauritius) Limited #					
	At the beginning of the year	01.04.2016	1,685,682	0.47		
	Increase / Decrease in shareholding during the year					
	Transfer (Market Purchase)		299,131			
	Transfer (Market Sale)		1,961,300			
	At the end of the year	31.03. 2017	23,513	0.01	23,513	0.01

iv) Shareholding Pattern of top ten Shareholders  
 (Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7	Government of Singapore					
	At the beginning of the year	01.04.2016	1,607,990	0.45		
	Increase / Decrease in shareholding during the year					
	Transfer (Market Purchase)		978,398			
	Transfer (Market Sale)		1,112,800			
	At the end of the year	31.03.2017	1,473,588	0.41	1,473,588	0.41
8.	National Westminster Bank Plc as trustee of The Jupiter India Fund					
	At the beginning of the year	01.04.2016	1,259,611	0.35		
	Increase / Decrease in shareholding during the year					
	Transfer (Market Purchase)		670,741			
	Transfer (Market Sale)		-			
	At the end of the year	31.03. 2017	1,930,352	0.53	1,930,352	0.53
9.	Morgan Stanley Asia (Singapore) Pte. #					
	At the beginning of the year	01.04.2016	1,058,219	0.29		
	Increase / Decrease in shareholding during the year					
	Transfer (Market Purchase)		275,703			
	Transfer (Market Sale)		1,333,922			
	At the end of the year	31.03. 2017	-	-	-	-
10.	Columbia Emerging Markets Fund #					
	At the beginning of the year	01.04.2016	791,095	0.22		
	Increase / Decrease in shareholding during the year					
	Transfer (Market Purchase)		-	-	-	-
	Transfer (Market Sale)		791,095			
	At the end of the year	31.03. 2017	-	-	-	-
11.	Pictet Global Selection Fund - Global High Yield Emerging Equities Fund *					
	At the beginning of the year	01.04.2016	-	-	-	-
	Increase / Decrease in shareholding during the year					
	Transfer (Market Purchase)		1,542,956			
	Transfer (Market Sale)		250,460			
	At the end of the year	31.03. 2017	1,292,496	0.36	1,292,496	0.36
12.	Parvest Equity India *					
	At the beginning of the year	01.04.2016	-	-	-	-
	Increase / Decrease in shareholding during the year					
	Transfer (Market Purchase)		1,229,062			
	Transfer (Market Sale)		110,181			
	At the end of the year	31.03. 2017	1,118,881	0.31	1,118,881	0.31



iv) Shareholding Pattern of top ten Shareholders  
(Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Particulars	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
13	Pictet Country (Mauritius) Limited *					
	At the beginning of the year	01.04.2016	-	-	-	-
	Increase / Decrease in shareholding during the year					
	Transfer (Market Purchase)		1,262,779			
	Transfer (Market Sale)		155,907			
	At the end of the year	31.03.2017	1,106,872	0.31	1,106,872	0.31

Notes:

- The full details of date-wise increase / decrease in shareholding of top 10 shareholders are available at the website of the Company at the link [https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations_footer).
- \* There is no change in shareholding during the year. The decrease in % of shareholding of the Company is due to increase in total share capital of the Company resulting from ESOS allotment of 1,111,819 shares.
- # Ceased to be in the list of top 10 shareholders as on March 31, 2017. The same is reflected above since the shareholder was one of the top 10 shareholders as on April 01, 2016.
- \* Not in the list of top 10 shareholders as on April 01, 2016. The same has been reflected above since the shareholder was one of the top 10 shareholders as on March 31, 2017.

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Particulars	Date	Shareholding		Cumulative Shareholding at the end of the year	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Directors					
1.	Rahul Bhatia, Director					
	At the beginning of the year	01.04.2016	40,000	0.01		
	At the end of the year	31.03.2017	40,000	0.01	40,000	0.01
2.	Rakesh Gangwal, Director					
	At the beginning of the year	01.04.2016	60,860,713	16.89		
	At the end of the year	31.03.2017	60,860,713	16.84	60,860,713	16.84
3.	Rohini Bhatia, Director					
	At the beginning of the year	01.04.2016	10,000	0.00		
	At the end of the year	31.03.2017	10,000	0.00	10,000	0.00

## v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Particulars	Date	Shareholding		Cumulative Shareholding at the end of the year	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Key Managerial Personnel					
4.	Pankaj Madan, Chief Financial Officer <sup>®</sup>					
	At the beginning of the year	01.04.2016	285	0.00		
	Increase / Decrease in shareholding during the year					
	Allotment of shares under ESOS	29.06.2016	71,456	0.02		
	Sale during the year		–	–		
	At the end of the year	31.03. 2017	71,741	0.02	71,741	0.02

## Notes:

- The directors and Key managerial personnel who have not held any shares at any time during the year, are not shown in the above list.
- <sup>®</sup> Pankaj Madan had resigned from the post of Chief Financial Officer with effect from July 17, 2016.

**V. Indebtedness:**

Indebtedness of the Company including interest outstanding/ accrued but not due for payment.

(Rs. in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	32,446.29	–	–	32,446.29
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	115.61	–	–	115.61
Total (i+ii+iii)	32,561.90	–	–	32,561.90
Change in Indebtedness during the financial year				
Addition*	1,041.84	–	–	1,041.84
Reduction	(7,526.39)	–	–	(7,526.39)
Net Change	(6,484.55)	–	–	(6,484.55)
Indebtedness at the end of the financial year				
i) Principal Amount	25,961.74	–	–	25,961.74
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	112.57	–	–	112.57
Total (i+ii+iii)	26,074.31	–	–	26,074.31

\*Includes amount adjusted on account of foreign currency gain arising on re-statement of long-term foreign currency including adjustment arising in Ind AS.

## VI. Remuneration of directors and key managerial personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Whole Time Director	Total Amount
		Mr. Aditya Ghosh, President & Whole time Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	64,793,008	64,793,008
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–	–
2	Stock Option*	–	–
3	Sweat Equity	–	–
4	Commission	–	–
	- as % of profit	–	–
	- others, specify	–	–
5	Others, please specify	–	–
	Total	64,832,608	64,832,608
	Ceiling as per the Act	Rs. 1,057.94 million (being 5% of the net profits calculated under Section 198 of the Companies Act, 2013)	

#### Notes:

\* Taxable value of perquisite on stock options exercised during the year, if any.

- In terms of the provisions of the Companies Act, 2013, the remuneration payable to the President and Whole Time Director shall not exceed 5% of the net profits of the Company. The same is within the said limit.

### B. Remuneration to other directors:

(Amount in Rs.)

S. No.	Particulars of Remuneration	Fee for attending Board and Committee meetings	Commission	Others, please specify	Total Amount
1	Independent Directors				
	Mr. M. D. Mallya	650,000	–	–	650,000
	Dr. Anupam Khanna	600,000	–	–	600,000
	Total A	1,250,000	–	–	1,250,000
2	Other Non-Executive Directors				
	Mr. Rahul Bhatia	150,000	–	–	150,000
	Mr. Rakesh Gangwal	200,000	–	–	200,000
	Mrs. Rohini Bhatia	350,000	–	–	350,000
	Total B	700,000	–	–	700,000
	Total Managerial Remuneration	1,950,000	–	–	1,950,000
	Overall Ceiling as per the Act	Rs. 211.59 million (being 1% of the net profits calculated under Section 198 of the Companies Act, 2013)			

#### Notes:

- The remuneration payable to directors other than executive directors shall not exceed 1% of the net profit of the Company. The remuneration paid to the Non-Executive Directors is well within the said limit.
- The total managerial remuneration payable to all directors shall not exceed 11% of the net profits of the Company. The same is within this limit.

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:**

(Amount in Rs.)

S. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Chief Financial Officer		Company Secretary		
		Rohit Philip <sup>(1)</sup>	Pankaj Madan <sup>(2)</sup>	Sanjay Gupta <sup>(3)</sup>	Suresh Kumar Bhutani <sup>(4)</sup>	
	Gross salary					
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	68,747,935	22,411,760	4,809,902	2,023,853	97,993,450
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	26,613	11,710	141,447	-	179,770
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option *	-	71,062,992	-	-	71,062,992
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- Others specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	68,774,548	93,486,462	4,951,349	2,023,853	169,236,212

**Notes:**

(1) Mr. Rohit Philip had joined the Company wef July 18, 2016 as Chief Financial Officer

(2) Mr. Pankaj Madan had resigned wef July 17, 2016

(3) Mr. Sanjay Gupta had joined wef August 18, 2016 as Company Secretary and Chief Compliance Officer

(4) Mr. Suresh Kumar Bhutani had resigned wef July 15, 2016.

\* Taxable value of perquisite on stock options exercised during the year.

**VII. Penalties / punishment/ compounding of offences: Nil**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. Company					
Penalties			None		
Punishment					
Compounding					
B. Directors					
Penalties			None		
Punishment					
Compounding					
C. Other officers in default					
Penalties			None		
Punishment					
Compounding					

# Annexure to the Board's Report

## Annexure - D

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2016-17, the percentage increase in remuneration of Director, Chief Financial Officer and Company Secretary during the year 2016-17

Sr. No.	Name of Director / KMP	Designation	Ratio of remuneration of each director to the median remuneration of employees	Percentage increase in remuneration
1.	Mr. M.D. Malliya	Non-Executive Director	1.56	Refer note (a)
2.	Dr. Anupam Khanna	Non-Executive Director	1.44	Refer note (a)
3.	Mr. Rahul Bhatia	Non-Executive Director	0.36	Refer note (a)
4.	Mr. Rakesh Gangwal	Non-Executive Director	0.48	Refer note (a)
5.	Ms. Rohini Bhatia	Non-Executive Director	0.84	Refer note (a)
6.	Aditya Ghosh	President & Whole Time Director	156.05	7.68% Refer note (b)
7.	Rohit Philip	Chief Financial Officer	N.A.	Refer note (c)
8.	Sanjay Gupta	Company Secretary & Chief Compliance Officer	N.A.	Refer note (d)

Note:

- (a) The Non-Executive Directors of the Company are entitled only for sitting fees as per the statutory provisions and within the limits approved by the Board of Directors. Therefore the percentage increase in remuneration has not been provided.
- (b) The percentage in remuneration of President & Whole Time Director has been calculated without considering one-time incentive paid during the financial year 2015-16.
- (c) Mr. Rohit Philip, the Chief Financial Officer joined the Company effective July 18, 2016 succeeding Mr. Pankaj Madan who left the Company w.e.f. July 17, 2016. Therefore, the percentage increase in remuneration has not been reported for Mr. Rohit Philip.
- (d) Mr. Sanjay Gupta, the Company Secretary and Chief Compliance Officer joined the Company effective August 18, 2016, succeeding Mr. Suresh Kumar Bhutani who left the Company w.e.f. July 15, 2016. Therefore, the percentage increase in remuneration has not been reported for Mr. Sanjay Gupta.
2. The percentage increase in the median remuneration of employees for the financial year was 4.5%.
3. The Company had 14,604 permanent employees on the rolls of the Company as on March 31, 2017.
4. Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year was 9.5% whereas the increase in the managerial remuneration was 7.68%.
5. The key parameters for any variable component of remuneration availed by the directors:  
In terms of Company's remuneration policy, the key parameters for the variable component of remuneration availed by the Directors (excluding Non-Executive Directors) are directly linked to performance of the individual and the overall Company's performance.
6. It is hereby affirmed that the remuneration paid during the year is as per the remuneration policy of the Company.

# Report on Corporate Governance

Effective Corporate Governance constitutes the very foundation of good and transparent practices that enable an organisation to perform efficiently and ethically thereby generating long term wealth and value for all its stakeholders.

Corporate Governance structure specifies the distribution of rights and responsibilities among different participants in the Company such as the Board of Directors, management, shareholders and other stakeholders and spells out the rules and procedures for corporate decision-making. By doing this, it provides the structure through which the Company's objectives are set along with the means of attaining these objectives as well as for monitoring performance.

## I. Company's Philosophy on Corporate Governance

At InterGlobe Aviation Limited ("IndiGo" or the "Company"), the adherence to the Corporate Governance practices not only justifies the legal obedience of the laws but dwells deeper conforming to the ethical leadership and stability. Responsible corporate conduct is integral part of our business practices. Our actions are governed by our values and principles, which are reinforced at all levels within the Company.

IndiGo follows three basic values of integrity, customer orientation and future mindedness. At IndiGo, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislations. Strong leadership and good Corporate Governance is practiced and religiously followed at IndiGo and has become a part of IndiGo's Culture.

IndiGo strives for continued excellence by adopting best-in-class governance and disclosure practices. The Company's Code of Conduct for Directors and Senior Management and for all employees reflects our commitment to good Corporate Governance framework. The norms and processes of Corporate Governance followed in IndiGo reflects our commitment to disclose timely and accurate information regarding our financial and operational performance.

The Company keeps itself abreast with the best governance practices on the global front, at the same time conforming to the recent amendments which has enhanced the respect of IndiGo as a brand nationally and internationally.

The Board of Directors of the Company ("the Board") fully supports and endorses the Corporate Governance practices in accordance with the provisions laid down in Schedule V of Chapter IV under Regulation 34(3) of the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

## II. Board of Directors

The Corporate Governance structure of the Company comprising of the Board as the apex decision making body and the Leadership Team which comprises of experts from various fields. The Board provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board comprises of the members distinguished in various fields such as management, finance, law and industry experts. This provides reliability to the Company's functioning. The Board ensures a critical examination of the strategies and operational planning mechanisms adopted by the management. The Board exercises independent judgement in overseeing management performance on behalf of the shareholders and other stakeholders and hence, plays a vital role in the oversight and management of the Company.

The composition of the Board of Directors is in conformity with Regulation 17 of the Listing Regulations, category-wise composition is given below:

Sl. No.	Category	No. of Directors
1	Executive Director (ED)	1
2.	Non - Executive Independent Director (I-NED)	2
3.	Non - Executive Non Independent Promoter Director (NI-NEPD)	3
	<b>Total</b>	<b>6</b>

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other normal business. During the year under review, the Board of Directors met eight (8) times on the following dates with necessary quorum being present at all the meetings:

- April 29, 2016
- May 17, 2016
- August 01, 2016
- September 13, 2016
- November 08, 2016
- December 11, 2016
- January 31, 2017
- March 03, 2017



The gap between any two meetings did not exceed 120 days. The conduct of Board Meetings is in compliance with the applicable provisions of the Companies Act, 2013 ("Act") and Secretarial Standard on meetings of the Board of Directors issued by the Institute of Company Secretaries of India. Each agenda item is provided with sufficient background and all material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

Video conferencing or other audio visual facilities are used to participate in the meetings to facilitate Directors, who are not able to attend meetings physically. In case of exigencies or urgencies, resolutions are passed by circulation as well.

Details of the composition, category of the Directors, their attendance at the Board Meetings held during the year under review & Annual General Meeting ("AGM") held on September 21, 2016, Directorship(s) and Committee Chairmanship(s) Membership(s) are as under:

S. No.	Name of the Director	Category	No. of Board Meetings Attended	Attendance at previous AGM held on September 21, 2016 (Y-Yes, N-No)	Directorships In other Public Companies as on March 31, 2017	Committee Chairmanship(s)/ Membership(s) in other Public Companies as on March 31, 2017	
						Chairmanships	Memberships
1.	Mr. Devadas Malliya Mangalore, Chairperson	I-NED	7	Y	7	5	1
2.	Dr. Anupam Khanna	I-NED	5	Y	-	-	-
3.	Mr. Aditya Ghosh, President and Whole Time Director	ED	8	Y	1	-	-
4.	Mr. Rahul Bhatia	NI-NEPD	3	N	2	-	-
5.	Mr. Rakesh Gangwal	NI-NEPD	4	N	-	-	-
6.	Mrs. Rohini Bhatia	NI-NEPD	2	N	1	-	-

Legends: I-NED: Independent- Non- Executive Director, NI-NEPD: Non Independent – Non Executive Promoter Director, ED: Executive Director

Notes:

- The Independence of a Director is determined by the criteria stipulated under Regulation 16(1)(b) of the Listing Regulations & Section 149(6) of the Act.
- The Directorships and Committee positions held by the Directors, as mentioned above do not include the Directorships and Committee positions held by them in Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Act as per the requirements of Regulation 26 of the Listing Regulations.
- The Committees considered for the purpose are those prescribed under Regulation 26 of the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of other Public Companies.
- Except Mrs. Rohini Bhatia who is the wife of Mr. Rahul Bhatia, none of the Directors are related inter-se.
- None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- None of the Directors on the Board hold directorships in more than 20 (twenty) companies or more than 10 (ten) public companies, whether listed or not. Necessary disclosures regarding Directorship positions in other companies as on March 31, 2017 have been made by the Directors.
- None of the Directors on the Board is a member of more than 10 (ten) Committees or Chairman of more than 5 (five) Committees (as specified in Regulation 26 of the Listing Regulations) across all the public limited companies, whether listed or not, in which he is a Director. Necessary disclosures regarding Committee positions in other public limited companies as on March 31, 2017 have been made by the directors.
- None of the Directors of the Company are holding position of Independent Director in more than seven listed companies.
- The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.
- During the year, a separate meeting of the Independent Directors was held on March 31, 2017 in which both the Independent Directors of the Company were physically present without the presence of any non-independent director and members of the management. However, the Company Secretary and Chief Compliance Officer of the Company was present in the meeting. The Independent Directors, inter-alia, reviewed the performance of non-independent directors and the Board as a whole including the review of performance of Chairman of the Company and assessment of the quantity, quality, adequacy & flow of information between the Company's management and the Board.

• Familiarisation Programme

Pursuant to Regulation 25 of the Listing Regulations, the Company has conducted familiarisation programmes for its Independent Directors to enable them to understand the Company, their roles, rights & responsibilities in the Company, nature of the industry in which the Company operates, its strategic and operating plans etc. Presentations from various departmental heads have been made for the Independent Directors to make them aware of the business model and its working. The Code of Conduct for the Director's, the Code of Conduct to Regulate, Monitor and Report Trading by Insiders, the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and various other Policies are also shared with them, from time to time. Further, during the year under review, presentations were also made from time to time at the Board and its Committee meetings, on quarterly basis, covering the business & financial performance of the Company, quarterly/ annual financial results, business outlook and budget etc.

The details of the familiarisation programme for the Independent Directors are available on the website of the Company at [https://www.goindigo.in/information/investor-relationships.html?linkNav=investor-relationships\\_footer](https://www.goindigo.in/information/investor-relationships.html?linkNav=investor-relationships_footer)

• Shareholding of Non - Executive Directors

The shareholding of Non - Executive Directors of the Company as on March 31, 2017 is as follows:

S. No.	Name of the Director	No. of equity shares held
1	Mr. Devadas Malliya Mangalore	Nil
2	Dr. Anupam Khanna	Nil
3	Mr. Rahul Bhatia	40,000
4	Mr. Rakesh Gangwal	60,860,713
5	Mrs. Rohini Bhatia	10,000

The Company does not have any convertible instrument as on date.

**III. Committees of Board of Directors**

The Company have six Board level Committees: –

- i. Audit Committee;
- ii. Nomination and Remuneration Committee;
- iii. Corporate Social Responsibility Committee;
- iv. Stakeholders Relationship Committee;
- v. Compensation Committee; and
- vi. Risk Management Committee

The Composition of all the Committees meets the requirements of the Act and the Listing Regulations.

The details of the role and composition of Committees of the

Board, including number of meetings held during the financial year and attendance thereat, are provided below:

i. Audit committee:

a) Terms of Reference :

The terms of reference of the Audit Committee includes the matters specified under Section 177 of the Act and Regulation 18 read with Part C of Schedule II of the Listing Regulations. This Committee has the following powers, roles and terms of reference:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, and

making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/ application of the funds raised through the proposed offer by the Company

7. Review and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review / oversee the functioning of the whistle blower / vigil mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. In consultation with the internal auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit; and

21. Carrying out such other functions as may specified by the Board from time to time.

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its role / terms of reference or as may be referred to it by the Board and for this purpose shall have full access to information contained in the records of the Company;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Management discussion and analysis of financial condition and results of operations;
6. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
7. Management letters / letters of internal control weaknesses issued by the statutory auditors;
8. Internal audit reports relating to internal control weaknesses;
9. To review the appointment, removal and terms of remuneration of the Chief internal auditor; and
10. Carrying out such other functions as may specified by the Board from time to time.

b) Composition, meetings and attendance:

The composition of the Audit Committee meets the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations. The Chairperson of the Audit Committee is an Independent Director. All the members of the Committee have the ability to read and understand the financial statements.

During the year under review, the Audit Committee met five (5) times on the following dates with necessary quorum being present at all the meetings and the gap between any two meetings did not exceed 120 days.

- April 28, 2016
- August 01, 2016
- November 08, 2016
- December 11, 2016
- January 31, 2017

Details of the composition, meetings and attendance of the members at the Audit Committee meetings held during the year under review are as under:

S. No.	Name of the Committee Member	Position in Committee	Category of director	No of meetings held	No of meetings attended
1	Mr. Devadas Mallya Mangalore	Chairperson	I-NED	5	5
2	Dr. Anupam Khanna	Member	I-NED	5	5*
3	Mr. Aditya Ghosh	Member	ED	5	5

\* including one meeting attended through video conference.

The Company Secretary and Chief Compliance Officer of the Company acts as the Secretary to the Audit Committee. The Chief Financial Officer, Vice President - Finance of the Company and representatives of the Statutory Auditors and Internal Auditors have attended the Audit Committee meetings by invitation.

ii. Nomination and Remuneration Committee:

a) Terms of Reference :

The terms of reference of the Nomination and Remuneration Committee include the matters specified under Section 178 of the Act and Regulation 19 read with Part D of the Schedule II of the Listing Regulations. This Committee has the following powers, roles and terms of reference:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria/policy laid down by the Committee and recommend to the Board their appointment and removal.
2. To formulate the criteria for evaluation of Independent Directors and the Board and to carry out the evaluation of every Director's performance.
3. To formulate the criteria for determining qualification, positive attributes and independence of Directors.
4. To recommend/ approve remuneration of the Executive Directors and any increase therein from time to time, within the limit approved by the shareholders of the Company.
5. To recommend/ approve remuneration of Non-Executive Directors in the form of sitting fees for attending meetings of Board and its Committees, remuneration for other services, commission on profits, grant of stock options or payment of any other amount.
6. To decide the overall compensation structure/ policy for the employees, senior management and the Directors of the Company.
7. To recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
8. To approve the allotment of shares, arising upon exercise of Stock Options to the eligible employees/ ex-employees of the Company, from time to time, under the InterGlobe Aviation Limited Employees Stock Option Scheme - 2015 ("ESOS 2015 - II")
9. To recommend amendment to Employees Stock Option Scheme of the Company or to recommend any such new Scheme for approval of shareholders of the Company.
10. To exercise all the powers as mentioned in the Employees Stock Option Scheme of the Company to be exercised by the Compensation Committee of the Company.
11. To formulate the detailed terms and conditions of the schemes which shall include the provisions as specified under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and shall ensure due implementation of the same;

12. To frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including SEBI (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its employees, as applicable.
13. To approve grant of stock options to Directors and employees of the Company.
14. To invite any executive or outsider, at its discretion at the meetings of the Committee.
15. To devise a policy on Board diversity.
16. To exercise such other powers as may be delegated to it by the Board from time to time.
17. To exercise all such powers / functions as may be specified under the provisions of the Act and / or the Listing Regulations or any other law, as amended, from time to time.
18. Carrying out such other functions as may specified by the Board from time to time.

b) Composition, meetings and attendance:

The composition of the Nomination and Remuneration Committee meets the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations. The Chairperson of the Nomination and Remuneration Committee is an Independent Director. During the year under review, the Nomination and Remuneration Committee met two (2) times on April 28, 2016 and March 03, 2017 with necessary quorum being present at both the meetings.

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

S. No.	Name of the Committee Member	Position in Committee	Category of director	No of meetings held	No of meetings attended
1	Dr. Anupam Khanna	Chairperson	I-NED	2	2
2	Mr. Devadas Mallu Mangalore	Member	I-NED	2	1
3	Mrs. Rohini Bhatia	Member	I-NEPD	2	2

Dr. Anupam Khanna, the Chairperson of the Nomination and Remuneration Committee was present at the Annual General Meeting held on September 21, 2016 to answer the shareholders' queries as required in Listing Regulations. The Company Secretary of the Company acts as the Secretary of the Nomination and Remuneration Committee.

c) Performance evaluation Criteria for Independent Directors

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the performance evaluation of Independent Directors was done by the entire Board and in the evaluation, the Directors who were subject to evaluation had not participated. The evaluation of Independent Directors was based on criteria such as acting objectively and constructively while exercising their duties, exercising their responsibilities in a bona fide manner and in the interest of the Company etc.

Further, the performance evaluation of the Committees of the Board was undertaken on various parameters relating to discharge of its functions & duties as per their respective terms of reference, process & procedure followed for discharging its functions, effectiveness of suggestions & recommendations received, size, structure & expertise of the Committees of the Board and conduct of its meetings and procedure followed in this regard.

d) Remuneration Policy

The Remuneration Policy ("Policy") of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice. Employees are assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

This Policy represents the overarching approach of the Company to the remuneration of Directors, Key Managerial Personnel ("KMP") and other employees. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay.

Further, the proper plans are in place for orderly succession for appointment to the Board and Senior Management.

The terms and conditions for appointment of Independent Directors, the criteria for making payment to the Non - Executive Directors and the Policy as per the requirements of the Act and the Listing Regulations are uploaded on the website of the Company at [https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations_footer)

#### 1) Remuneration to Non-Executive Directors

The Non - Executive Directors are paid sitting fees of Rs. 50,000 for attending each meeting of the Board and its Committees except for attending the Corporate Social Responsibility Committee meetings.

Details of sitting fees paid to Non - Executive Directors during the year under review are as under: (Amount in Rs.)

S. No.	Name of Director	Sitting fees		Total
		Board meetings	Committee meetings	
1.	Mr. Devadas Malliya Managalore	350,000	300,000	650,000
2.	Dr. Anupam Khanna	250,000	350,000	600,000
3.	Mr. Rahul Bhatia <sup>®</sup>	150,000	-	150,000
4.	Mr. Rakesh Gangwal <sup>®</sup>	200,000	-	200,000
5.	Mrs. Rohini Bhatia	100,000	250,000	350,000
	Total	1,050,000	900,000	1,950,000

<sup>®</sup> Mr. Rahul Bhatia and Mr. Rakesh Gangwal are not member of any Committee of the Board of the Company.

#### 2) Remuneration of the President and Whole Time Director

The remuneration paid to the President and Whole Time Director has been recommended by the Nomination and Remuneration Committee, decided by the Board and approved by the members of the Company. Annual increment in the remuneration is approved by the Board on the recommendation of the Nomination and Remuneration Committee, within the overall limit approved by the members of the Company.

Details of remuneration paid to President and Whole Time Director for the year ended March 31, 2017 are as under:

(Amount in Rs.)

Salary & Allowances	Performance Linked Incentive	Perquisites	Total
53,124,883	11,668,125	39,600	64,832,608

\* The above figures do not include provisions for encashable leaves, gratuity and Company's contribution to provident fund.

The notice period of termination either by the Company or by the President and Whole Time Director is 3 months or salary in lieu thereof. There is no separate provision for payment of severance fees.

#### iii. Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee of the Board has been constituted to oversee the CSR Policy and recommend and monitor the amount of expenditure to be incurred on the activities mentioned in the Schedule VII of the Act.

##### a) Terms of Reference :

The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Act. The Corporate Social Responsibility Committee has formulated the Corporate Social Responsibility Policy ("CSR Policy"), which indicates the activities to be undertaken by the Company and to recommend the amount to be incurred on such activities, and institute a transparent monitoring mechanism for implementation of the corporate social responsibility activities.



The CSR Policy adopted by the Company is uploaded on the website of the Company at [https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations_footer)

b) Composition, meetings and attendance:

During the year under review, the Corporate Social Responsibility met (4) four times on the following dates with necessary quorum being present at all the meetings.

- April 28, 2016
- August 01, 2016
- December 11, 2016
- March 03, 2017

Details of the composition, meetings and attendance of the members at the meetings of the Corporate Social Responsibility Committee held during the year under review are as under:

S. No.	Name of the Committee Member	Position in Committee	Category of director	No of meetings held	No of meetings attended
1	Mrs. Rohini Bhatia	Chairperson	NI-NEPD	4	4
2	Dr. Anupam Khanna	Member	I-NED	4	4
3	Mr. Aditya Ghosh	Member	ED	4	4

iv. Stakeholders' Relationship Committee:

The Stakeholders Relationship Committee has been constituted in terms of Section 178 of the Act and Regulation 20 of the Listing Regulations for redressal of Shareholders and Investors complaints and other shareholders related issues. The Company Secretary & Chief Compliance Officer is the Compliance Officer of the Company.

a) Terms of Reference :

1. To consider and resolve the grievances of security holders of the Company;
2. To consider, approve, investigate and provide resolution of shareholders' grievances relating to transfer, transmission, dematerialisation and rematerialisation of shares, issue of duplicate share certificates, non-receipt of annual report, dividend and other matters relating to the shareholders / investors; and
3. Carrying out such other functions as may specified by the Board from time to time.

The Chairperson or in her absence, any other member of the Stakeholders Relationship Committee authorised by her in this behalf shall attend the general meetings of the Company;

b) Composition, meetings and attendance:

During the year under review, the Stakeholders Relationship Committee met (3) three times on the following dates with necessary quorum being present at all the meetings.

- April 28, 2016
- December 11, 2016
- March 03, 2017

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

S. No.	Name of the Committee Member	Position in Committee	Category of director	No of meetings held	No of meetings attended
1	Mrs. Rohini Bhatia	Chairperson	NI-NEPD	3	3
2	Mr. Aditya Ghosh	Member	ED	3	3

The total numbers of complaints received during the year under review were 46 all of which were resolved and there was no pending complaint as on March 31, 2017.

The Company had received one demat request during the year under review. Further, no request for transfer and remat have been received during the year and no request was pending for approval as on March 31, 2017.

v. Compensation Committee

a) Terms of Reference :

The Compensation Committee was constituted in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time with following terms of reference:

1. Formulating the detailed terms and conditions of the schemes which shall include the provisions as specified and shall ensure due implementation of the same;
2. Framing suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including SEBI (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its employees, as applicable; and
3. Carrying out such other functions as may specified by the Board from time to time.

b) Composition, meetings and attendance:

Details of the composition, meetings and attendance of the Members at the Compensation Committee meetings held during the year under review:

S. No.	Name of the Committee Member	Position in Committee	Category of director
1	Dr. Anupam Khanna	Chairperson	I-NED
2	Mr. Devadas Mallaya Mangalore	Member	I-NED
3	Mrs. Rohini Bhatia	Member	NI-NEPD

No meeting of the committee was held during the financial year 2016-17. However, the Committee passed certain resolutions by circulation.

The Board at its meeting held on June 21, 2017, combined the terms of reference of the Compensation Committee with the Nomination and Remuneration Committee. Thereafter, the Compensation Committee was dissolved.

vi. Risk Management Committee

The Board has constituted Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Risk Management Committee is responsible for reviewing the risk management policies and ensuring its effectiveness. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee oversees how management monitors compliance with Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

a) Terms of reference

1. To oversee the Enterprise Risk Management process;
2. To review the risk mitigation plans;
3. To provide guidance to the Company on related matters and make recommendations to the Board on related issues;
4. Carrying out such other functions as may specified by the Board from time to time.

b) Composition, meetings and attendance:

S. No.	Name of the Committee Member	Position in Committee	Category of director
1	Mr. Aditya Ghosh	Chairperson	ED
2	Mr. Devadas Mallaya Mangalore	Member	I-NED
3	Mr. Rohit Philip #	Member	Chief Financial Officer

# appointed as member of the Committee by the Board of Directors on August 01, 2016 in place of Mr. Pankaj Madan, who resigned as Chief Financial Officer of the Company w.e.f July 17, 2016.

During the year under review, the Audit Committee evaluated the Company level risks and their mitigation plans & actions. All the members of Risk Management Committee participated in all the meetings of the Audit Committee held during the year. Therefore, no separate meeting of Risk Management Committee was held during the year under review.

## IV. General Body Meetings

## i. Details regarding the Annual General Meetings ("AGMs") held during the last three financial years:

S. No.	Financial Year	Venue	Date, day and time
1	2015-16	Siri Fort Auditorium, August Kranti Marg, New Delhi 110049, India	September 21, 2016, Wednesday, 09:30 a.m.
2	2014-15	Hotel IBIS, Asset No. 9, Hospitality District Delhi, Aerocity, IGI Airport, New Delhi - 110 037, India	September 29, 2015, Tuesday, 11:00 a.m.
3	2013-14	Ground Floor, Central Wing, Thapar House, 124, Janpath, New Delhi 110001, India	September 08, 2014, Monday, 10:00 a.m.

## ii. Details of Special Resolutions passed in the previous three AGMs :

## a) 13th AGM held on September 21, 2016

- Approval for re-appointment of Mr. Devadas Mallya Mangalore (DIN: 01804955) as a Chairman and Non - Executive Independent Director for a period of 5 years;
- Approval for re-appointment of Dr. Anupam Khanna (DIN: 03421015) as Non-Executive Independent Director for a period of 5 years;
- Approval for alteration of Articles of Association of the Company;
- Approval for increase in borrowing limits of the Company upto an amount of Rs. 2,00,000 million (Rupees Two lakh million) under Section 180(1)(c) of the Act.

## b) 12th AGM held on September 29, 2015:

No special resolution was passed by the members of the Company.

## c) 11th AGM held on September 08, 2014:

- Approval for creation of charge, hypothecation, mortgage, pledge etc. for securing loan upto Rupees Ten Thousand Crores under Section 180(1)(a) of the Act.
- Approval for borrowing limit of the Company upto an amount of Rs. 1,00,000 million (Rupees One lakh million) under Section 180(1)(c) of the Act.

## iii. Details of special resolution passed last year through postal ballot – details of voting pattern

During the financial year ended March 31, 2017, the following resolution was passed through postal ballot:

Date of passing of Resolution	Purpose	Votes in favour of the resolution	Votes against the resolution
September 07, 2016	Ratification and amendment of the InterGlobe Aviation Limited Employees Stock Option Scheme - 2015 ("ESOS 2015 - II")	320,085,308 97.86%	6,994,437 2.14%

During the conduct of the Postal Ballot, the Company had provided remote e-voting facility to its shareholders to cast their votes electronically through Karvy Computershare Private Limited. Postal ballot forms with pre-paid business reply envelopes were sent to shareholders to enable them to cast their votes in writing on the postal ballot.

The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules. The Company had appointed Mr. SS Anand Rao, Practising Company Secretary, as the Scrutiniser for conducting the Postal Ballot exercise in a fair and transparent manner.

The scrutiniser submitted the report to the President and Whole Time Director, after completion of the scrutiny. The results of voting by postal ballot were then announced by the President and Whole Time Director on September 09, 2016. The voting

results were also sent to the Stock Exchanges and displayed on the Company's website. The last date specified by the Company for receipt of duly completed postal ballot forms or e-voting was deemed to be the date of passing of the resolution.

As on the date of this Report, there is no special resolution to be passed through postal ballot on or before ensuing Annual General Meeting.

V. Means of communication:

The Company maintains a functional website with a separate section on the 'Investors Relations' and disseminates all information required to be uploaded on its website as per the Listing Regulations.

The quarterly results of the Company are announced within 45 days of completion of each quarter. Audited Annual Results are announced within 60 days from the end of the Financial Year. The announcement of quarterly and annual financial results to the Stock Exchanges is followed by earnings calls. All the quarterly and annual financial results are sent to the Stock exchanges immediately once approved by the Board and are displayed on the Company's website [https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations_footer)

The quarterly and annual financial results are also published in newspapers i.e. Financial Express (All India English edition) and Jansatta (Delhi Hindi edition). The transcript and audio of earnings call, official news releases and presentations made to investors and analysts are also made available on the website of the Company. Additionally, we have given a facility to investors to register their email id on the website of the Company to get email alerts about any upload made to the investor relations page on our website [www.goindigo.in](http://www.goindigo.in).

The Company has been sending annual report through email to those shareholders, who have registered their e-mail ids with their depository participants / Company's Registrar and Share Transfer Agent and physical reports to those who have not registered their email ids.

The Company also ensures that the details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, details of agreements entered into with media companies and/or their associates including all other mandatory disclosures are promptly and prominently displayed on the website of the Company at : [https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations_footer)

VI. General shareholder information:

i. Annual General Meeting

Date, Day and Time	Monday, August 28, 2017 at 10.30 a.m.
Venue	Zoravar Auditorium, Manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi – 110010, India.

ii. Financial year

The financial year of the Company starts from 1st day of April and ends on 31st day of March of next year. For the year under review, it covered the period from April 01, 2016 to March 31, 2017.

Financial Calendar for the Year 2017-18 (Tentative and subject to change)

Particulars	Tentative Schedule
Financial reporting for the first quarter ending June 30, 2017	On or before August 14, 2017
Financial reporting for the second quarter and half-year ending September 30, 2017	On or before November 14, 2017
Financial reporting for the third quarter and nine months ending December 31, 2017	On or before February 14, 2018
Financial reporting for the year ending March 31, 2018	On or before May 30, 2018
Annual General Meeting for the financial year 2017-18	On or before September 30, 2018

## iii. Dividend:

The Directors of the Company have recommended a final dividend of Rs.34 per equity share (being 340% of the face value of Rs. 10 per share) for the financial year 2016-17 at their meeting held on May 09, 2017, which is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company to be held on Monday, August 28, 2017. The dividend, if approved by the shareholders of the Company, will be paid/ credited on or after August 29, 2017.

## iv. Date of Book closure / Record date:

The Register of Members and Transfer books will remain closed from Tuesday, August 22, 2017 till Monday, August 28, 2017. The Record date for payment of dividend shall be Monday, August 21, 2017.

## v. Listing on Stock Exchanges and payment of Listing fees:

The equity shares of the Company are listed on:

National Stock Exchange of India Limited (NSE)  
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051

and

BSE Limited (BSE)  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400001

Annual Listing fees for the Financial Year 2016-17 were paid by the Company to NSE and BSE within the stipulated time.

## vi. Custodian Fees to Depositories

The Company has paid custodian fees for the financial year 2016-17 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

## vii. Stock Codes / Symbol

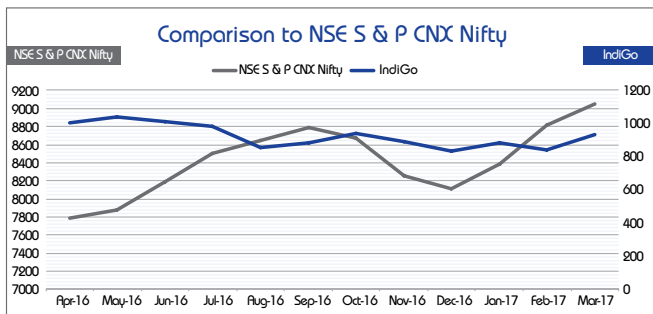
NSE	INDIGO
BSE	539448
International Securities Identification Number (ISIN) for (NSDL and CDSL)	INE646L01027
Corporate Identity Number (CIN)	L62100DL2004PLC129768

viii. Market Price Data:

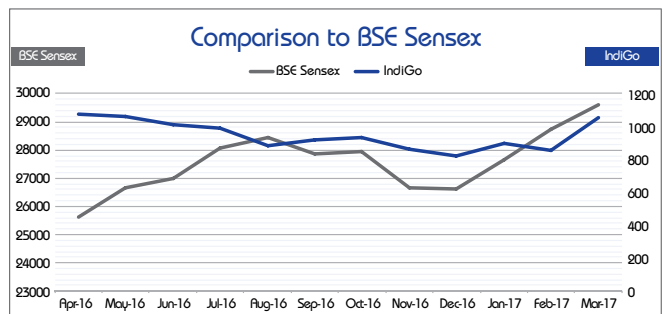
The High, Low (based on monthly closing prices) and number of equity shares traded during each month during the year on NSE and BSE are given below:

Month	NSE			BSE		
	Share price in Rs.		No. of Shares traded	Share price in Rs.		No. of Shares traded
	High	Low		High	Low	
Apr-16	1080.00	862.00	18,387,717	1079.00	862.75	2,770,611
May-16	1095.00	956.00	10,406,426	1095.40	953.55	1,748,453
Jun-16	1089.85	961.00	8,038,001	1089.40	950.00	1,372,343
Jul-16	1054.00	856.60	8,133,103	1054.00	911.50	1,106,744
Aug-16	997.70	790.10	13,591,343	998.00	790.00	3,245,761
Sep-16	950.00	844.00	8,615,523	949.00	844.55	973,912
Oct-16	977.80	916.45	3,280,705	977.00	918.40	569,021
Nov-16	965.95	806.55	5,970,101	963.00	806.50	790,557
Dec-16	860.00	811.00	2,572,547	894.80	810.90	474,478
Jan-17	944.00	812.00	3,240,026	942.80	814.00	339,015
Feb-17	877.00	815.00	5,832,373	876.40	816.00	584,577
Mar-17	1094.00	852.10	17,614,098	1093.55	854.00	1,503,378

ix. Stock Performance in comparison to NSE S & P CNX NIFTY for the relevant period:



x. Stock Performance in comparison to BSE Sensex for the relevant period:



xi. Reason for securities suspended from trading: The securities of the Company were never suspended from trading on stock exchanges during the year.

xii. Registrar and share transfer agent (RTA)

Karvy Computershare Private Limited  
 Karvy Selenium Tower - B, Plot Number 31 & 32,  
 Financial District, Gachibowli,  
 Hyderabad - 500 032, India  
 Phone: +91 - 40 - 6716 2222  
 Fax No: +91 - 40 - 2342 0814  
 Toll Free No. : 1800 345 4001  
 Email Id: einward.ris@karvy.com



## xiii. Share transfer system:

The Company's shares are traded on the Stock Exchange compulsorily in dematerialised mode. Physical Shares which are lodged with the RTA and / or the Company for transfer are processed and returned to the members duly transferred within the time stipulated under the Listing Regulations subject to documents being found valid and complete in all respects. The dematerialised shares are transferred directly to the beneficiaries by the depositories.

As per the provisions of the Act, facility for making nomination is available for the Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Corporate Secretarial Department of the Company or RTA of the Company. Members holding shares in dematerialised form should contact their Depository Participants (DP) in this regard.

The Company obtains half-yearly certificate of compliance related to the share transfer formalities from a Company Secretary in practice as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate simultaneously with the Stock Exchanges under Regulation 40(10) of the Listing Regulations.

## xiv. Dematerialisation of shares and liquidity;

Trading in the Company's shares is permitted only in dematerialised form. The Company has established connectivity with both the Depositories viz. NSDL and CDSL through its RTA, whereby the investors have the option to dematerialise their shares with either of the Depositories. The Company obtains a certificate from a Company Secretary in practice every quarter as per the Listing Regulations, which confirms that total issued capital of the Company is in agreement with total number of shares in dematerialised form with NSDL and CDSL and shares in physical form.

Shares held in dematerialised and physical form as on March 31, 2017:

	Shareholders		Share Capital	
	No. of Share holders	% to Total Shareholders	No. of Shares	% to Total Share Capital
Dematerialised Form				
NSDL	37,778	63.54	351,477,896	97.24
CDSL	21,675	36.45	5,646,911	1.56
Total in dematerialised form	59,453	99.99	357,124,807	98.80
Physical Form	4	0.01	4,343,556	1.20
Total	59,457	100	361,468,363	100.00

As on March 31, 2017, 98.80% of the paid up share capital constituting 99.99% of the number of shareholders, had been dematerialised.

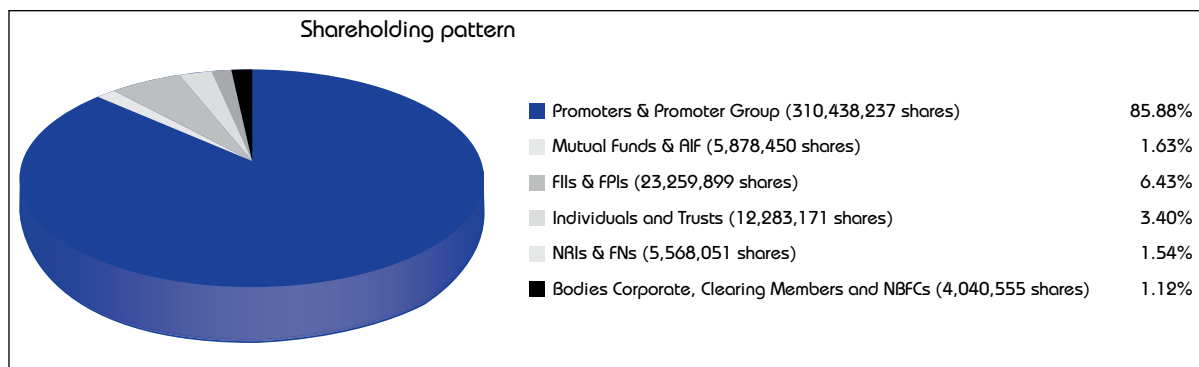
## xv. Shareholding of the Company as on March 31, 2017

## a. Distribution of shareholding as on March 31, 2017:

Category Equity shares From – To	Shareholders		Share Capital	
	Number	% of total shareholders	Number	% of total equity capital
1 – 5,000	59,165	99.51	5,771,619	1.60
5,001 – 10,000	105	0.18	779,112	0.21
10,001 – 20,000	41	0.07	556,592	0.15
20,001 – 30,000	18	0.03	449,941	0.12
30,001 – 40,000	17	0.03	567,661	0.16
40,001 – 50,000	10	0.02	454,576	0.13
50,001 – 100,000	24	0.04	1,652,475	0.46
100,001 and above	77	0.12	351,236,387	97.17
Total	59,457	100.00	361,468,363	100.00

b. Shareholding pattern of the Company as on March 31, 2017 is given as under:

Legends: AIF - Alternate Investment Fund, FIs – Foreign Institutional Investors, FPIs – Foreign Portfolio Investors, NRIs – Non-Resident Indian, FNs - Foreign Nationals, NBFCs - Non Banking Financial Companies



c. Top ten shareholders other than Promoters as on March 31, 2017

S. No.	Name of the Shareholders	Category of Shareholder	No of Shares held	% of shares held
1	Riyaz Haider Peer Mohamed	Public	5,110,000	1.41
2	Motilal Oswal Most Focused Multicap 35 Fund	Mutual fund	2,193,136	0.61
3	Kunal Chanana	Public	1,988,618	0.55
4	National Westminster Bank Plc. as Trustee of The Jupiter India Fund	FPI	1,930,352	0.53
5	Stichting Depository APG Emerging Markets Equity Pool	FPI	1,899,751	0.53
6	Anil Chanana	Public	1,884,982	0.52
7	Government of Singapore	FPI	1,473,588	0.41
8	Pictet Global Selection Fund-Global High Yield Emerging Equities Fund	FPI	1,292,496	0.36
9	Parvest Equity India	FPI	1,118,881	0.31
10	Pictet Country (Mauritius) Limited	FPI	1,106,872	0.31
	Total		19,998,676	5.54

xvi. Disclosures with respect to demat suspense account/ unclaimed suspense account:

The Company made its maiden Initial Public Offering (IPO) in October 2015. Pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulations, there was nil balance of Equity shares in the unclaimed shares escrow demat account opened with Karvy Computershare Pvt Ltd. The Company had paid all refunds due to investors of the IPO.

xvii. Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has no outstanding global depository receipts or American depository receipts or warrants or any convertible instruments as on March 31, 2017.

xviii. Commodity price risk or foreign exchange risk and hedging activities:

The Company has not undertaken any forex or hedging transaction during the year under review.

xix. Plant locations:

The Company operates from various offices and airports in India and abroad and occupies an Airport Hangar at Delhi Airport to provide repairs and maintenance services for aircraft. The Company also has Ground Support Department at various airports to provide support for ground handling activities.

Since the Company is engaged in aviation services sector, we do not have any manufacturing or processing plants.

xx. Address for correspondence:

Mr. Sanjay Gupta

Company Secretary and Chief Compliance Officer

InterGlobe Aviation Limited

Level - 4, Tower - D, Global Business Park,

M G Road, Gurgaon, Haryana - 122 002, India

Phone: +91 - 124 - 435 2500

Fax: +91 - 124 - 426 8664

Dedicated e-mail Id for redressal of Investors grievances: investors@goindigo.in

VII. Other Disclosures

i. Related Party Transactions

All the transactions with related parties as per applicable accounting standards (Ind AS) are set out in Notes to Accounts forming part of financial statements. All transactions entered into with Related Parties as defined under the Act and Regulation 23 of the Listing Regulations during the year under review were in the ordinary course of business and on arms' length basis. All related party transactions were placed before the Audit Committee for review and were approved.

There were no materially significant transactions with related parties during the year under review which were in conflict with the interest of the Company.

The required statements / disclosures, with respect to the related party transactions, are placed before the Audit Committee of the Company in terms of the Listing Regulations and the Act and other applicable laws for approval / information.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website at [https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations_footer)

ii. Details of non-compliance:

The Company has complied with the requirements of the Regulatory Authorities on matters related to the capital market and no penalties/ strictures have been imposed against the Company by the Stock Exchanges or SEBI or any other Regulatory Authority on any matter related to capital market during the last three years in terms of Schedule V to the Listing Regulations.

iii. Whistle blower policy and vigil mechanism

The Company is committed to develop a culture of highest standards of ethical, moral and legal business conduct wherein it is open for communication regarding the Company's business practices, avenues for employees to raise concerns about any poor or unacceptable practice and to protect employees from unlawful victimization, retaliation or discrimination for their having disclosed or reported fraud, unethical behavior, violation of Code of Conduct, questionable accounting practices, grave misconduct etc.

The Company has adopted a policy on Whistle Blower & Vigil Mechanism in compliance of Section 177 of the Act and Regulation 22 of the Listing Regulations.

The objective of the Policy is to maintain a workplace that facilitates the fearless reporting of potential violations of Company's policies and applicable laws, regulatory requirements, misrepresentation of any financial statements. It is meant to ensure that all the Directors and employees must be able to raise genuine concern regarding such potential violations easily and free of any fear of retaliation.

Genuine concerns and grievances that may be raised under this Policy include a wide range of issues, some of which are listed below:

- any unlawful act, whether criminal (e.g. theft) or giving rise to a civil action (e.g. slander or libel);
- breach of any policy or manual or code including the Code of Conduct adopted by the Company;
- fraud and corruption (e.g. attempts to solicit or receive any gift/ reward as a bribe);
- any instance of failure to comply with legal or statutory obligations either for and on behalf of the Company or in any personal capacity in the course of discharging duties of the Company;
- any instance of any kind of financial malpractice i.e. manipulation of Company data/ records, financial irregularities, including fraud or suspected fraud or deficiencies in internal control and check or deliberate error in preparations of financial statements or misrepresentation of financial reports;
- deliberate violation of law/ regulation and wastage/ misappropriation of Company funds/ assets; and
- abuse of power (e.g. sullyng/ harassment).

The policy also provides adequate safeguards against victimisation of persons who use such mechanism. No person has been denied access to the Chairman of Audit Committee. The employees/ Directors of the Company have the right / option to report their concern / grievance to the Chairman of the Audit Committee. The Audit Committee periodically reviews the functioning of this mechanism at its meetings held every quarter.

The said Policy is uploaded on the website of the Company at [https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations_footer)

iv. Requirements of Chapter IV of the Listing Regulations

The Company has complied with all applicable requirements of Chapter IV of the Listing Regulations relating to obligation of the listed entity which has listed its specified securities.

v. Compliance with mandatory Corporate Governance requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory corporate governance requirements specified in Regulations 17 to 27 of the Listing Regulations and adopted the following non-mandatory requirements as prescribed in Part E of Schedule II of Regulation 27 of the Listing Regulations:

a) Audit qualifications

During the year, there was no audit qualification on the Company's financial statements.

b) Reporting of Internal Auditor

The Internal Auditors of the Company namely Price Waterhouse & Co Bangalore LLP, Firm Registration Number 007567S/S-200012 and LLPIN AAC-6284 report to the Audit Committee of the Company.

c) Separate position of the Chairperson and the CEO

There are separate positions of the Chairperson and CEO (designated as President and Whole Time Director) and there is a clear demarcation of the roles and responsibilities of both the positions.

d) Shareholders' Rights

The Company has a policy of announcement of the unaudited quarterly financial results. The results, as approved by the Board of Directors are submitted to stock exchanges within the stipulated time period of 30 minutes from the time

of closure of the meeting. After filing, the results are uploaded on the website of the Company [https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations_footer). The results are published in newspapers in the formats prescribed by the Listing Regulations as updated from time to time. An earnings call of analysts is organised after the conclusion of the Board meeting held for approval of the financial results, where the management responds to the queries of the investors / analysts. These calls are webcast live and transcripts are also posted on the website of the Company.

vi. Code of Conduct for Directors and Senior Management

The Board has laid down Code of Conduct for Directors & Senior Management. All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the said Code of Conduct as on March 31, 2017. A declaration to this effect duly signed by the President and Whole Time Director who is performing the role and responsibility of the Chief Executive Officer, is annexed at the end of this Report. The Code of conduct is available at the website of the Company at viz, [https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations_footer)

vii. Code of Conduct for employees

The Company has in place a Code of Conduct which is applicable to all the employees. In addition to this, the Company also have Gifts and Business Courtesies Policy and Anti-fraud Policy. The employees need to undergo a Code of Conduct Refresher course every year and submit an annual affirmation to HR.

viii. Anti-Sexual Harassment Policy

The Company has framed a Policy on Prevention of Sexual Harassment at workplace in compliance with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 & Rules made thereunder. As per the requirement of Act and Rules made thereunder, the Company has constituted an internal Complaints Committee.

ix. Policy for determining 'material' subsidiaries

The Company has formed a maiden subsidiary Company namely Agile Airport Services Private Limited ("Agile") in February, 2017, Minutes of the Board Meetings of the subsidiary company are placed before the Board as provided in the Regulation 34 of the Listing Regulations. The Board has formulated a Policy for determining material subsidiaries pursuant to the provisions of the Listing Regulations, namely, "InterGlobe Aviation Limited- Policy on Material Subsidiary". Agile has not commenced its operation as on the date of this Report.

x. Dividend Distribution Policy

The Company has framed and adopted Dividend Distribution Policy in compliance with Regulation 43A of the Listing Regulations. The same is available on the website of the Company at [https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations_footer). Dividend Distribution Policy sets forth the broad principles that would guide the Board of the Company in matters concerning declaration and distribution of dividend, with a view to impart transparency in the decision making process and ultimately assist stakeholders in making informed investment decisions. All dividends, other than interim dividend(s), are to be declared at the AGMs of members based on the recommendation of the Board. The Board may also from time to time declare interim dividend(s) to the members of the Company.

xi. Audit qualifications

The Company adopts best practices to have the financial statements with unmodified audit opinion. There were no audit qualifications, adverse remarks, reservations or disclaimers made by B S R & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company on the financial statements for the year ended on March 31, 2017.

xii. Disclosure on risk management

The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Risk Management Committee is responsible for reviewing the risk management policies and ensure its effectiveness. The Risk management committee oversees how management monitors compliance with Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Company.

xiii. Independent Directors

The Independent Directors of the Company have the option and freedom to meet and interact with the Company's Management as and when they deem it necessary. They are provided with necessary resources and support to enable them to analyse the information/ data provided by the Management and help them to perform their role effectively.

xiv. Reconciliation of share capital audit

A qualified Company Secretary in practice carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital of the Company. The audit report confirms that the total issued / paid-up capital is the aggregate of the number of shares held in physical form and in dematerialised form held with NSDL and CDSL and matches with total listed shares with NSE and BSE.

xv. Insider Trading

In compliance with the Requirements of the Securities and Exchange Board of India (Prohibition of insider trading) Regulations, 2011, as amended, from time to time, the Company has established systems and procedures to prohibit insider trading activity and has formulated and adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Fair Disclosure Code") and Code of Conduct to Regulate, Monitor and Report Trading by insiders ("Insider Trading Code"). Insider Trading Code applies to all Directors, employees of the Company, Designated Persons and connected persons who may have access to unpublished price sensitive information relating to the Company. The Insider Trading Code lays down procedures to be followed and disclosures to be made, while trading in the Company's shares. The Company Secretary is Compliance Officer for the purpose of Insider Trading Code.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company for gain / personal benefit or to provide benefit to any third party.

xvi. Corporate Social Responsibility Activities

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has established Corporate Social Responsibility (CSR) Committee, details of which are given earlier in this Report. An Annual Report on CSR Activities forms part of the Board's Report.

The Company has also formulated Corporate Social Responsibility Policy and same is available at the website of the Company [https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations_footer)

xvii. Compliance with the ICSI Secretarial Standards

The Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on "Meetings of Board of Directors (SS-1)" and "General Meetings (SS-2)" have been complied by the Company.



### VIII. Disclosure of commodity price risks and commodity hedging activities

The Company has not undertaken any commodity price risk or hedging transaction during the year under review.

### IX. Auditor's Certificate on Corporate Governance

During the year under review, the Company has complied with all the requirements of Corporate Governance as specified in the Listing Regulations. In terms of Regulation 34 of the Listing Regulations a Certificate from Sanjay Grover & Associates, Practicing Company Secretaries (Firm Registration No. P2001DE052900) is annexed to the report.

### X. President and Whole Time Director / CFO Certification

A Certificate on financial statements for the year under review, pursuant to Regulation 17(8) of the Listing Regulations has been obtained from the President and Whole Time Director and the Chief Financial Officer of the Company. Extract of the same is annexed to this Report.

## Compliance Certificate

To,  
The Board of Directors,  
InterGlobe Aviation Limited

Dear Sir,

Sub: Compliance Certificate on the Financial Statements of InterGlobe Aviation Limited ("the Company") under Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Aditya Ghosh, President & Whole Time Director and Rohit Philip, Chief Financial Officer of InterGlobe Aviation Limited (the "Company") hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2017 and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we

have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- D. We have indicated to the auditors and to the Audit Committee
- i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Aditya Ghosh  
President and Whole Time Director

Rohit Philip  
Chief Financial Officer

Date : May 09, 2017

Place : Gurgaon

## Declaration by the President and Whole Time Director on Compliance of Code of Conduct

I, Aditya Ghosh, President and Whole Time Director of InterGlobe Aviation Limited hereby confirm that the members of Board of Directors and senior management personnel have affirmed compliance with InterGlobe Aviation Limited - Code of Conduct for Directors and Senior Management for the year ended March 31, 2017.

Aditya Ghosh

President and Whole Time Director

Date: June 21, 2017

Place: Gurgaon

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## Corporate Governance Certificate

To,  
The Members  
InterGlobe Aviation Limited

We have examined the compliance of conditions of Corporate Governance by InterGlobe Aviation Limited ("the Company"), for the financial year ended March 31, 2017 as stipulated under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sanjay Grover & Associates  
Company Secretaries  
Firm Registration No.: P2001DE052900

Date : June 21, 2017  
Place : New Delhi

Sanjay Grover  
Managing Partner  
CP No.: 3850

## Business Responsibility Report

InterGlobe Aviation Limited ("IndiGo" or "Company" or "We"), India's largest airline with a market share of 40.1% during FY17, is amongst the fastest growing low cost carriers in the world. We primarily operate in India's domestic air travel market as a low-cost carrier with focus on three pillars – offering low fares, being on-time and delivering a courteous and hassle-free experience. IndiGo has become synonymous with being on-time. We operate on a low-cost carrier (LCC) business model and continuously focus on maintaining our cost advantage and a high frequency of flights.

The Company took delivery of its first aircraft in July 2006 and commenced operations a month later and started the era of revolutionary domestic aviation in India. The Company became the largest Indian carrier by passenger market share in 2012 and was listed on Stock Exchanges in November 2015 to revive the primary market in India. We are a fleet of 131 Airbus A320 aircraft, offering 896 peak daily flights connecting 38 domestic destinations and 6 international destinations as on March 31, 2017. We added 4 new destinations during the year including 1 international destination. We ranked number 1 in "On-Time Performance" in the month of March, 2017.

IndiGo is not only the most efficient affordable fare operator domestically but is also comparable with global low cost airlines. We are constantly enhancing our engagement with our passengers to augment their travel experience. Since our inception, we have achieved strong and sustained passenger growth.

While we seek to provide exceptional value to our customers, we also endeavour to positively impact the lives of our multiple stakeholders. Our deep-rooted philosophy of growth thus embraces community welfare and social responsibility.

In support of Honourable Prime Minister Shri Narendra Modi's UDAN vision and to embark on a journey to build a nation-wide regional network and connect cities that have not benefitted from the growth in Indian aviation, IndiGo has signed a term sheet with Avions de Transport Regional G.I.E. (ATR) for the purchase of 50 ATR 72-600 aircraft with the flexibility to reduce the number of aircraft deliveries based on certain conditions. This term sheet is subject to reaching a mutually satisfactory final purchase agreement. IndiGo plans to launch its turboprop operation at the end of calendar 2017 and expects to induct up to 20 ATR aircraft by December 2018.

This Business Responsibility Report is based on the format prescribed by the Securities and Exchange Board of India (SEBI) and in line with the National Voluntary Guidelines (NVG) of 9 principles.

## Section A: General information about the Company

1.	Corporate Identity Number (CIN)	L62100DL2004PLC129768
2.	Name of the Company	InterGlobe Aviation Limited
3.	Registered address	Central Wing, Ground Floor, Thapar House, 124, Janpath, New Delhi - 110 001, India.
4.	Website	www.goindigo.in
5.	E-mail id	investors@goindigo.in
6.	Financial year reported	April 01, 2016 – March 31, 2017
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Passenger Services - Air Transport (National Industrial Classification (NIC) Code - 51101, 51201, 52243 and 52291)
8.	List three key products / services that the Company manufactures provides	Domestic scheduled air transport services of passengers International scheduled air transport services of passengers
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	6 international locations - Bangkok, Dubai, Kathmandu, Muscat, Singapore and Sharjah 38 domestic locations
10.	Markets served by the Company	Local / State / National (domestic) / International

## Section B: Financial details of the Company

1.	Paid up Capital	Rs. 3,614.68 million
2.	Total Turnover	Rs. 193,695.70 million
3.	Total profit after taxes	Rs. 16,591.88 million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.30% (Total amount spent on CSR during the year : Rs. 215.81 million)
5.	List of activities in which expenditure in 4 above has been incurred:-	a) Promoting education and eradicating poverty, hunger and providing health care b) Promoting gender equality and women empowerment c) Employment enhancing vocational skills

## Section C: Other details

1.	Does the Company have any subsidiary company/ companies?	Yes
2.	Do the subsidiary company / companies participate in the Business Responsibility (BR) Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No*
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

\* the Company's maiden subsidiary Company was incorporated in February 2017 and has not commenced its operations yet.

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

#### (a) Details of the Director/Directors responsible for implementation of the BR policy/policies

Mr. Aditya Ghosh, President and Whole Time Director is responsible for implementing the BR policies.

#### (b) Details of the BR head

1.	DIN Number	01243445
2.	Name	Mr. Aditya Ghosh
3.	Designation	President and Whole Time Director
4.	Telephone number	0124-4352500
5.	E-mail id	investors@goindigo.in

2. Principles-wise as per National Voluntary Guidelines BR Policy/policies - the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs), released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. The principles are listed hereunder:

Principle 1 Ethics, Transparency and Accountability	Principle 2 Safety of Products and Sustainability during its life cycle	Principle 3 Wellbeing of Employees
Principle 4 Interest of Stakeholders – Disadvantaged, Vulnerable and Marginalised	Principle 5 Promotion of Human Rights	Principle 6 Protection and Restoration of Environment
Principle 7 Influencing Public and Regulatory Policy	Principle 8 Growth and Equitable Development	Principle 9 Value to Customers and Consumers

(a) Details of compliance (Reply in Y/N)

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

Notes:

@ All the Policies relating to principles are formulated with detailed consultation with relevant stakeholders (internal and external). They are developed, aligned and conform to applicable legal and regulatory requirements and guidelines, rules and regulations issued by the Regulators, management perceptions, national or international standards and internal mandates, as amended from time to time.

# The relevant policies related to the principles are administered by the Departmental Heads who report to the President and

Whole Time Director of the Company, who monitors and oversees all policy implementation. The Code of Conduct for Senior management and Directors has been approved by the Board of Directors. The CSR Policy and any amendments thereto are recommended by the members of CSR Committee at their meeting and approved by the Board of Directors of the Company.

- \* The policies mentioned above can be viewed at the following link under the head Corporate Governance- Policies, [www.goindigo.in/information/investor-relations.html?linkNav=investor-relations\\_footer](http://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations_footer). All other policies are internal documents of the Company and are not accessible to the public.
- © The President and Whole Time Director keeps a record of progress on initiatives and actions through periodic reviews. Proper Grievance Redressal system is in place to address the concern of internal and external stakeholders.
- ® The policies and their implementation has been reviewed periodically by internal management. The Company is not conducting any Independent and formal audit of the policies and its implementation. However, the Internal Audit conducted by the Company and by Internal Auditors, evaluate the implementation of the various policies.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify) ∞	-	-	-	-	-	-	√	-	-

∞ Your Company does not take part in any lobbying in the aviation sector.

### 3. Governance related to BR

1.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. (Within 3 months, 3-6 months, Annually, More than 1 year)	The Board of Directors directly or through its various Committees, assesses initiatives forming part of BR performance of the Company.  The CSR Committee at its meetings held during the year reviews the implementation of various projects/initiatives/programmes undertaken by the Company.
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Business Responsibility (BR) Report of the Company is published annually as a part of Annual Report and it is available at the website of the Company at <a href="https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations_footer">https://www.goindigo.in/information/investor-relations.html?linkNav=investor-relations_footer</a> .

## Section E: Principle-wise Performance

### Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Code of Conduct of the Company 'InterGlobe Aviation Limited -Code of Conduct' (CoC) is applicable to the employees of IndiGo at all locations, India or abroad, its Board of Directors and all those acting on behalf of IndiGo (such as vendors, suppliers, consultants, agents, etc. and their employees). The CoC affirms the adherence to the high ethical standards and

transparency at all levels. The CoC is aligned with the three basic values and principles of IndiGo of Integrity, Customer Orientation and Future- Mindedness.

The CoC defines the expectation of IndiGo from all its businesses and employees. The CoC is meant to help its employees and guide them to achieve and maintain high standards of ethics and professional conduct. It enables them to work in a manner which is consistent with our values and to ensure that your Company maintains its reputation with internal as well as external



stakeholders. IndiGo does not tolerate bribery and corruption in any form or manner. The Company respects and endeavors to comply with all laws related to bribery and corruption in the jurisdictions in which it operates.

All employees of IndiGo have to undergo mandatory online CoC training 'CoC Refresher E-learning' on annual basis to affirm their commitment to the CoC and are also required to submit the Annual declaration on compliance of the CoC for the year.

During the year 2016-17, 10 complaints were reported relating to CoC and resolved satisfactorily. These complaints were placed before the Audit Committee and the Committee Members took note of the same.

The Company has in place different mechanisms for receiving and dealing with complaints from different stakeholders, viz. shareholders, customers, employees, vendors etc. There are dedicated resources to respond to the complaints in a timely manner.

**Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

We at IndiGo, consistently seek to enhance the quality of our services and promote the highest levels of safety through our endeavor to minimise the environmental fallout of our operations by deploying efficient technology and solutions.

Domestic aviation in India is jointly regulated by several Government departments and regulators which includes the Ministry of Civil Aviation (MoCA) and its attached office, the Bureau of Civil Aviation Security (BCAS) - which is the central agency for aviation security; the Directorate General of Civil Aviation (DGCA) - which is responsible for the regulation of air transport services in India and for the enforcement of civil air regulations (CAR), air safety and airworthiness standards; and the Airport Authority of India (AAI) - which is responsible for the infrastructure in respect of various airports across the country. The existing practices and services comply with the relevant guidelines issued by these regulatory authorities.

At IndiGo, it is our strategy to consistently offer low fares and provide reliable service that meets or exceeds our customers' expectations. We regularly monitor our performance in relation to on-time performance and all type of customer related aspects.

We deliver quality in-flight services through our cabin crew who are recruited through a rigorous hiring process and undergo

various training courses which are also refreshed annually and comply with guidelines stipulated by the DGCA, BCAS and as per the norms specified for Scheduled Air Transport Services (Passenger) (Civil Aviation Requirements Section 3 Series 'C' Part II) as specified by DGCA and our internal performance standards. These training courses include service procedures, customer care, safety and grooming.

BCAS oversee security procedures in Indian civil aviation, whereas the DGCA oversee safety procedures in Indian civil aviation. As such, we are governed by the appropriate regulations of BCAS and the DGCA with respect to our operations.

We strive to follow best safety practices and our commitment to safety and security is reflected in the maintenance of our aircraft and engines, the extensive training given to pilots, cabin crew and employees and the strict policies and procedures in compliance with the local regulations, international standards and best practices regarding all areas of our business that are involved with the operation of our aircraft.

Our safety procedures are established by a Safety Committee that is chaired by our President and Whole Time Director and comprises of senior management with responsibility for safety and security matters and the heads of each operating department. Our commitment to safe operations is apparent through our participation in internationally recognised safety audits and our safety training procedures, investment in safety-related equipment, collection of flight data for analysis and oversight of equipment and use of systems and procedures relating to safety standards.

The International Air Transport Association, or IATA, Operational Safety Audit, or IOSA, program is an internationally recognized and accepted evaluation system designed to assess the operational management and control systems of an airline. IOSA certification certifies our commitment to meeting international safety standards which helps to reduce our insurance premiums. In addition, we have undergone the Line Operation Safety Audit (LOSA), conducted by the U.S.-based LOSA Collaborative. In 2016, we carried out internal LOSA and plan to carry out ILOSA (IndiGo LOSA) in 2017. We conduct safety audits once in two years voluntarily to check the lapses as per the IOSA standards. The Company is a member of Flight Safety Foundation (FSF), USA to meet all safety requirements as per international standards. The IOSA held in 2015 had nil findings as per the standards set internationally.

We implemented a robust system and well comprehensive and documented safety management system, including safety procedures and safety related data collection, which is designed to identify and report hazards or incidents before their occurrence and ensure that our employees understand their responsibility in ensuring safety standards are met. The Safety Committee ensures the compliance of all safety procedures beforehand to avoid any lapses. We have installed software on all of our aircraft to report engine performance and maintenance data to our centralised operations control center.

This Safety Committee meets on weekly basis with all departmental heads to review, measures and monitor various risks at all stations and to formulate plans to minimise the hazards. The Committee is responsible to review the implementation of Hazards Management System at all locations through centralised control of various risks and hazards. The Hazard Management System controls and reviews the hazard logs prepared by Safety Inspectors and various trained contractors to control the repetitive nature of risks and hazards.

We perform safety audits, inspections, surveys and studies as part of our quality assurance program. We also regularly meet with third parties such as the DGCA, IATA and the Gulf Flight Safety Committee to share information relating to hazards, safety-related matters and best practices worldwide. Internal Safety Audit as per the Annual Audit plan is carried out every year at all base stations. As per the requirement of DGCA, the safety audit is required once in two years. However, to keep check on each and every risk and hazards before they occur, we conduct safety audit every year voluntarily.

The Internal Safety Audit to check the implementation of safety processes across all the airports, comprises of 2-3 days long reviews and various safety related training programmes are conducted as a part of audit.

A safety magazine issued fortnightly containing all case studies during the period is circulated internally to sanitise the employees with the safety procedures, risks and hazards & processes to remove them on time. We seek to disclose the process of risk management and the results of risk assessments through this magazine without revealing any trade secrets. The Committee should make sure that the material risk factors are communicated in a transparent and understandable fashion. Disclosure of risk factors should be focused on those identified as more relevant and/or should rank material risk factors in order

of importance on the basis of a qualitative selection whose criteria is disclosed in a marketable fashion as provided by OECD (2010) through its publication 'Corporate Governance and the Financial Crisis'

IndiGo has a mechanism to control waste and recycling of waste. The data relating to recycling of waste is covered in the CSR Report and various sections of this report.

### Principle 3 - Businesses should promote the wellbeing of all employees

Awarded "Aon Best Employer India 2017" for two years in a row, IndiGo believes that the Human Capital is the greatest resource and asset to the Company. Your Company has a long standing practice of developing talent from within. Much of this can be attributed to living and espousing our values, employee-friendly policies and practices and nurturing a culture of shared vision and commitment.

Details of employees and contracted work force as on March 31, 2017 are listed below:

Sl. No.	Categories of employees	Number of employees
1.	Total number of Permanent employees	14,576*
2.	Total number of employees hired on temporary / contractual / casual basis	8,225
3.	Number of permanent women employees	6,377
4.	Number of permanent employees with disabilities	10

Note: \* the total number of employees does not include the international on roll employees.

Your Company did not have any employee association that is recognised by management.

IndiGo has taken initiatives to ensure the work life balance of its employees. We have a policy to adopt flexi working hours at office to maintain work life balance especially for female employees. We are committed towards providing an inclusive workspace where all our employees including women employees feel safe. The aviation industry where crew consists of more women employees, we are committed to provide environment that is safe, hygienic, humane, and which upholds the dignity of all our employees. We sanitise our workforce on regular basis through trainings, lectures and conferences internally to enhance their abilities.

We provide facilities such as extended maternal leaves and an

onsite crèche at our locations to enable young mothers at office to pursue their careers. The safety of our female staff is the responsibility of their respective supervisors who are guided by our safety guidelines. All cases of harassment are treated with great sensitivity and are escalated in time for resolution. The Compliance Committee (CC) constituted under the CoC of the Company, investigates complaints/instances that are reported and ensures resolution through a fair and transparent process. In the reporting year, all reported cases were investigated by the CC and successfully resolved. Our policy and the process of redressal is governed by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Company promotes an inclusive culture where merit is rewarded, openness is fostered, diversity is valued and an individual's opinion is respected. We undertake several initiatives on a periodic basis to keep our employees informed, engaged and empowered. Some of our key employee engagement activities include conducting IGT (IndiGo's Got Talent), an annual programme where all employees showcase their talent on Pan India basis, online quiz programmes, offsite events, special workshops for women on International Women's day at various workplaces and also organise programs like 'In pursuit of Excellence', and sports events like cricket tournaments etc. Caring for the well-being of employees is central to our work culture. Aligned to this approach, the Company has a number of employee welfare policies in line with the updated regulatory framework.

Details of complaints as at the end of the financial year:

Sl. No.	Category	No. of complaints filed during the financial year 2016-17	No. of complaints pending as at end of the financial year
1	Child labour / forced labour / involuntary labour	-	-
2	Sexual harassment	4	-
3	Discriminatory employment	-	-

The aviation business requires having highly-skilled, dedicated and efficient pilots, cabin crew and other personnel. The growth plans of your Company will require us to hire, train and retain a significant number of new employees in the future. We provide continuous training programmes to update our pilots, cabin crew, engineering staff, airport operations and customers

services as approved by the regulators. Our operation control procedures and flight crew training standards are regularly audited for compliance with Indian legislation by both DGCA and us internally.

DGCA Safety and Emergency Procedure training is mandatory for departments directly responsible for the safety of the flight and passengers. All emergency drills are conducted in airplane mockups so as to create a real feel of what may be expected during an emergency

Cabin Crew undergoes ab – Initio training, recurrent training, training for lead cabin crew and curative training. Flight Crew undergo pilot Induction training, refresher training and crew resource management trainings. Safety and emergency training is also a mandatory requirement for Flight Marshalls, Ramp Staff, Cargo Team and volunteers of the Family Assistance Care team.

Customer Service and Behavioral training program at 'ifly' is designed in a manner where we can develop the customer service orientation of the organisation. This is where we train and uphold standards of customer service delivered by Inflight Service (IFS) and Airport Operation & Customer Services team (AOCS), develop an internal customer service culture and inculcate behaviors required at the workplace aligned to the service culture.

Communication training at IndiGo focusses on Business communication. Our training modules are designed to help develop a truly engaging and responsive communication style, leading to positive results in the organisation.

Leadership Development Training programs are designed keeping in mind an employee's designation and job function. Trainings are tailor made for employees at an individual level, employees at a supervisory capacity, employees in managerial roles and those who handle complex business functions.

*Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised*

IndiGo believes that effective stakeholder engagement is pivotal for business sustainability. Structured programs are identified and pursued to create societal impact through engagement of various NGOs and organisations working for the welfare of the socially disadvantaged, vulnerable and marginalised sector of the society.

IndiGoReach is the CSR arm of the Company through which we

carry our CSR activities. We ensure that the CSR is well integrated in the business, we take up initiatives which are synonymous with IndiGo's values. IndiGoReach was engaged in 33 projects at the close of the financial year 2016-17. The partnership-driven projects by the Company comprised Bandhan Konnagar, Mensa India, PRADAN, Smile Foundation, Environmental Defense Fund & Fair Climate Network, Indraprastha Cancer Society & Research Center, SOS Children's Village, All India Human Development Council, Swechha, Uththan, Kiddy Kingdom Academy, SEED and Laksh Foundation.

**Bandhan Education Program:** In May 2015, IndiGo embarked on a collaboration with Bandhan Konnagar to start 400 primary schools in rural Eastern India. The project was aimed at empowering first-generation learners with free and quality education. This comprised a four-year association with a project budget of Rs 11.5 crore. The schools are spread across the villages of Bihar, Tripura, Jharkhand and West Bengal.

**IRoar- Holistic Development, Dhela village:** IndiGoReach works closely with Corbett Tiger Foundation to develop Dhela village at the periphery of Jim Corbett National Park. We provide stationery and infrastructure for the primary and senior secondary schools.

**6€ Scholar Program:** This programme marked the addition of the 100<sup>th</sup> IndiGo aircraft in the financial year 2015-16. The project, in partnership with Mensa High IQ Society, commenced with a budget outlay of Rs.1.3 crore. Some 100 selected students (from a pool of 400) who belonged to the high IQ percentile category were awarded 6€ scholarships. IndiGo assumed the responsibility to mentor the students until graduation and help them with job placement.

IndiGo sponsors the education of 24 children studying in K. K. Academy (Lucknow) under the RTE Scheme. Besides, IndiGo sponsors the education of 25 children through a partnership with Laksh Foundation.

IndiGo has partnered with the Rajiv Gandhi Cancer Institute and Research Centre to support the cause of cancer recovery especially for children.

IndiGo and Professional Assistance for Development Action (PRADAN) facilitate WATER (Women Collective Action Towards Environment Rejuvenation), a collaborative project that targets 37,000 women beneficiaries, directly impacting a population of at least 180,000 people across 430 project villages in the three districts of Hazaribagh, Godda and Bokaro in Jharkhand. This five-year project aims to enhance the capabilities of women

through community groups.

#### Principle 5 - Businesses should respect and promote human rights

IndiGo is committed to provide a healthy work environment that is free of discrimination and unlawful harassment and that enables employees to work without fear of prejudice, gender bias and sexual harassment. IndiGo expressly and strictly prohibits any form of employee harassment based on race, color, religion, sex, national origin, age, disability, sexual orientation, or status in any group protected by state or local law. The Company has always endeavored for providing a better and safe environment free of sexual harassment at all its work places. The Company continued conducting workshops, training and awareness programs for sensitising the employees with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "Act") and Rules made thereunder.

The commitment to human rights is embedded in the Code of Conduct adopted by the Company for the wellbeing of its employees and well reflected in its principles. The Code of Conduct of the Company is applicable for all employees, associates, business partners and group companies.

With respect to vendors, the Company follows a screening process before entering into business relationship. All the contracts that the Company enters into with vendors require the vendor to comply with the relevant laws safeguarding labour rights and human rights in their respective jurisdiction.

No incidence of discrimination or human rights violation was received by the Compliance Committee formulated under the Company's Code of Conduct during the year under review.

#### Principle 6 - Business should respect, protect and make efforts to restore the environment

The Company has contributed to building environmental security by not only ensuring efficient use of resources but also by augmenting precious natural resources. IndiGo has a threefold approach towards environmental conservation through Countering Carbon Emissions, Emission Reduction Agreement and Recycle, Reuse, Repeat as per the industry norms, government rules and regulations, applicable laws and impact of market factors.

The aviation sector is a catalyst for growth, a vital conduit for world trade and a major global employer. Nearly 57 million jobs and \$2.2 trillion in global GDP is generated by the aviation

industry. Aviation plays a key role in promoting sustainable development and should remain safe, affordable and accessible in order to ensure mobility on an equitable basis for all sectors of society. With these benefits comes an impact on the environment. Aviation produces 2% of the world's CO<sub>2</sub> emission. With IndiGo, every flight that we take is the commitment of an organisation that is deeply concerned about the effects that the aviation sector has on the environment and climate change. IndiGo recognises and is concerned with the climate change problem.

Initiatives have been taken to shorten ATS (Air Traffic Service) routes and direct routings in consultation with air traffic control over Indian airspace. This has resulted in reduced track miles consequently reducing fuel burn and CO<sub>2</sub> emissions.

IndiGo encourages pilots to do single engine taxi at all aerodromes subject to operational considerations. With this single engine taxiing technique, we are able to curb fuel consumption by almost 16%.

The A320neo aircraft are equipped with latest generation engines and large sharklet wing-tip devices, which together delivers 15 percent in fuel savings. This is equivalent to a reduction of 5,000 tonnes of CO<sub>2</sub> per aircraft per year. These fuel efficient planes have helped IndiGo consistently offer lower fares. The A320neo is an environment friendly plane significantly reducing the impact on the environment and allows for a more sustainable mode of flying. The wing tip extensions of sharklets of aircraft improve aerodynamics for lower fuel burn, while saving over 900 tonnes of CO<sub>2</sub> per year per aircraft. It also helps in improved field performance and noise footprint by 4% below the current standard. We have reduced and replaced items from our airplanes to reduce the weight which has helped in reducing the weight per aircraft by 921 kgs from the Aircraft and thereby saving substantial cost in fuel price.

During normal operations, the internal parts of the aircraft engines get dirty due to contamination from the incoming air like dust, smoke, bird feathers etc., which has adverse impact on engine performance, resulting in higher fuel consumption and increase in internal temperatures of aircraft. To restore the performance, Airline is required to carry out a water wash of the engine to remove dirt and contamination in the internal parts of the engine. The reduction in fuel consumption due to this process results in reduction in release of nitrous oxide and carbon dioxide into the atmosphere. Traditionally, aviation

companies, sprayed the water from the front engine which is spilled from tail of the engine onto the tarmac resulting into water with dirt from engine on the surface of tarmac, adversely impacting the environment. IndiGo uses the latest technology, i.e. eco power wash, which re-circulates water in a closed loop.

In accordance with the last report, the fuel burn reduction due to this eco wash is 355,963 gallons and reduction in CO<sub>2</sub> emissions of 3,480 tonnes for 188 engines washes on 84 aircraft, thus resulting in a cleaner environment and reduction in internal temperatures, thus longer on-wing life.

In 2013, IndiGo signed the first ERPA (Emission Reduction Purchase Agreement) with FCN (Fair Climate Network) for 5000 biogas units in Chittoor district of Andhra Pradesh. In 2015, we had signed another ERPA for 2500 biogas units in Anantapur district at Andhra Pradesh. Last year we signed for another 2000 units in Uttarakhand.

Indigo's partnership with FCN has been facilitated by the Environmental Defence Fund (EDF), a science and economics based global NGO that harnesses the power of policy frameworks and markets to deliver sound environmental outcomes. This groundbreaking partnership is helping us create a more positive economic & health impact for individuals and families in villages of 2 districts at Andhra Pradesh. For example, cleaner burning stoves funded by the project will improve indoor air quality and have a direct impact on the household health.

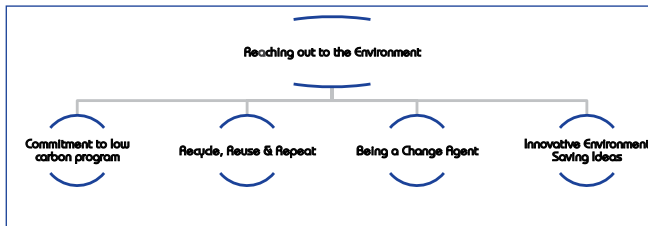
Under an Emission Reduction Purchase Agreement (ERPA), IndiGo purchased 97,896 yet-to-be-generated Certified Emission Reduction (CER) units from Community Reconstruction of Social Service (CROSS) for a total of Rs.11.17 crore (average price Rs. 1,141 per CER) on behalf of its passengers. The tenure of this agreement is 7 years. In January 2015, IndiGo purchased yet another 66,523 CERs under a similar ERPA with Accion Fraternal for a total of Rs.8.5 crore. The tenure for this agreement is 9 years. As on March 31, 2017, 4,178 biogas units are commissioned, which is impacting lives of the people on 4,178 households. 18,155 carbon emission reduction units were generated. In addition to this, please find below the details of the holistic impact:

**Recycle, Reuse, Repeat:** We are working with Greenobin where we give all our used waste paper, inflight magazines and other scrap paper from Delhi Airport and the corporate office to Greenobin. They recycle it into fresh paper and give us reward points that allow us to buy and stock the recycled paper in our



offices, saving even more trees. This year we donated total of 23,911.78 kgs of paper. The points earned were redeemed for paper rims worth Rs. 100,704/-

As an organisation, IndiGo strongly believes in cutting down waste and being responsible towards the environment. In alignment with this philosophy, a partnership was fostered between IndiGo and Green the Map in 2016. In the process of taking ownership of our waste, this has also created respectable livelihood and training opportunities for the women and men from underprivileged communities who work at Green the Map by upcycling seat covers of Aircraft, over 10,000 seat covers have been upcycled. Almost every single seat cover discarded by the airline in this duration has been converted into over 8,000 beautiful products.



#### Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company engages with industry bodies and associations to influence public and regulatory policy in a responsible manner. The Board members and senior leadership team members are associated with several regulatory and global bodies.

The Company does not engage in policy advocacy, but are actively involved in consultations and discussion forums with the Government and other bodies in the Aviation industry.

The Company is represented in key industry and business associations which include the Associated Chamber of Commerce and Industry of India (ASSOCHAM), PHD Chamber of Commerce and other associations. Your Company participates in multi - stakeholder debates and, when relevant, responds to public consultations. In aviation industry, we have membership of International Civil Aviation Organization (ICAO), Federation of Indian Airlines (FIA), International Air Transport Association (IATA) and Air Cargo Forum India.

Awards and recognitions:

- IndiGo was adjudged "Company of the Year" at Business Standard Award for Corporate Excellence 2016,
- Awarded one of the leading "On-Time Performers in the Asia-Pacific region" by FlightStats, Inc. in the 8<sup>th</sup> Annual Airline On-

Time Performance Service Awards, January 2017

- Received an Order of Merit for its outstanding financial performance and profitability in FY16 by CAPA.

The details relating to awards and recognitions have been given in detail in other sections of the Annual Report.

#### Principle 8 - Businesses should support inclusive growth and equitable development

At IndiGo, Corporate Social Responsibility is synonymous to shared values, responsible business and social activities. We ensure that, any project that we take up, is able to make a social and economic impact. A holistic approach is what helps attain sustainability in any project. The government guideline of utilizing minimum 2% of the Company's average net profit during the immediately preceding financial year is only a mandate; CSR is much beyond that.

IndiGoReach was engaged in number of concurrent projects at the close of 2016-17 which are ongoing projects.

The partnership-driven projects by the Company comprised Bandhan Konnagar, Mensa India, PRADAN, Smile Foundation, Environmental Defense Fund & Fair Climate Network, Indraprastha Cancer Society & Research Center, SOS Children's Village, Swachha, Uththan, Kiddy Kingdom Academy, SEED, and Laksh Foundation. The result of this spending is that the Company's CSR programmes covered 16 locations in 8 states, touching the lives of approx. 51,000 individuals.

An amount of Rs. 215. 81 million was spent towards various CSR projects and initiatives taken by the Company and people from all over the country have benefitted from these CSR activities of the Company.

The details of the CSR projects undertaken by the Company during the year are set out in the Annual Report on Corporate Social Responsibility forming part of the Annual Report and in another principle of this report.

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

Being in service industry, customer is the driving force for the business. Customer service is core to our business. Since our inception in 2006, our philosophy has been simple: offer fares that are always low, flights that are on time, and a courteous, hassle-free travel experience. A critical aspect of the above has been handling the complaint redressal procedures. The positives of having a unique redressal procedure have helped us in setting

an example in the industry and for others to follow. With time, we have also had an opportunity to improve our standards, to revisit the processes and enhance the same.

To ensure a hassle free process for all customers, we have opened various channels of communications, call centres, info boards/check-in counters at the airport, feedback forms and feedback emails, feedback through text message and social media. We sent intimations through emails to our customers before their flights for updating status.

All customer interactions are channelised from centralised system based at head office of IndiGo.

A robust CRM (Customer Relationship Management) ensures tracking of communication, not only with the customers but also internally. Details of customer feedback are collected every week and a briefing is conducted in the presence of our President and Whole Time Director and some of our key Leadership Team Members.

The focus is not only to see specific complaints but look at trends to see if there are any changes required to prevent the occurrence of such issues. Employee counseling and corrective training is also embedded in the system to facilitate the entire improvement process.

We are in compliance with laws applicable to our packaged products and it is our constant endeavour to maintain transparency for our passengers.

As on March 31, 2017, there were 260 consumer cases pending against the Company in various forums and commissions Pan India for resolution relating to various subject matters.

However as reported to DGCA, we had received complaints relating to refund, flight problems, baggage, customer service, disability, staff behaviour, including disputes in relation to loss of baggage/ cargo, no-show, cancellation of tickets, incorrect bookings, refund of fares, flight delays, death/ injury on board, baggage mishandling and flight cancellation. We had closed 1,275 complaints of our customers' upto their satisfaction.

The Company has multiple channels for grievance handling - through website, call center, email, SMS etc.

Consumer Surveys are carried out by the Company, which are post passenger travel to capture customer experience. The endeavour is to continually improve our service experience across the travel lifecycle through customer feedbacks.



# Standalone

## Financial Statements

## Independent Auditor's Report

To The Members of InterGlobe Aviation Limited

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of InterGlobe Aviation Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, we report 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 purposes of our audit;
- 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 Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
- e) On the basis of written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; 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 Auditor's) Rules, 2014, in our

opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 31 to the standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures performed and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 40 to the standalone Ind AS financial statements.

For B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W / W-100022

Jiten Chopra

Partner

Membership number: 092894

Place: Gurgaon

Date: 09 May 2017

## Independent Auditor's Report (contd...)

Annexure A referred to in our Independent Auditor's Report to the members of InterGlobe Aviation Limited on the standalone Ind AS financial statements for the year ended 31 March 2017

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years except for aircraft and spare engines, which are verified on an annual basis. In our opinion, this periodicity of physical verification by management is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified during the year. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable.
- (ii) Inventories, except for goods-in-transit and stocks lying with third parties have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained. According to the information and explanations given to us, the procedures for physical verification of inventories followed by the management during the year are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3 (iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loan, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013. Moreover, in respect of the investments made by the Company, requirements of section 186 of the Companies Act, 2013 have been complied with.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the services rendered or goods sold by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added taxes, cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added taxes, cess and other statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, service tax, sales tax, value added tax and duty of customs which have not been deposited by the Company with the appropriate authorities on account of any dispute as at 31 March 2017, other than those mentioned as follows:

## Statement of Disputed Tax Dues

Name of the Statute	Nature of the dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Revision to the taxable income on account of:	-	Assessment year (AY) 2007-08 <sup>1</sup> AY 2008-09 <sup>2</sup> AY 2009-10 <sup>3</sup>	High Court of Delhi, Commissioner of Income Tax (Appeals) [CIT(A)]
	a) Tax treatment of certain incentives received by the Company from manufacturers with the acquisition of aircraft and engine.			
	b) Disallowance of certain expenses / adjustments.			
Income-tax Act, 1961	Revision to the taxable income on account of:	8.66	AY 2010-11 <sup>4</sup>	Income Tax Appellate Tribunal (ITAT) and CIT(A)
	a) Tax treatment of certain incentives received by the Company from manufacturers with the acquisition of aircraft and engine.			
	b) Disallowance of certain expenses / adjustments. (Rs.1.30 million deposited under dispute)			
Income-tax Act, 1961	Revision to the taxable income on account of:	2,465.83	AY 2012-13 <sup>5</sup>	ITAT
	a) Tax treatment of certain incentives received by the Company from manufacturers with the acquisition of aircraft and engine.			
	b) Disallowance of certain expenses / adjustments.			
Income-tax Act, 1961	Revision to the taxable income on account of:	7,337.36	AY 2013-14 <sup>6</sup> AY 2014-15 <sup>6</sup>	CIT(A)
	a) Tax treatment of certain incentives received by the Company from manufacturers with the acquisition of aircraft and engine.			
	b) Disallowance of certain expenses / adjustments.			
Income-tax Act, 1961	Tax deducted at source	1.02	AY 2007-08	Assessing officer (AO)
Income-tax Act, 1961	Tax deducted at source (Rs.7.84 million deposited under dispute)	142.48	AY 2010-11	ITAT, CIT(A)
Income-tax Act, 1961	Tax deducted at source (Rs.5.07 million deposited under dispute)	20.99	AY 2011-12	ITAT
Income-tax Act, 1961	Tax deducted at source (Rs.4.20 million deposited under dispute for AY 2013-14)	0.14	AY 2013-14	CIT(A), AO
Income-tax Act, 1961	Tax deducted at source (Rs.11.41 million deposited under dispute)	22.78	AY 2012-13	CIT(A)
Income-tax Act, 1961	Tax deducted at source	12.76	AY 2013-14, AY 2014-15 AY 2015-16	ITAT, AO
Finance Act, 1994 (Service tax)	Service tax and penalty on excess baggage charges, services received from overseas vendors and denial of CENVAT Credit	111.21	Financial year (FY) 2006-07 to FY 2010-11 <sup>##</sup>	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Chandigarh

Name of the Statute	Nature of the dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994 (Service tax)	Service tax and penalty on services received from overseas vendors	2.96	FY 2005-06 to FY 2009-10 and FY 2010-11 ##	CESTAT, Chandigarh
Finance Act, 1994 (Service tax)	Penalty for late payment of Service tax on various expenses incurred on ECB (Rs. 89.64 million deposited under protest)	358.56	FY 2012-13 to FY 2013-14	CESTAT, Chandigarh
The Customs Act, 1962	Customs duty and penalty on import of aircraft engines	531.20	FY 2011-12 and FY 2012-13 ##	CESTAT, Bangalore
The Customs Act, 1962	Custom duty and penalty demanded on notional freight charges added to the value of Aviation turbine fuel left in the tank of an aircraft (Rs. 2.69 million has been deposited under protest)	6.78	August 2012 to May 2015 ##	CESTAT, Chennai
The Customs Act, 1962	Custom duty and penalty demanded on notional freight charges added to the value of Aviation turbine fuel left in the tank of an aircraft	1.42	September 2011 to March 2015 ##	CESTAT Delhi
Kerala Value Added Tax Act, 2003	Value Added Tax on sale of goods in International flights	0.66	FY 2012-13 to FY 2013-14	Kerala Value Added Tax Appellate Tribunal, Ernakulam
Central Sales Tax Act, 1956 & Central Sales Tax (Bombay) Rules, 1957	Central Sales Tax on sale of goods in international flights in the state of Maharashtra	7.85	FY 2012-13	Joint Commissioner **
Maharashtra Value Added Tax, 2002	Input Tax Credit denied	0.17	FY 2012-13	Joint Commissioner **

<sup>1</sup> During the current year, ITAT has passed favourable order dated 18 July 2016 and the loss for the year has been assessed at Rs. 2,032.85 million vide appeal effect order dated 16 November 2016. Income tax department has filed an appeal to High Court of Delhi dated 23 December 2016 for the proposed addition to the taxable income amounting to Rs. 1,874.63 million for AY 2007-08, which will result in reduction of business loss and unabsorbed depreciation for AY 2007-08.

In relation to certain disallowance of expenses amounting to Rs. 22.39 million, appeal is pending before CIT(A) against order u/s 144/143(3)/263 of the Income Tax Act, 1961.

<sup>2</sup> During the current year, ITAT has passed favorable order dated 18 November 2016 and the loss for the year has been assessed at Rs. 3,171.43 million vide appeal effect order dated 6 March 2017. Subsequent to current year ended 31 March 2017, Income tax department has filed an appeal to High Court of Delhi dated 1 May 2017 for the proposed addition to taxable income amounting to Rs. 4,714.97 million for AY 2008-09.

<sup>3</sup> During the current year, ITAT has passed favorable order dated 18 November 2016 and the loss for the year has been assessed at Rs. 2,121.80 million vide appeal effect order dated 21 February 2017. Subsequent to current year ended 31 March 2017, Income tax department has filed an appeal to High Court of Delhi dated 1 May 2017 for the proposed addition to taxable income amounting to Rs. 4,164.13 million for AY 2009-10.

Further, disallowance of Rs. 64.38 million was proposed vide re-assessment order dated 24 March 2015. The Company has filed an appeal before CIT(A). Out of this, relief amounting to Rs. 33.83 million has been given vide appeal effect order u/s 250/143(3) of the Income Tax Act 1961 dated 22 February 2016.

<sup>4</sup> The additional taxable income amounting to Rs.3,569.11 million for AY 2010-11 was proposed vide order dated 15 March 2013 by assessing officer. During the previous year ended 31 March 2016, CIT(A) has passed an order dated 20 January 2016 proposing additions to the tune of Rs. 726.60 million. The Company has filed an appeal to ITAT for proposed additions to taxable income.

Further, addition of Rs. 50.97 million was proposed by assessing officer under section 147 of the Income tax Act, 1961 vide re-assessment

order dated 27 January 2016 and accordingly, above mentioned demand has arisen. The Company has filed an appeal to CIT(A) against order under section 147 of the Income tax Act, 1961.

<sup>5</sup> The additional taxable income amounting to Rs. 6,070.11 million for AY 2012-13 was proposed vide assessment order dated 25 March 2015 by assessing officer. During the current year, CIT(A) has passed an order dated 22 March 2017 which further proposed additional taxable income amounting of Rs. 4,904.78 million and accordingly, above mentioned demand has arisen. The Company is in the process of filing an appeal before ITAT.

<sup>6</sup> The additional taxable income amounting to Rs.14,218.26 million and Rs.12,538.26 million for AY 2013-14 and AY 2014-15 respectively was proposed by assessing officer vide order dated 6 December 2016 and accordingly, above mentioned demand has arisen. The Company has filed an appeal to CIT(A) against the same. The company has obtained a stay of demand for AY 2013-14 and AY 2014-15 till 31 December 2017 or disposal of appeal whichever is earlier.

\*\* The Company is in process of filling appeal to Joint Commissioner.

## The demand does not include interest component as it is not specified in order.

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| <p>(viii) In our opinion and 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 defaulted in repayment of loans or borrowings to banks or financial institutions. Further, no loans or borrowings were taken from government and there were no debentures issued during the year or outstanding as at 31 March 2017.</p> <p>(ix) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, during the current and previous year, the Company has utilized all the money raised by way of initial public offer, for the purpose for which they were raised. There was a delay in utilization of Rs. 4,925.31 million due to obtaining requisite approvals. The same has been utilized during the current year. Moreover, the term loans taken by the Company have been applied for the purposes for which they were raised.</p> <p>(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.</p> <p>(xi) According to information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been provided and paid by the Company in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.</p> <p>(xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.</p> | <p>(xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the accounting standards.</p> <p>(xiv) According to the information and explanation 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 or partly convertible debentures during the current year. Accordingly, paragraph 3(xiv) of the Order is not applicable.</p> <p>(xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.</p> <p>(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.</p> |
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For B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W / W-100022

Jiten Chopra

Place: Gurgaon

Partner

Date: 09 May 2017

Membership number: 092894



## Independent Auditor's Report (contd...)

Annexure B to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of InterGlobe Aviation Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of InterGlobe Aviation Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 its business, including adherence to 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 Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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 system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were

operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W / W-100022

Jiten Chopra

Partner

Place: Gurgaon

Date: 09 May 2017

Membership number: 092894

## Balance Sheet

as at 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

	Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>I Assets</b>				
<b>Non-current assets</b>				
a. Property, plant and equipment	3	37,474.72	47,274.34	49,025.81
b. Capital work-in-progress		233.03	237.34	4.53
c. Other intangible assets	4	463.69	199.74	96.37
d. Intangible assets under development		18.83	82.31	-
<b>e. Financial assets</b>				
(i) Investments	5	0.28	0.25	0.46
(ii) Loans	6	5,440.26	4,217.22	3,106.82
(iii) Others financial assets	7	10,356.39	14,977.84	16,055.60
f. Deferred tax assets (net)	19.e	-	-	854.67
g. Income tax assets (net)	19.d	97.60	189.28	383.77
h. Other non-current assets	8	3,548.74	2,933.49	2,149.88
<b>Total non-current assets</b>		<b>57,633.54</b>	<b>70,111.81</b>	<b>71,677.91</b>
<b>Current assets</b>				
a. Inventories	9	1,631.50	762.82	943.75
<b>b. Financial assets</b>				
(i) Investments	5	37,134.10	9,861.31	5,193.03
(ii) Trade receivables	10	1,587.02	1,571.14	1,045.50
(iii) Cash and cash equivalents	11	1,531.09	8,053.68	2,467.49
(iv) Bank Balances other than cash and cash equivalents, above	12	44,794.26	29,133.02	17,526.31
(v) Loans	6	39.76	90.46	41.25
(vi) Others financial assets	7	4,101.10	3,089.92	2,007.24
c. Other current assets	8	3,645.23	3,512.74	2,455.40
<b>Total current assets</b>		<b>94,464.06</b>	<b>56,075.09</b>	<b>31,679.97</b>
<b>Total assets</b>		<b>152,097.60</b>	<b>126,186.90</b>	<b>103,357.88</b>
<b>II Equity and Liabilities</b>				
<b>Equity</b>				
a. Equity share capital	13	3,614.68	3,603.57	307.00
b. Other equity	14	34,177.49	23,628.27	7,495.23
<b>Total equity</b>		<b>37,792.17</b>	<b>27,231.84</b>	<b>7,802.23</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>a. Financial liabilities</b>				
(i) Borrowings	15.a	23,957.08	30,070.72	36,317.05
(ii) Other financial liabilities	15.b	22,685.34	17,864.66	12,548.05
b. Provisions	16	1,223.94	862.28	593.59
c. Deferred tax liabilities (net)	19.e	1,618.06	1,467.79	-
d. Other non-current liabilities	18	75.00	107.39	148.77
e. Deferred incentives		16,899.90	11,778.16	13,317.44
<b>Total non-current liabilities</b>		<b>66,459.32</b>	<b>62,151.00</b>	<b>62,924.90</b>
<b>Current liabilities</b>				
<b>a. Financial liabilities</b>				
(i) Trade payables	17	7,745.94	7,412.28	4,754.75
(ii) Other financial liabilities	15.b	14,322.67	8,300.09	7,983.41
b. Provisions	16	667.06	567.38	478.64
c. Current tax liabilities (net)	19.d	446.77	89.66	1.02
d. Other current liabilities	18	19,725.84	16,380.58	15,213.91
e. Deferred incentives		4,937.83	4,054.07	4,199.02
<b>Total current liabilities</b>		<b>47,846.11</b>	<b>36,804.06</b>	<b>32,630.75</b>
<b>Total equity and liabilities</b>		<b>152,097.60</b>	<b>126,186.90</b>	<b>103,357.88</b>

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B S R &amp; Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W /W-100022

Jiten Chopra

Partner

Membership No. 092894

 For and on behalf of the Board of Directors of  
InterGlobe Aviation Limited

Rohini Bhatia

Director

DIN: 01583219

Aditya Ghosh

President and Whole Time Director

DIN: 01243445

Rohit Philip

Chief Financial Officer

 Place: Gurgaon  
Date: 9 May 2017

Sanjay Gupta

Company Secretary and Chief Compliance Officer

 Place: Gurgaon  
Date: 9 May 2017

**Statement of Profit and Loss** for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Income</b>			
Revenue from operations	20	185,805.00	161,399.09
Other income	21	7,890.70	5,151.21
<b>Total income</b>		<b>193,695.70</b>	<b>166,550.30</b>
<b>Expenses</b>			
Aircraft fuel expenses		63,415.13	47,793.24
Aircraft and engine rentals (net) (Refer to Note 27)		31,253.73	25,067.63
Purchase of stock-in-trade	22	1,238.32	1,147.82
Changes in inventories of stock-in-trade	23	(2.94)	(11.32)
Employee benefits expense	24	20,481.90	17,879.84
Finance costs	25	3,307.80	3,041.16
Depreciation and amortisation expense	26	4,572.53	5,054.68
Other expenses	27	47,985.83	38,342.18
<b>Total expenses</b>		<b>172,252.30</b>	<b>138,315.23</b>
<b>Profit before tax</b>		<b>21,443.40</b>	<b>28,235.07</b>
<b>Income tax expense</b>			
	19		
Current tax		4,911.51	7,303.93
Deferred tax (credit) / charge		(59.99)	1,069.53
<b>Total tax expense</b>		<b>4,851.52</b>	<b>8,373.46</b>
<b>Profit for the year</b>		<b>16,591.88</b>	<b>19,861.61</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit plans		(33.22)	(19.39)
- Income tax relating to above mentioned item		11.50	6.71
<b>Other comprehensive income for the year, net of tax</b>		<b>(21.72)</b>	<b>(12.68)</b>
<b>Total comprehensive income for the year</b>		<b>16,570.16</b>	<b>19,848.93</b>
<b>Earnings per equity share of face value of Rs. 10 each</b>			
	36		
Basic (Rs.)		45.94	58.06
Diluted (Rs.)		45.85	56.39

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B S R &amp; Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W /W-100022

Jiten Chopra

Partner

Membership No. 092894

For and on behalf of the Board of Directors of  
InterGlobe Aviation Limited

Rohini Bhatia

Director

DIN: 01583219

Aditya Ghosh

President and Whole Time Director

DIN: 01243445

Rohit Philip

Chief Financial Officer

Sanjay Gupta

Company Secretary and Chief Compliance Officer

Place: Gurgaon

Date: 9 May 2017

Place: Gurgaon

Date: 9 May 2017

## Cash Flow Statement

for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>A. Cash flows from operating activities</b>		
Profit before tax	21,443.40	28,235.07
Adjustments for:		
Depreciation and amortisation expense	4,572.53	5,054.68
Provision for redelivery and overhaul cost	286.55	62.05
Liabilities no longer required written back	(414.93)	(69.34)
Provision for obsolescence of inventories	–	7.73
Profit on sale of property, plant and equipment (net)	(24.58)	(0.40)
Non cash incentives, claims and credits (net)	(2,152.27)	51.72
Interest accretion on provisions and other financial liabilities measured at amortised cost	1,670.58	1,510.31
Deferred rent amortisation (included in Aircraft and engine rentals)	535.97	447.02
Property, plant and equipment written off	47.46	4.26
Advance write off	9.09	2.10
Unrealised foreign exchange (gain) / loss (net)	(861.80)	1,112.93
Interest on borrowings measured at amortised cost	179.98	137.99
Finance lease charges on finance lease obligations measured at amortised cost	1,298.99	1,201.34
Employee stock option scheme expense	504.89	677.07
Interest income from bank deposits	(3,913.27)	(3,687.41)
Interest income from financial assets at amortised cost	(488.02)	(442.68)
Marked to market gain on current investments	(546.42)	(120.11)
Net gain on sale of current investments	(1,221.27)	(346.80)
<b>Operating profit before working capital changes</b>	<b>20,926.88</b>	<b>33,837.53</b>
Adjustments for:		
Increase in trade receivables	(21.45)	(530.72)
(Increase)/decrease in inventories	(868.68)	173.21
Increase in loans, other financial assets, and other assets	(2,432.70)	(3,917.90)
Increase in trade payables, other financial liabilities and other liabilities	17,338.58	9,164.24
Increase/(decrease) in deferred incentives	7,119.03	(1,807.96)
<b>Cash generated from operating activities</b>	<b>42,061.66</b>	<b>36,918.40</b>
Income tax paid	(4,240.96)	(5,761.16)
<b>Net cash generated from operating activities</b>	<b>37,820.70</b>	<b>31,157.24</b>
<b>B. Cash flows from investing activities</b>		
Purchase of Property, plant and equipment and other intangible assets (including capital advances)	(2,372.38)	(2,486.39)
Proceeds from sale of Property, plant and equipment	6,132.30	1.62
Deposits made with banks due to mature within 12 months from the reporting date (net) Refer to Note 12 [deposits under lien Rs. 39,471.53 (31 March 2016 : Rs. 24,961.08)]	(15,661.24)	(11,606.71)
Deposits made with banks due to mature after 12 months from the reporting date (net) Refer to Note 7 [deposits under lien Rs. 9,633.84 (31 March 2016 : Rs. 12,883.85)]	3,567.53	1,578.62
Investment in subsidiary	(0.10)	–
Purchase of mutual funds / shares	(126,733.58)	(59,387.98)
Proceeds from sale of mutual funds / shares	101,228.56	55,186.61
Interest received	3,460.24	3,285.80
<b>Net cash used in investing activities</b>	<b>(30,378.67)</b>	<b>(13,428.43)</b>

## Cash Flow Statement for the year ended 31 March 2017 (contd...)

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>C. Cash flows from financing activities</b>		
Proceeds from secured loans	676.61	843.70
Repayment of secured loans	(7,526.39)	(11,084.90)
Interest paid	(168.77)	(123.76)
Finance lease charges paid	(478.79)	(701.57)
Proceeds from public issue of shares	–	166.41
Proceeds from issue of shares on exercise of stock options	11.11	–
Proceeds from securities premium (net)	–	11,971.74
Dividend paid	(5,422.03)	(11,026.49)
Corporate dividend tax paid	(1,103.80)	(2,244.77)
<b>Net cash used in financing activities</b>	<b>(14,012.06)</b>	<b>(12,199.64)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the year (A+B+C)</b>	<b>(6,570.03)</b>	<b>5,529.17</b>
<b>Effect of exchange rate changes on cash and cash equivalent held in foreign currency</b>	<b>47.44</b>	<b>57.02</b>
<b>D. Cash and cash equivalents at the beginning of the year</b>		
Cash on hand	30.83	21.42
Cheques on hand	–	0.09
Balance with banks:		
- On current accounts	2,664.02	2,098.48
- On deposit accounts (with original maturity of three months or less)	5,358.83	347.50
	8,053.68	2,467.49
<b>E. Cash and cash equivalents as at the end of the year</b>		
Cash on hand	43.17	30.83
Balance with banks:		
- On current accounts	1,487.92	2,664.02
- On deposit accounts (with original maturity of three months or less)	–	5,358.83
	1,531.09	8,053.68

### Notes:

- The Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act 2013, read with the relevant rules thereunder.
- Current account balance with banks includes Rs. 71.43 (31 March 2016: Rs. 211.45) held in foreign currency which are freely remissible to the Company.

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W /W-100022

Jiten Chopra

Partner

Membership No. 092894

For and on behalf of the Board of Directors of  
InterGlobe Aviation Limited

Rohini Bhatia

Director

DIN: 01583219

Aditya Ghosh

President and Whole Time Director

DIN: 01243445

Rohit Philip

Chief Financial Officer

Place: Gurgaon

Date: 9 May 2017

Sanjay Gupta

Company Secretary and Chief Compliance Officer

Place: Gurgaon

Date: 9 May 2017

## Statement of Changes in Equity for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### A. Equity share capital

	Note	For the year ended 31 March 2017		For the year ended 31 March 2016	
		Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year		360,356,544	3,603.57	307,000	307.00
Changes in equity share capital during the year:					
Issued during the year pursuant to exercise of employee stock options scheme	38	1,111,819	11.11	-	-
Conversion of 0.00% convertible preference shares of Rs. 1,000 each to equity shares of Rs. 1,000 each	13 j.(i)	-	-	36,716	36.72
Increase due to sub-division of equity shares	13 j.(i)	-	-	34,027,884	-
Issued during the year - Bonus shares of Rs. 10 each	13 j.(iii)	-	-	309,344,400	3,093.44
Issued during the year - Initial public offer - fresh issue	13 j.(vi)	-	-	16,640,544	166.41
Balance at the end of the year		361,468,363	3,614.68	360,356,544	3,603.57

### B. Other equity

Note	Equity component of compound financial instruments*	Reserves and Surplus						Other comprehensive income**	Total
		Capital Redemption Reserve	Employee stock options outstanding account	Securities premium reserve	General reserve	Retained Earnings			
Balance as at 1 April 2016	58.79	-	677.07	11,971.74	389.07	10,544.28	(12.68)	23,698.27	
Profit for the year						16,591.88	-	16,591.88	
Other comprehensive income for the year	14 c.						(21.72)	(21.72)	
Total comprehensive income for the year						27,136.16	(34.40)	40,198.43	
Final dividend	14 b.(v)					(5,422.03)		(5,422.03)	
Corporate dividend tax						(1,103.80)		(1,103.80)	
Employee stock option scheme expense	38	-	504.89	-	-	-	-	504.89	
Amount utilized / transfer for issue of shares on exercise of stock options	38	-	(632.84)	632.84	-	-	-	-	
Balance as at 31 March 2017		58.79	549.12	12,604.58	389.07	20,610.33	(34.40)	34,177.49	

\* Represents equity component of compound financial instruments (net of tax) - 36,716 0.00% convertible preference shares of Rs.1,000 each fully paid up including transition date adjustment of Rs. 32.10.

\*\* Other comprehensive income represents remeasurement of defined benefit plans (net of tax).



## Statement of Changes in Equity

for the year ended 31 March 2017  
(Rupees in millions, except for share data and if otherwise stated)

### B. Other equity (contd...)

	Note	Equity component of compound financial instruments*	Reserves and Surplus					Other comprehensive income**	Total
			Capital Redemption Reserve	Employee stock options outstanding account	Securities premium reserve	General reserve	Retained Earnings		
Balance as at 1 April 2015		58.79	1,554.00	-	-	1,928.51	3,953.93	-	7,495.23
Profit for the year							19,861.61	-	19,861.61
Other comprehensive income for the year	14 c.							(12.68)	(12.68)
Total comprehensive income for the year							23,815.54	(12.68)	27,344.16
Interim dividend	14 b.(v)						(11,026.49)		(11,026.49)
Corporate dividend tax							(2,244.77)		(2,244.77)
Amount utilised during the year for issuing bonus shares	13 f.	-	(1,554.00)	-	-	(1,539.44)	-	-	(3,093.44)
Employee stock option scheme expense	38	-	-	677.07	-	-	-	-	677.07
Premium received during the year on account of issue of shares - Initial public offer	13 j.(vi)	-	-	-	12,555.59	-	-	-	12,555.59
Amount utilized for share issue expenses- Initial public offer	13 j.(vi)	-	-	-	(583.85)	-	-	-	(583.85)
Balance as at 31 March 2016		58.79	-	677.07	11,971.74	389.07	10,544.28	(12.68)	23,628.27

\* Represents equity component of compound financial instruments (net of tax) - 36.71 6 0.00% convertible preference shares of Rs.1,000 each fully paid up including transition date adjustment of Rs. 32.10.

\*\* Other comprehensive income represents remeasurement of defined benefit plans (net of tax).

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248U/UL-100022

For and on behalf of the Board of Directors of  
InterGlobe Aviation Limited

Jiten Chopra  
Partner

Membership No. 092894

Rohini Bhatia  
Director  
DIN: 01583219

Aditya Ghosh  
President and Whole Time Director  
DIN: 01243445

Rohit Philip  
Chief Financial Officer  
Place: Gurgaon  
Date: 9 May 2017

Sanjay Gupta  
Company Secretary and Chief Compliance Officer

Place: Gurgaon  
Date: 9 May 2017

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 1. Company Information / Overview

InterGlobe Aviation Limited (the "Company") is a public limited company domiciled in India. The Company was incorporated on 13 January 2004 as a private limited company in India. Subsequently, the Company changed its legal status from a private company to a public company on 11 August 2006. The Company's registered office is at Central Wing, Ground Floor, Thapar House, 124 Janpath, New Delhi - 110 001. The shares were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 10 November 2015. The Company is in the low cost carrier (LCC) segment of the airline industry in India. The principal activities of the Company comprise of air transportation which includes passenger and cargo services and providing related allied services including in-flight catering services.

### 2.a Basis of preparation

#### (i) Statement of compliance

The Company has adopted Indian Accounting Standards (Ind AS) with effect from 1 April 2016, with transition date of 1 April 2015, pursuant to notification issued by Ministry of Corporate Affairs dated 16 February 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the financial statements comply with Ind AS as prescribed under section 133 of the Companies Act, 2013 (the "Act"), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements upto and for the year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended), as notified under section 133 of the Act ("Previous Indian GAAP") and other relevant provision of the Act.

The financial statements for the year ended 31 March 2017 are the first financial statements of the Company prepared under Ind AS. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is included in Note 28.

The financial statements were authorised for issue by the Board of Directors of the Company on 9 May 2017.

#### (ii) Basis of measurement

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

#### (iii) Critical accounting estimates and judgements

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

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

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

Note 2.(b) (xiv) and 33 - measurement of defined benefit obligations: key actuarial assumptions.

Note 2.(b) (x) and (xi) - judgement required to ascertain lease classification and fair value of aircraft.

Note 2.(b) (viii) - measurement of useful life and residual values of property, plant and equipment.

Note 2.(b) (xx) and 16 - estimation of costs of redelivery and overhaul.

Note 2.(b) (xv) and 31 - judgement is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.

Note 38 - judgement required to determine grant date fair value technique.

Note 2.(b) (iii) (v) and 29 - fair value measurement of financial instruments.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

Note 2.(b) (xii) - judgement required to determine probability of recognition of deferred tax assets and MAT credit entitlement.

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

### 2.b Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at 1 April 2015 for the purposes of the transition to Ind AS.

#### (i) Current - non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting period; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

##### Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

#### (ii) Foreign currency transactions and translations

Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (Rs.). The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest millions upto two decimal places, unless otherwise stated.

Transactions and Balances

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Company at

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

the exchange rates at the date of the transactions or at an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Statement of Profit and Loss, except for gains / (losses) arising on translation of long-term foreign currency monetary loans taken before 31 March 2016 and used for acquisition of depreciable property, plant and equipment, are adjusted in the cost of property, plant and equipment. The above treatment will continue till the repayment of the foreign currency monetary loans.

Foreign exchange gains / (losses) arising on translation of foreign currency monetary loans are presented in the Statement of Profit and Loss on net basis. However, foreign exchange differences arising from foreign currency monetary loans to the extent regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

### (iii) 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 principal or the most advantageous market must be accessible to/ by the Company.

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) 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 reassessing 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.

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.

The Company measures financial instruments, such as, investments (other than investment in subsidiaries), at fair value at each reporting date. Also, fair value of financial instruments measured at amortised cost is disclosed in Note 29.

### (iv) Investment in subsidiaries

Investment in subsidiaries is carried at cost, less any impairment in the value of investment, in these separate financial statements.

### (v) Financial instruments

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

#### Financial assets

##### Recognition and initial measurement

All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

### Classification and subsequent measurement

#### Classification

For the purpose of subsequent measurement, the Company classifies financial assets in following categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

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

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVTOCI if both of the following criteria are met:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

A financial asset being equity instrument is measured at FVTPL.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

### Subsequent measurement

#### Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the Statement of Profit and Loss.

#### Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the Statement of Profit and Loss.

### Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

### Impairment of financial assets (other than at fair value)

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognised as an impairment gain or loss in the Statement of Profit and Loss.

### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic

## Notes forming part of the financial statements for the year ended 31 March 2017

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prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

### Financial liabilities

#### Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

#### Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Profit and Loss.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

#### Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Statement of Profit and Loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

#### Compound financial instruments - convertible preference shares

Compound financial instruments issued by the Company comprises of convertible preference shares that can be converted to equity shares of the Company.

Convertible preference shares are bifurcated into liability and equity components based on the terms of the contract.

The liability component of convertible preference shares is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of convertible preference shares is not remeasured subsequently.

Interest related to the liability component is recognised in Statement of Profit and Loss. On conversion, the liability component is reclassified to equity and no gain or loss is recognised.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### (vi) Share capital

#### Equity share capital

Issuance of ordinary shares are recognised as equity share capital in equity. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

### (vii) Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### (viii) Property, plant and equipment

#### Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate component of property, plant and equipment. The Company has recognised major inspection costs relating to engine and airframe overhauls and other heavy maintenance as separate components for owned aircraft and aircraft taken on finance lease ("Leased Aircraft").

The cost of improvements to aircraft, if recognition criteria are met, have been capitalised and disclosed separately as leasehold improvement - aircraft.

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. Any gain or loss arising on derecognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the Statement of Profit and Loss when property, plant and equipment is derecognised. The carrying amount of any component accounted as a separate component is derecognised, when replaced or when the property, plant and equipment to which the component relates gets derecognised.

#### Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit and Loss at the time of incurrence.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the Previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment. Refer to Note 28.

#### Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to Statement of Profit and Loss. Depreciation on property, plant and equipment, except aircraft (including aircraft taken on finance lease) and spare engine, rotables and non-aircraft equipment, leasehold improvements - aircraft and leasehold improvements, is provided on written down value method at the rates and in the manner provided in Schedule II of the Companies Act, 2013. Depreciation on aircraft (including aircraft taken on finance lease) and spare engine, rotables and non-aircraft equipment is provided on the straight line method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013.



## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

Major inspection costs relating to engine and airframe overhauls and other heavy maintenance are identified as separate components for owned and Leased Aircraft and are depreciated over the expected lives between major overhauls and remaining useful life of the aircraft, whichever is lower.

Depreciation has been charged based on the following useful lives:

Asset Head	Useful life in years
Owned and Leased Aircraft and owned spare engines	
- Aircraft and engine components including spare engines	20
- Major inspection and overhaul costs*	4 - 12
Rotables and non-aircraft equipment	20
Furniture and fixtures	10
Computer	
- End user devices	3
- Server and networks	6
Office equipment	
- Office equipment	5
- Electrical equipment	10
Ground support equipment	15
Vehicles (including ground support vehicles)	
- Motor vehicles (ground support equipment)	8
- Motor vehicles	8

\* separate component recognised with effect from 1 April 2015.

Expenditure incurred towards leasehold improvements - aircraft is depreciated on a straight line basis over the remaining period of the lease of the aircraft or 5 years, whichever is lower.

Leasehold improvements are depreciated on a straight line basis over the period of the initial lease term or their estimated useful life, whichever is lower.

The useful lives have been determined based on internal evaluation done by management and are in line with the estimated useful lives, to the extent prescribed by the Schedule II of the Companies Act, 2013, in order to reflect the technological obsolescence and actual usage of the asset. The residual values are not more than 5% of the original cost of the asset.

Depreciation is calculated on a pro-rata basis for assets purchased/sold during the year.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed by management at each reporting date and adjusted prospectively, as appropriate.

Pursuant to identification of major inspection and overhaul costs as separate components as required by Schedule II of the Companies Act, 2013 with effect from 1 April 2015, the depreciation charge for the year ended 31 March 2016 is higher by Rs. 1,568.31.

### Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

#### (ix) Other intangible assets

##### Recognition and measurement

Other intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The other intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

Gain or losses arising from derecognition of an other intangible asset are measured as the difference between the net disposal

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

proceeds and the carrying amount of the other intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### Subsequent costs

Subsequent costs is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on other intangible assets is recognised in the Statement of Profit and Loss, as incurred.

### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all other intangible assets recognised as at 1 April 2015 measured as per the Previous Indian GAAP and use that carrying value as the deemed cost of such other intangible assets (Refer to Note 28).

### Amortisation

Amortisation is calculated to write off the cost of other intangible assets over their estimated useful lives of 3 years using the straight-line method. Amortisation is calculated on a pro-rata basis for assets purchased/ disposed during the year.

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

### Intangible assets under development

Cost of intangible assets under development as at the reporting date are disclosed as intangible assets under development.

## (x) Leases

### Leased assets

Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance lease. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities, as appropriate. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Leases in which significant portion of risks and rewards of ownership are not transferred are classified as operating leases. In determining the appropriate classification, the substance of the transaction rather than the form is considered.

Lease classification is made at the inception of the lease. Lease classification is changed only if, at any time during the lease, the parties to the lease agreement agree to revise the terms of the lease (without renewing it) in a way that it would have been classified differently, had the changed terms been in effect at inception. The revised agreement involves renegotiation of original terms and conditions and are accounted prospectively over the remaining term of the lease.

### Lease payments

Minimum lease payments made under finance lease are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Lease payments in respect of assets taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases.

### Sale and lease back transactions

Gains and losses arising on sale and leaseback transactions resulting in an operating lease and where the sale price is at fair value, are recognised immediately in the Statement of Profit and Loss. Where the sale price is below fair value, any losses are immediately recognised in the Statement of Profit and Loss, except where the loss is compensated for by future lease payments at below market price, it is deferred and amortised in proportion to the lease payments over the initial period for which the asset

## Notes forming part of the financial statements for the year ended 31 March 2017

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is expected to be used. Where the sale price is above fair value, the excess over fair value is amortised over the initial period of the lease which coincides with the period for which the asset is expected to be used.

Any excess of sales proceeds over the carrying amount in case a sale and leaseback transaction results in a finance lease, is deferred and amortised over the expected period of use of leased asset in proportion to the depreciation of the leased asset.

### (xi) Incentive - non-refundable

#### Cash incentives

The Company receives non-refundable incentives in connection with the acquisition of aircraft and engines. In case of owned aircraft or aircraft under finance lease, incentives are recorded as a reduction to the cost of related aircraft and engines. Where the aircraft is held under operating lease, the incentives are deferred and reduced from the operating lease rentals on a straight line basis over the initial lease period of the respective aircraft. In case of return of an aircraft taken on operating lease before the expiry of the lease term, the unamortised balance of deferred incentive is recorded in the Statement of Profit and Loss.

The Company also receives non-refundable milestone incentives from the engine manufacturer on achievement of certain milestones relating to acquisition and delivery of aircraft. These milestone incentives are recorded as reduction to the carrying value of aircraft and engines in case of owned aircraft and engines. Where the aircraft is held under operating lease, the incentives are deferred and reduced from the lease rentals on a straight line basis over the remaining initial lease period of the respective aircraft. Where the aircraft is held under finance lease, the incentives are deferred and recognised under the head 'Other operating revenue' in the Statement of Profit and Loss, on a straight line basis over the remaining initial lease period of the respective aircraft. In case of prepayment of finance lease obligations for aircraft taken on finance lease and consequently taking the ownership of the aircraft, before the expiry of the lease term, the unamortised balance of deferred incentive is recorded as a reduction to the carrying value of the aircraft. In case of return of an aircraft taken on operating lease before the expiry of the lease term, the unamortised balance of deferred incentive is recorded in the Statement of Profit and Loss.

#### Non-cash incentives

Non-cash incentives are recorded as and when due to the Company by setting up a deferred asset and a corresponding deferred incentive. These incentives are recorded as a reduction to the cost of related aircraft and engines in case of owned aircraft and aircraft held under finance lease. Where the aircraft is held under operating lease, the incentives are deferred and reduced from the lease rentals on a straight line basis over the estimated period of use of these incentives, which coincides with the initial lease period.

The deferred asset explained above is reduced on the basis of utilization of incentives against liability towards purchase of goods and services.

### (xii) Inventories

Inventories primarily includes stores and spares and loose tools (other than those which meet the criteria of property, plant and equipment), fuel and in-flight inventories. Inventories are valued at lower of cost and net realisable value ('NRV'). Cost of inventories comprise all costs of purchase after deducting non refundable rebates and discounts and all other costs incurred in bringing the inventories to their present location and condition. Cost are assigned to individual items of inventory on the weighted average cost basis. NRV for in-flight inventory is the estimated selling price of goods sold less the estimated cost necessary to make the sale. NRV for stores and spares, loose tools and fuel used in rendering of services are not written down below cost except in cases where the price of such materials have declined and it is estimated that the cost of rendering of services will exceed their selling price. Where necessary, due allowance is made for all damaged, obsolete and slow moving items. The comparison of cost and net realizable value is made on an item by item basis at each reporting date.

### (xiii) Impairment - non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

## Notes forming part of the financial statements for the year ended 31 March 2017

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The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### (xiv) Employee benefits

#### Short-term employee benefits

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve 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 an undiscounted amount expected to be paid when the liabilities are settled.

#### Post-employment benefit plans

##### Defined contribution plans

The Company pays provident fund contributions to the appropriate government authorities. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

##### Defined benefit plans

Defined benefit plans of the Company comprise gratuity.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The gratuity plan of the Company is unfunded.

The liability recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost and other costs are included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in "other equity" in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from settlement or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

#### Other long-term employee benefits

##### i. Compensated absences

Till the year ended 31 March 2015, benefits under compensated absences constitute short term employee benefits, since the

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

employees were required to avail the leave within one year from the year end. These were recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

In the year ended 31 March 2016, the Company had amended its leave policy. Accordingly, benefits under compensated expenses are accounted as other long-term employee benefits. The Company's net obligation in respect of compensated absences is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Remeasurements are recognised in Statement of Profit and Loss in the period in which they arise.

### ii. Others

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Remeasurements are recognised in Statement of Profit and Loss in the period in which they arise.

### Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees under the Employee Stock Option Scheme ('ESOS') is generally recognised as an employee stock option scheme expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The increase in equity recognised in connection with a share based payment transaction is presented in the "Employee stock option outstanding account", as separate component in equity. For share-based payment awards with market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

### (xv) Provisions and contingent liabilities and assets

#### Provisions

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Contingent liabilities and assets

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

### (xvi) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the

## Notes forming part of the financial statements for the year ended 31 March 2017

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consideration received or receivable, net of discounts. Revenue is recorded provided the recovery of consideration is probable and determinable.

### Passenger and cargo revenue

Passenger revenue is recognised on flown basis i.e. when the service is rendered, net of discounts given to the passengers, applicable taxes and airport levies such as passenger service fee, user development fee, etc., if any. Cargo revenue is recognised when service is rendered i.e. goods are transported, net of airport levies and applicable taxes.

The sale of tickets not yet flown is credited to unearned revenue i.e. 'Forward Sales' disclosed under other current liabilities. Fees charged for modification and cancellation of flight tickets and towards special service request are recognised as revenue on rendering of the service.

The unutilised balance in Forward Sales for more than a year is recognised as revenue based on historical statistics, data and management estimates and considering the Company's cancellation policy.

### In flight sales

Revenue from sale of merchandise is recognised on transfer of all significant risks and rewards to the passenger. Revenue from sale of food and beverages is recognised on sale of goods to the passenger, net of applicable taxes.

### Tour and packages

Income and related expense from sale of tours and packages are recognised upon services being rendered and where applicable, are stated net of discounts and applicable taxes. The income and expense are stated on gross basis.

The sale of tours and packages not yet serviced is credited to unearned revenue, i.e. 'Forward Sales' disclosed under other current liabilities.

### Interest income

Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method on a time proportionate basis.

### Claims and other credits - non-refundable

Claims relate to reimbursement towards operational expenses such as operating lease rentals, aircraft repair and maintenance, etc. are adjusted against such expenses over the estimated period for which these reimbursements pertain. When credits are used against purchase of goods and services such as operating lease rentals, aircraft repair and maintenance, etc, these are adjusted against such expenses on utilization basis. The claims and credits are netted off against related expense arising on the same transaction as it reflects the substance of transaction. Moreover, any claim or credit not related to reimbursement towards operational expenses or used for purchase of goods and services are recognised as income in the Statement of Profit and Loss when a contractual entitlement exists, the amount can be reliably measured and receipt is virtually certain.

### (xvii) Commission

The commission paid / payable on sales is recognised on sale of ticket and in accordance with the terms of contracts with agents (customers). As the Company acts as a principal, the commission is recognised as an expense in the Statement of Profit and Loss.

### (xviii) Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

### (xix) Borrowing costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## Notes forming part of the financial statements for the year ended 31 March 2017

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### (xx) Aircraft repair, maintenance and redelivery cost

The Company recognises aircraft repair and maintenance cost in the Statement of Profit and Loss (except heavy maintenance visits, engine overhaul and landing gear overhaul expenses for owned aircraft and aircraft taken on finance lease) on incurred basis, except for aircraft maintenance covered by third party maintenance agreements, where in a portion of the cost are charged to the Statement of Profit and Loss at a contractual rate per hour in accordance with the terms of the agreements.

Aircraft maintenance costs also includes provision for overhaul expenses for certain aircraft held under operating leases. These are recorded at discounted value, where effect of the time value of money is material.

The Company has in its fleet aircraft on operating lease. As contractually agreed under the lease contracts, the aircraft have to be redelivered to the lessors at the end of the lease term under stipulated contractual return conditions. The redelivery costs are estimated by management based on historical trends and data, and are recorded in the financial statements in proportion to the expired lease period. These are recorded at the discounted value, where effect of the time value of money is material.

### (xxi) Aircraft fuel expense

Aircraft fuel expenses are recognised in the statement of profit and loss as uplifted and consumed, net off any discounts.

### (xxii) Income tax

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Significant management judgement is required to determine the probability of deferred tax asset.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that it is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Balance Sheet. Significant



## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

management judgement is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets levied by the same tax authorities.

### (xxiii) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its equity shares.

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS is determined by adjusting profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares, which comprise convertible preference shares and share options granted to employees.

### (xxiv) Segment reporting

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

### (xxv) Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

### (xxvi) Recent accounting pronouncements

#### Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. The amendments are applicable to the Company from April 1, 2017.

#### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

#### Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 3. Property, plant and equipment

As at 31 March 2017

Particulars	Owned aircraft and spare engines	Leased aircraft	Furniture and fixtures	Computer	Office equipment	Ground support equipment	Vehicles (including ground support vehicles)	Leasehold improvements	Leasehold improvements - aircraft	Rotables and non-aircraft equipment ***	Total
<b>Gross value</b>											
Balance at the beginning of the year	9,147.87	39,960.69	156.73	317.77	70.51	1,098.85	539.91	442.60	787.90	598.28	53,051.11
Additions during the year	574.67	236.19	37.83	120.02	31.16	114.84	281.90	188.99	172.53	259.44	2,017.57
Disposals during the year #	7,741.62	38.85	0.03	1.85	0.22	—	8.11	—	—	45.87	7,836.55
Adjustments during the year */ **	5,718.07	(6,981.99)	—	—	—	—	—	—	—	—	(1,263.92)
<b>Balance at the end of the year</b>	<b>7,698.99</b>	<b>33,176.04</b>	<b>194.53</b>	<b>435.94</b>	<b>101.45</b>	<b>1,213.69</b>	<b>813.70</b>	<b>631.59</b>	<b>960.43</b>	<b>741.85</b>	<b>45,968.21</b>
<b>Accumulated depreciation</b>											
Balance at the beginning of the year	2,233.41	2,748.46	21.75	127.79	20.17	163.52	135.27	102.43	200.07	23.90	5,776.77
Depreciation for the year	931.41	2,452.46	43.67	139.08	26.15	183.17	163.40	186.80	227.57	44.38	4,398.09
Depreciation on disposals	1,639.28	38.93	0.01	0.21	0.07	—	2.87	—	—	—	1,681.37
Adjustments during the year **	524.29	(524.29)	—	—	—	—	—	—	—	—	—
Balance at the end of the year	2,049.83	4,637.70	65.41	266.66	46.25	346.69	295.80	289.23	427.64	68.28	8,493.49
<b>Net carrying value as at 31 March 2017</b>	<b>5,649.16</b>	<b>28,538.34</b>	<b>129.12</b>	<b>169.28</b>	<b>55.20</b>	<b>867.00</b>	<b>517.90</b>	<b>342.36</b>	<b>532.79</b>	<b>673.57</b>	<b>37,474.72</b>

As at 31 March 2016

Particulars	Owned aircraft and spare engines	Leased aircraft	Furniture and fixtures	Computer	Office equipment	Ground support equipment	Vehicles (including ground support vehicles)	Leasehold improvements	Leasehold improvements - aircraft	Rotables and non-aircraft equipment ***	Total
<b>Cost or deemed cost</b>											
Balance at the beginning of the year	—	46,535.62	25.43	131.68	34.26	699.38	355.24	142.35	740.06	361.79	49,025.81
Additions during the year	476.76	168.53	132.94	186.36	37.04	402.49	186.33	306.44	47.84	166.49	2,111.22
Disposals during the year #	—	139.87	1.64	0.27	0.79	3.02	1.66	6.19	—	—	153.44
Adjustments during the year */ **	8,671.11	(6,603.59)	—	—	—	—	—	—	—	—	2,067.52
<b>Balance at the end of the year</b>	<b>9,147.87</b>	<b>39,960.69</b>	<b>156.73</b>	<b>317.77</b>	<b>70.51</b>	<b>1,098.85</b>	<b>539.91</b>	<b>442.60</b>	<b>787.90</b>	<b>598.28</b>	<b>53,051.11</b>
<b>Accumulated depreciation</b>											
Balance at the beginning of the year	—	—	—	—	—	—	—	—	—	—	—
Depreciation for the year	126.15	4,008.58	22.14	127.83	20.38	165.79	135.54	107.32	200.07	23.90	4,937.70
Depreciation on disposals	—	139.87	0.39	0.04	0.21	2.27	0.27	4.89	—	—	147.94
Adjustments during the year **	2,107.26	(1,120.25)	—	—	—	—	—	—	—	—	987.01
Balance at the end of the year	2,233.41	2,748.46	21.75	127.79	20.17	163.52	135.27	102.43	200.07	23.90	5,776.77
<b>Net carrying value as at 31 March 2016</b>	<b>6,914.46</b>	<b>37,212.23</b>	<b>134.98</b>	<b>189.98</b>	<b>50.34</b>	<b>935.33</b>	<b>404.64</b>	<b>340.17</b>	<b>587.83</b>	<b>504.38</b>	<b>47,274.34</b>

\* As per Ind AS 101, a first-time adopter of Ind AS may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the year ending immediately before the beginning of the first Ind AS financial reporting year as per the Previous Indian GAAP (i.e. year ended 31 March 2016 or before). The Company has opted for the optional exemption and accordingly, the Company had adjusted foreign currency gain amounting to Rs. 369.17 (31 March 2016: foreign currency loss amounting to Rs. 2,311.29) during the year ended 31 March 2017, arising on re-statement of long-term foreign currency monetary loans used for acquisition of a depreciable capital asset. Refer to Note 28.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 3. Property, plant and equipment (contd...)

\*\*The Company has utilized its Initial Public Offer proceeds towards retirement of certain outstanding finance lease liabilities in foreign currency and consequent acquisition of aircraft. The adjustment in the Gross value of owned aircraft of Rs. 5,718.07 (31 March 2016: Rs. 8,671.11) represents the cost of the acquired finance leased aircraft as reduced by the outstanding deferred incentives amounting to Rs. 894.75 (31 March 2016: Rs. 243.76) in respect of these aircraft, as on the date of the acquisition. The adjustment in the Accumulated Depreciation of owned aircraft of Rs. 524.29 (31 March 2016: Rs. 2,107.26) represents the accumulated depreciation of the acquired finance leased aircraft as increased by the outstanding provision for supplemental rentals amounting to Rs. Nil (31 March 2016: Rs. 987.01) in respect of these aircraft, as on the date of the acquisition.

Consequently, the adjustment in the Gross value of finance leased aircraft of Rs. 6,612.82 (31 March 2016: Rs. 8,914.87) represents the cost of the transferred finance leased aircraft to owned aircraft, as on the date of the acquisition. Moreover, the adjustment in the Accumulated Depreciation of finance leased aircraft of Rs. 524.29 (31 March 2016: Rs. 1,120.25) represents the accumulated depreciation of the transferred finance leased aircraft to owned aircraft as on the date of the acquisition.

\*\*\* The Company, in accordance with Ind AS 16 - Property, Plant and Equipment, has identified certain spare parts and stand-by equipment, and reclassified/ capitalised them as rotables and non-aircraft equipment under property, plant and equipment. The same were classified as inventories under Previous Indian GAAP. These rotables and non-aircraft equipment have been depreciated over the remaining useful lives of the asset.

# During the current year ended 31 March 2017, the Company has sold and leased back on operating lease, certain owned aircraft. Net gain amounting to Rs. 26.02 on account of such sale and lease back transaction has been recognised in the Statement of Profit and Loss under other income as the transaction has been established at fair value (Refer to Note 21).

For terms of assets acquired under finance lease, Refer to Note 15(a).

### 4 Other intangible assets

As at 31 March 2017

Particulars	Computer software	Total
<b>Gross value</b>		
Balance at the beginning of the year	316.72	316.72
Additions during the year	438.39	438.39
Disposals during the year	–	–
Balance at the end of the year	755.11	755.11
<b>Accumulated amortisation</b>		
Balance at the beginning of the year	116.98	116.98
Amortisation for the year	174.44	174.44
Amortisation on disposals	–	–
Balance at the end of the year	291.42	291.42
<b>Net carrying value as at 31 March 2017</b>	<b>463.69</b>	<b>463.69</b>

As at 31 March 2016

Particulars	Computer software	Total
<b>Cost or deemed cost</b>		
Balance at the beginning of the year	96.37	96.37
Additions during the year	220.35	220.35
Disposals during the year	–	–
Balance at the end of the year	316.72	316.72
<b>Accumulated amortisation</b>		
Balance at the beginning of the year	–	–
Amortisation for the year	116.98	116.98
Amortisation on disposals	–	–
Balance at the end of the year	116.98	116.98
<b>Net carrying value as at 31 March 2016</b>	<b>199.74</b>	<b>199.74</b>

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 5 Investments

Particulars	Rs at 31 March 2017	Rs at 31 March 2016	Rs at 1 April 2015
<b>Non-current investments</b>			
Equity investments in subsidiary	0.10	–	–
Equity investments	0.18	0.25	0.46
<b>Total</b>	<b>0.28</b>	<b>0.25</b>	<b>0.46</b>
<b>Current investments</b>			
Mutual funds	37,134.10	9,861.31	5,193.03
<b>Total</b>	<b>37,134.10</b>	<b>9,861.31</b>	<b>5,193.03</b>
<b>Grand Total</b>	<b>37,134.38</b>	<b>9,861.56</b>	<b>5,193.49</b>

Particulars	Rs at 31 March 2017		Rs at 31 March 2016		Rs at 1 April 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
<b>Investments in equity instruments - at cost</b>						
<b>Equity investments in subsidiary : unquoted</b>						
10,000 (31 March 2016 : Nil, 1 April 2015 : Nil) equity shares Rs. 10 each of Agile Airport Services Private Limited*	0.10	–	–	–	–	–
<b>Investments at fair value through profit or loss (FVTPL)</b>						
<b>Equity investments, unquoted</b>						
1,280 equity shares (31 March 2016: 1,653, 1 April 2015: 2,815) of Thai Baht (THB) 100 each, fully paid up, of Aeronautical Radio of Thailand, a state enterprise under the Ministry of Transport**	0.18	–	0.25	–	0.46	–
<b>Mutual funds, unquoted</b>						
2,271,407 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 1,000 each of Reliance Money Manager Fund-Direct Growth Plan-Growth Option	–	5,170.90	–	–	–	–
137,369,180 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 10 each of Reliance Medium Term Fund- Direct Plan Growth Plan- Growth Plan Option	–	4,765.30	–	–	–	–
14,274,252 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 100 each of Birla Sun Life Savings Fund Growth - Direct Plan	–	4,569.33	–	–	–	–
20,961,042 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 100 each of Birla Sun Life Floating Rate Fund- Long term- Growth Direct Plan	–	4,205.78	–	–	–	–
141,600,564 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 10 each of DHFL-Pramerica Low Duration Fund-Direct Plan-Growth	–	3,216.53	–	–	–	–
127,491,801 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 10 each of DHFL-Pramerica Ultra Short Term Fund-Direct Plan-Growth	–	2,536.12	–	–	–	–

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 5 Investments (contd...)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Nil (31 March 2016: 11,146,542; 1 April 2015: Nil) units of face value of Rs. 100 each of ICICI Prudential Savings Fund - Growth	-	-	-	2,504.01	-	-
Nil (31 March 2016: 966,294; 1 April 2015: 187,142) units of face value of Rs. 1,000 each of UTI Floating Rate Fund - STP - Regular Plan - Growth	-	-	-	2,364.71	-	421.83
Nil (31 March 2016: 627,831; 1 April 2015: Nil) units of face value of Rs. 1,000 each of HDFC Cash Management Fund - Saving Plan - Growth	-	-	-	1,980.68	-	-
53,788,491 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 10 each of Sundaram Money Fund -Direct Plan- Growth	-	1,844.69	-	-	-	-
75,348,776 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 10 each of Sundaram Ultra Short Term Fund -Direct Plan- Growth	-	1,711.37	-	-	-	-
Nil (31 March 2016: Nil; 1 April 2015: 7,412,319) units of face value of Rs. 100 each of Birla Sun Life Cash Plus - Growth - Regular Plan	-	-	-	-	-	1,662.47
3,903,681 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 100 each of Birla Sun Life Cash Manager -Growth-Direct Plan	-	1,585.01	-	-	-	-
727,958 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 10 each of Kotak-Low Duration Fund-Direct Growth	-	1,478.18	-	-	-	-
50,363,331 (31 March 2016: 47,343,265; 1 April 2015: Nil) of face value of Rs. 10 each of HDFC Floating Rate Income Fund-Short Term Plan-Wholesale Option Growth Option	-	1,428.28	-	1,233.00	-	-
730,035 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 1,000 each of Baroda Pioneer Treasury Advantage Fund-Plan B Growth	-	1,403.42	-	-	-	-
Nil (31 March 2016: Nil; 1 April 2015: 47,988,690) units of face value of Rs. 10 each of HDFC Liquid Fund - Growth	-	-	-	-	-	1,323.35
Nil (31 March 2016: Nil; 1 April 2015: 558,570) units of face value of Rs. 1,000 each of Reliance Liquid Fund - Cash Plan - Growth Option - Growth Plan	-	-	-	-	-	1,243.22
323,751 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 1,000 each of Reliance Liquid Fund - Cash Plan - Direct Growth Plan	-	849.93	-	-	-	-
40,014,061 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 10 each of LIC MF Saving Plus Fund-Direct-Growth Plan	-	1,030.40	-	-	-	-
Nil (31 March 2016: 63,241,843; 1 April 2015: Nil) units of face value of Rs. 10 each of ICICI Prudential-Ultra Short Term- Growth	-	-	-	968.02	-	-

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 5 Investments (contd...)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
489,933 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 1,000 each of Axis Treasury Advantage Fund – Direct Growth - TADG	–	904.47	–	–	–	–
Nil (31 March 2016: 25,429,005; 1 April 2015: Nil) units of face value of Rs. 10 each of Sundaram Money Fund Regular Growth	–	–	–	810.89	–	–
Nil (31 March 2016: Nil; 1 April 2015: 258,097) units of face value of Rs. 1,000 each of Tata Floater Fund Plan A - Growth	–	–	–	–	–	542.16
141,593 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 1,000 each of UTI-Treasury Advantage-Institutional Plan-Direct Plan-Growth	–	319.35	–	–	–	–
46,359 (31 March 2016: Nil; 1 April 2015: Nil) units of face value of Rs. 1,000 each of Tata Ultra Short Term Fund Direct Plan - Growth	–	115.04	–	–	–	–
<b>Total</b>	<b>0.28</b>	<b>37,134.10</b>	<b>0.25</b>	<b>9,861.31</b>	<b>0.46</b>	<b>5,193.03</b>
<b>Aggregate value of unquoted investments</b>	<b>0.28</b>	<b>37,134.10</b>	<b>0.25</b>	<b>9,861.31</b>	<b>0.46</b>	<b>5,193.03</b>

There are no quoted investments during the current and previous years.

\* On 14 February 2017, a wholly owned subsidiary, Agile Airport Services Private Limited ("Agile") was incorporated, having registered office in New Delhi, India, for the purpose of carrying out the work of ground handling and other allied services at the airports. The Company has invested in 10,000 shares (fully paid-up of Rs. 10 each) in Agile on 30 March 2017. 100 of such shares are held by a nominee of the Company.

\*\* The transfer of the investment is restricted to airline members flying in Thailand.

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 29.

### 6 Loans

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
<i>Unsecured, considered good, unless stated otherwise</i>						
Security deposit	5,440.26	39.76	4,217.22	90.46	3,106.82	41.25
<b>Total</b>	<b>5,440.26</b>	<b>39.76</b>	<b>4,217.22</b>	<b>90.46</b>	<b>3,106.82</b>	<b>41.25</b>

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 7 Other financial assets

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
<i>Unsecured, considered good, unless stated otherwise</i>						
Bank deposits (due for maturity after twelve months from the reporting date) *	9,972.40	–	13,539.93	–	15,118.55	–
Interest accrued but not due on bank deposits	383.99	3,152.79	1,437.91	1,645.84	937.05	1,745.09
Maintenance recoverable	–	620.21	–	306.12	–	166.01
Insurance claim recoverable	–	46.66	–	11.42	–	54.64
Others (including credit recoverable)**	–	281.44	–	1,126.54	–	41.50
<b>Total</b>	<b>10,356.39</b>	<b>4,101.10</b>	<b>14,977.84</b>	<b>3,089.92</b>	<b>16,055.60</b>	<b>2,007.24</b>

\*Bank deposits include Rs. 9,633.84 (31 March 2016: Rs. 12,883.85, 1 April 2015: Rs. 13,649.11) as deposits with banks under lien. These deposits are used for issuing letter of credit/ standby letter of credit/ bank guarantees.

\*\* Includes related party advances amounting to Rs. 0.24 (31 March 2016: Rs. Nil, 1 April 2015: Rs. Nil) [Refer to Note 35].

### 8 Other assets

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
<i>Unsecured, considered good, unless stated otherwise</i>						
Prepaid expenses	–	1,327.65	–	1,052.17	–	882.39
Balance with service tax and custom authorities	–	925.58	–	496.86	–	275.17
Deferred incentive (non-cash)	–	28.91	–	700.28	–	594.76
Capital advances	119.65	–	136.34	–	51.07	–
Advance to employees	49.32	145.48	35.76	101.05	5.87	91.60
Deferred rent	3,379.77	592.35	2,761.39	451.50	2,092.94	336.12
Value added tax recoverable	–	40.18	–	37.83	–	16.68
Other recoverable	–	150.86	–	202.67	–	10.16
	<b>3,548.74</b>	<b>3,211.01</b>	<b>2,933.49</b>	<b>3,042.36</b>	<b>2,149.88</b>	<b>2,206.88</b>
<i>Advance to suppliers</i>						
- Considered good	–	434.22	–	470.38	–	248.52
- Considered doubtful	–	3.94	–	3.94	–	3.94
	–	438.16	–	474.32	–	252.46
Less: Impairment allowances for doubtful advances	–	3.94	–	3.94	–	3.94
	–	434.22	–	470.38	–	248.52
<b>Total</b>	<b>3,548.74</b>	<b>3,645.23</b>	<b>2,933.49</b>	<b>3,512.74</b>	<b>2,149.88</b>	<b>2,455.40</b>



## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 9 Inventories

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Valued at lower of cost and net realisable value			
<b>Stores and spares</b>			
- Engineering stores and spares	767.80	445.18	383.51
- Goods in transit	39.26	51.59	34.45
	807.06	496.77	417.96
<b>Loose tools</b>			
	22.55	80.67	39.61
	829.61	577.44	457.57
Less: Provision for obsolescence, slow/non-moving engineering stores, spares and loose tools	–	108.24	100.51
	829.61	469.20	357.06
<b>Stock-in-trade</b>			
- In-flight inventory	77.60	74.66	63.34
<b>Fuel</b>			
- Fuel	6.21	218.96	523.35
- Goods in transit	718.08	–	–
<b>Total</b>	<b>1,631.50</b>	<b>762.82</b>	<b>943.75</b>

### 10 Trade receivables

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured, considered good, unless otherwise stated			
<b>Trade receivables</b>			
- Considered good	1,587.02	1,571.14	1,045.50
- Considered doubtful	71.45	71.45	71.45
	1,658.47	1,642.59	1,116.95
Less: Impairment allowances for doubtful receivables	71.45	71.45	71.45
<b>Total</b>	<b>1,587.02</b>	<b>1,571.14</b>	<b>1,045.50</b>

The carrying amount of trade receivables approximates their fair value, is included in Note 29.

The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 29.

### 11 Cash and cash equivalents

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Cash on hand	43.17	30.83	21.42
Cheques on hand	–	–	0.09
<b>Balance with banks:</b>			
- On current account#	1,487.92	2,664.02	2,098.48
- On deposit account (with original maturity of three months or less)*	–	5,358.83	347.50
<b>Total</b>	<b>1,531.09</b>	<b>8,053.68</b>	<b>2,467.49</b>

# Current account balance with banks includes Rs. 71.43 (31 March 2016: Rs. 211.45, 1 April 2015: Rs. 222.36) held in foreign currency which are freely remissible to the Company.

\* Deposits as at 31 March 2016 represents unutilized amounts of the IPO proceeds, been temporarily deployed in deposits with banks.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 12 Bank balances other than cash and cash equivalents

Particulars	Rs at 31 March 2017	Rs at 31 March 2016	Rs at 1 April 2015
Bank balances other than cash and cash equivalents*			
- On deposit account	44,794.26	29,133.02	17,526.31
<b>Total</b>	<b>44,794.26</b>	<b>29,133.02</b>	<b>17,526.31</b>

\*Bank deposits include Rs. 39,471.53 (31 March 2016: Rs. 24,961.08, 1 April 2015: Rs. 15,004.03) as deposits with banks under lien. These deposits are used for issuing letter of credit/ standby letter of credit/ bank guarantees.

### 13 Share capital

Particulars	Rs at 31 March 2017	Rs at 31 March 2016	Rs at 1 April 2015
<b>a. Authorised*</b>			
<b>Equity shares</b>			
750,000,000 equity shares of Rs. 10 each (31 March 2016: 750,000,000 equity shares of Rs. 10 each, 1 April 2015: 500,000 equity shares of Rs. 1,000 each)	7,500.00	7,500.00	500.00
Nil 0.00% non-cumulative redeemable preference shares of Rs. 1,000 each (31 March 2016: Nil 0.00% non-cumulative redeemable preference shares of Rs. 1,000 each, 1 April 2015: 1,600,000 0.00% non-cumulative redeemable preference shares of Rs. 1,000 each)	–	–	1,600.00
Nil 0.00% convertible preference shares of Rs. 1,000 each (31 March 2016: Nil 0.00% convertible preference shares of Rs. 1,000 each, 1 April 2015: 100,000 0.00% convertible preference shares of Rs. 1,000 each)	–	–	100.00
<b>Total</b>	<b>7,500.00</b>	<b>7,500.00</b>	<b>2,200.00</b>
<b>b. Issued, subscribed and paid up</b>			
361,468,363 equity shares of Rs. 10 each fully paid up (31 March 2016: 360,356,544 equity shares of Rs. 10 each fully paid up, 1 April 2015: 307,000 equity shares of Rs. 1,000 each fully paid up)	3,614.68	3,603.57	307.00
Nil 0.00% convertible preference shares of Rs. 1,000 each (31 March 2016: Nil 0.00% convertible preference shares of Rs. 1,000 each, 1 April 2015: 36,716 0.00% convertible preference shares of Rs. 1,000 each) **	–	–	–
<b>Total</b>	<b>3,614.68</b>	<b>3,603.57</b>	<b>307.00</b>

\* Refer to Note 13 j.

\*\* Nil 0.00% convertible preference shares of Rs. 1,000 each (31 March 2016: Nil 0.00% convertible preference shares of Rs. 1,000 each, 1 April 2015: 36,716 0.00% convertible preference shares of Rs. 1,000 each) have been classified as compound financial instruments (Refer to Note 14 a. and 15 a.)

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 13 Share capital (contd...)

#### c. Reconciliation of number of equity shares outstanding at the beginning and end of the year :

Particulars	For the year ended	
	31 March 2017	31 March 2016
Equity shares issued, subscribed and paid up		
Equity shares at the beginning of the year	360,356,544	307,000
Equity shares increased during the year :		
- Increase due to conversion of 0.00% convertible preference shares of Rs. 1,000 each in equity shares of Rs. 1,000 each (Refer to Note 13 d.(ii))	-	36,716
- Increase due to sub-division of equity shares (Refer to Note 13 j.(i))	-	34,027,884
- Issued during the year - Bonus shares of Rs. 10 each (Refer to Note 13 j.(iii))	-	309,344,400
- Issued during the year pursuant to exercise of employee stock options scheme (Refer to Note 38)	1,111,819	-
- Issued during the year - Initial public offer- fresh issue (Refer to Note 13 j.(vi))	-	16,640,544
<b>Equity shares at the end of the year</b>	<b>361,468,363</b>	<b>360,356,544</b>

#### d. Terms / rights attached to each classes of shares

##### (i) Equity shares

The Company has only one class of equity share. The par value of the share issued initially till 24 June 2015 was Rs. 1,000 per share. With the approval of the members at the Extraordinary General Meeting ('EGM') of the Company held on 25 June 2015 the par value of the share was changed to Rs. 10 per share (Refer to Note 13 j.). Each holder of the equity share is entitled to one vote per share and is entitled to dividend, declared if any. The paid up equity shares of the Company rank pari-pasu in all respects, including dividend. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The interim dividend is declared by the Board of Directors. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

##### (ii) Convertible preference shares

The fully paid up convertible preference shares of Rs.1,000 each were issued at a premium ranging from Rs. 5,650 to Rs. 6,642 per share with 0.00% coupon rate and are convertible into equity shares of the Company in the ratio of 1:1 not earlier than (a) the initial public offer of the Company; or (b) a strategic sale of the Company. In the event of liquidation of the Company before conversion of preference shares, the preference shareholders had priority over the equity shares in the repayment of the capital. The holder of preference shares were entitled to one vote per share at any meeting of the Company on any resolutions of the Company directly affecting their rights.

During the previous year ended 31 March 2016, 36,716 fully paid up 0.00% convertible preference shares were converted into equity shares of the Company in the prescribed ratio of 1:1, vide resolution passed by the Board at its meeting held on 23 June 2015.

#### e. Shares held by holding/ultimate holding company and /or their subsidiaries/ associates

Particulars	Rs at 31 March 2017		Rs at 31 March 2016		Rs at 1 April 2015	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Equity shares of Rs. 10 each (31 March 2016: Rs. 10 each, 1 April 2015: Rs. 1,000 each), fully paid up held by:						
InterGlobe Enterprises Limited, holding and ultimate holding company upto 9 November 2015*	-	-	-	-	156,950	156.95
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156,950</b>	<b>156.95</b>

\* Post Initial Public Offer ('IPO'), InterGlobe Enterprises Limited ceases to be holding and ultimate holding company.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 13 Share capital (contd...)

f. Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Equity shares allotted as fully paid bonus shares by capitalization of capital redemption reserve in the year ended 31 March 2016	155,400,000	1,554.00	155,400,000	1,554.00	–	–
Equity shares allotted as fully paid bonus shares by capitalization of general reserve in the year ended 31 March 2016	153,944,400	1,539.44	153,944,400	1,539.44	–	–
<b>Total</b>	<b>309,344,400</b>	<b>3,093.44</b>	<b>309,344,400</b>	<b>3,093.44</b>	<b>–</b>	<b>–</b>

During the year ended 31 March 2016, the Company had issued 309,344,400 fully paid bonus shares during the period of five years immediately preceding the reporting date. The above shares were issued for Rs. 10 each. Refer to Note 13 j.(iii).

g. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
	Number of Shares	Number of Shares	Number of Shares
Equity shares allotted pursuant to scheme of merger (Refer to Note 42)	147,000	147,000	–
<b>Total</b>	<b>147,000</b>	<b>147,000</b>	<b>–</b>

The Company in addition to the shares as stated in Note 13 f. above has issued 147,000 fully paid shares for consideration other than cash during the previous year ended 31 March 2016, during the period of five years immediately preceding the reporting date. The above shares were issued for Rs. 1,000 each, which were subsequently sub divided into equity share of Rs. 10 each. Refer to Note 13 j.(i).

h. Shareholders holding more than 5% shares in the Company:

Particulars	Class of share	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		Number of Shares	%	Number of Shares	%	Number of Shares	%
InterGlobe Enterprises Limited	Equity shares	153,649,581	42.51%	153,649,581	42.64%	156,950	51.12%
Caelum Investment LLC	Equity shares	–	–	–	–	147,000	47.88%
Rakesh Gangwal	Equity shares	60,860,713	16.84%	60,860,713	16.89%	–	–
The Chinkerpoo Family Trust (Trustee: Shobha Gangwal & J.P.Morgan Trust Company of Delaware)	Equity shares	56,375,730	15.60%	56,375,730	15.64%	–	–
Shobha Gangwal	Equity shares	34,852,858	9.64%	34,852,858	9.67%	–	–
Rahul Bhatia	Convertible preference shares	–	–	–	–	3,006	8.19%
Riyaz Haider Peer Mohamed	Convertible preference shares	–	–	–	–	5,110	13.92%
Steven Eugene Harfst	Convertible preference shares	–	–	–	–	3,607	9.82%
Newton Bruce Ashby	Convertible preference shares	–	–	–	–	6,012	16.37%

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 13 Share capital (contd...)

#### h. Shareholders holding more than 5% shares in the Company: (contd...)

Particulars	Class of share	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		Number of Shares	%	Number of Shares	%	Number of Shares	% *
Kunal Chanana	Convertible preference shares	–	–	–	–	3,006	8.19%
Anil Chanana	Convertible preference shares	–	–	–	–	3,006	8.19%
IGT-InterGlobe Technologies Philippines Inc.	Convertible preference shares	–	–	–	–	6,038	16.45%
Rakesh Gangwal	Convertible preference shares	–	–	–	–	2,004	5.46%
Shobha Gangwal	Convertible preference shares	–	–	–	–	3,006	8.19%

\* Represents % of total shares in the respective class.

#### i. Shares reserved for issuance under Stock Option Plans of the Company

For details of shares reserved for issue under the employee stock option scheme (ESOS) of the Company. (Refer to Note 13 j.(iv), (v) and Note 38)

#### j. Other Notes

- (i) The Shareholders' at the Extraordinary General Meeting ('EGM') of the Company held on 25 June 2015, approved the reclassification and sub-division of the authorized share capital of the Company aggregating to Rs. 2,200.00, comprising of 500,000 equity shares of Rs. 1,000 each aggregating to Rs. 500.00; 1,600,000 0.00% non-cumulative redeemable preference shares of Rs. 1,000 each aggregating Rs. 1,600.00 and 100,000 0.00% convertible preference shares of Rs. 1,000 each aggregating Rs. 100.00 to 220,000,000 equity shares of Rs. 10 each aggregating to Rs. 2,200.00.
- (ii) The Shareholders' at the EGM of the Company held on 25 June 2015, approved increase in authorized share capital of the Company from Rs. 2,200.00 comprising of 220,000,000 equity shares of Rs. 10 each to Rs. 7,500.00 comprising of 750,000,000 equity shares of Rs. 10 each.
- (iii) The Shareholders' at the EGM of the Company held on 25 June 2015, approved capitalization of sum of Rs. 3,093.44, out of the balance in the Company's Capital Redemption Reserve / General Reserve and issued and allotted 309,344,400 equity shares of Rs. 10 each as bonus shares in the proportion of 9 fully paid equity shares of Rs. 10 each for every equity share of Rs. 10 held as on the record date which is 25 June 2015.
- (iv) The Shareholders' at the EGM of the Company held on 25 June 2015, approved adoption and implementation of "InterGlobe Aviation Limited-Tenured Employee Stock Option Scheme 2015 (ESOS 2015-I)" comprising 1,111,819 stock options, convertible into equivalent number of equity shares of Rs. 10 each as per the terms of the ESOS 2015-I. All options under ESOS 2015-I have been granted on 25 June 2015. During the year ended 31 March 2017, 1,111,819 options vested on 25 June 2016 and were subsequently exercised by the employees. Further, 1,111,819 equity shares of Rs. 10 each were allotted to the employees on exercise of option. Refer to Note 38.
- (v) Further, the Shareholders' at the EGM of the Company held on 25 June 2015, approved adoption and implementation of "InterGlobe Aviation Limited- Employee Stock Option Scheme 2015 (ESOS 2015-II)" comprising 3,107,674 stock options, convertible into equivalent number of equity shares of Rs. 10 each as per the terms of the ESOS 2015-II scheme. Out of the above, 2,267,143 stock options were granted on 30 October 2015 and 353,299 stock options were granted on 16 September 2016. Refer to Note 38.
- (vi) During the previous year ended 31 March 2016, the Company had completed the initial public offer (IPO), pursuant to which 39,464,562 equity shares of Rs. 10 each were allotted, at an issue price of Rs. 765, consisting of fresh issue of 16,640,544 equity shares and an offer for sale of 22,824,018 equity shares by selling shareholders. Out of fresh issue of 16,640,544 equity shares, 104,790 equity shares were issued to eligible employees at a discount of 10% of issue price and the remaining 16,535,754 equity shares were issued to public.

The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) via Symbol INDIGO and BSE Limited (BSE) via Scrip Code 539448 on 10 November 2015.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 14 Other equity

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Equity component of compound financial instruments	58.79	58.79	58.79
Reserves and surplus	34,153.10	23,582.16	7,436.44
Other comprehensive income - Remeasurement of defined benefit plans (net of tax)	(34.40)	(12.68)	–
<b>Total</b>	<b>34,177.49</b>	<b>23,628.27</b>	<b>7,495.23</b>

#### a. Equity component of compound financial instruments

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Nil 0.00% convertible preference shares of Rs. 1,000 each (31 March 2016: Nil)			
0.00% convertible preference shares of Rs. 1,000 each, 1 April 2015: 36,716			
0.00% convertible preference shares of Rs. 1,000 each)			
Balance at the beginning of the year	58.79	58.79	58.79
<b>Balance at the end of the year</b>	<b>58.79</b>	<b>58.79</b>	<b>58.79</b>

#### Movement for 0.00% convertible preference shares\*

Particulars	Amount
Total proceeds	79.09
Equity component of 0.00% convertible preference shares	68.82
Liability component of convertible preference shares	10.27
Interest expense till transition date	13.38
<b>Total liability as on transition date</b>	<b>23.65</b>
Interest expense till date of conversion	13.07
0.00% Convertible preference shares being converted to equity shares	36.72
<b>Closing balance of liability of 0.00% convertible preference shares as on 31 March 2016</b>	<b>–</b>

\* Refer to Note 13 d.(ii)

#### b. Reserves and surplus

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Capital redemption reserve	–	–	1,554.00
Employee stock option outstanding account (Refer to Note 38)	549.12	677.07	–
Securities premium reserve	12,604.58	11,971.74	–
General reserve	389.07	389.07	1,928.51
Retained earnings	20,610.33	10,544.28	3,953.93
<b>Total</b>	<b>34,153.10</b>	<b>23,582.16</b>	<b>7,436.44</b>

#### (i) Capital redemption reserve

Particulars	For the year ended	For the year ended
	31 March 2017	31 March 2016
Balance at the beginning of the year	–	1,554.00
Utilised during the year for issuing bonus shares (Refer to Note 13 j.(iii))	–	(1,554.00)
<b>Balance at the end of the year</b>	<b>–</b>	<b>–</b>

Capital redemption reserve represents the nominal value of the preference shares, which were redeemed by the Company in earlier years. The same was utilised for issuing bonus shares.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 14 Other equity (contd...)

#### (ii) Employee stock option outstanding account

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Balance at the beginning of the year	677.07	–
Employee stock option scheme expense (Refer to Note 38)	504.89	677.07
Amount utilized / transfer for issue of shares pursuant to exercise of employee stock options scheme (Refer to Note 38)	(632.84)	–
<b>Balance at the end of the year</b>	<b>549.12</b>	<b>677.07</b>

Employee stock option outstanding account is used to record the impact of employee stock option schemes. Refer to Note 38 for further details of these plans.

#### (iii) Securities premium reserve

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Balance at the beginning of the year	11,971.74	–
Premium received during the year on account of issue of shares (Refer to Note 13 j. and Note 38)	632.84	12,555.59
Utilized for share issue expenses*	–	(583.85)
<b>Balance at the end of the year</b>	<b>12,604.58</b>	<b>11,971.74</b>

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

\* Expenses incurred by the Company during the previous year ended 31 March 2016 aggregating to Rs. 1,286.27 (including Service Tax) in connection with the IPO have been partly adjusted towards the securities premium reserve and partly recovered from the selling shareholders. The IPO expenses amounting to Rs. 1,286.27, excluding certain expenses which are directly attributable to the Company (such as legal counsel cost, auditor fee, listing fee and stamp duty expenses) amounting to Rs. 152.68, have been allocated between the Company and each of the selling shareholders in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by the existing shareholders.

#### (iv) General reserve

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Balance at the beginning of the year	389.07	1,928.51
Utilised during the year for issuing bonus shares (Refer to Note 13 j.(iii))	–	(1,539.44)
<b>Balance at the end of the year</b>	<b>389.07</b>	<b>389.07</b>

The Company transferred certain percentage of retained earnings to general reserve as per the provisions for dividend distribution under the Companies Act, 1956. During the previous year ended 31 March 2016, the general reserve has been utilized for issuance of bonus shares as per the provisions of the Companies Act, 2013.

#### (v) Retained earnings

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Balance at the beginning of the year	10,544.28	3,953.93
Add: Profit for the year	16,591.88	19,861.61
<b>Amount available for appropriation</b>	<b>27,136.16</b>	<b>23,815.54</b>
<b>Less: Appropriations</b>		
Final dividend (Refer note below)	(5,422.03)	–
Interim dividend (Refer note below)	–	(11,026.49)
Corporate dividend tax	(1,103.80)	(2,244.77)
<b>Balance at the end of the year</b>	<b>20,610.33</b>	<b>10,544.28</b>



## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 14 Other equity (contd...)

#### Dividends

The following dividends were declared and paid by the Company

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Final dividend of Rs. 15 per share* (31 March 2016: Rs. Nil per share)	5,422.03	–
Interim dividend of Rs. Nil per share (31 March 2016: Rs. 32,668.08 per share** and Rs. 3,248.83 per share***)	–	11,026.49

After the reporting dates the following dividends were proposed by the Board of Directors subject to the approval of shareholders at Annual General Meeting; Accordingly, the dividends have not been recognised as liabilities. Dividends would attract corporate dividend tax when declared.

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Final dividend of Rs. 34 per share**** (31 March 2016: Rs. 15 per share*)	12,289.92	5,422.03
Corporate dividend tax	2,501.94	1,103.80

\* On 29 April 2016, the Board of Directors has recommended a final dividend of Rs. 15 per share (face value of Rs. 10 per share) for the financial year ended 31 March 2016 and the same was approved by the shareholders at the Annual General Meeting held on 21 September 2016.

\*\* On 19 June 2015, the Company had declared interim dividend of Rs. 32,668.08 per equity share on 307,000 shares of Rs. 1,000 each for the financial year ended 31 March 2016. The same was declared before the sub-division, conversion of equity shares and fresh issue of shares. Refer to Note 13 j.

\*\*\* On 19 June 2015, the Company had declared interim dividend of Rs. 3,248.83 per equity share on 307,000 shares of Rs. 1,000 each for the financial year ended 31 March 2015. The same was declared before the sub-division, conversion of equity shares and fresh issue of shares. Refer to Note 13 j.

\*\*\*\*On 9 May 2017, the Board of Directors has recommended a final dividend of Rs. 34 per share (face value of Rs. 10 per share) for the financial year ended 31 March 2017, subject to approval of the shareholders in the upcoming Annual General Meeting.

#### c. Other comprehensive income - Remeasurement of defined benefit plans (net of tax)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Other comprehensive income</b>		
Balance at the beginning of the year	(12.68)	–
Actuarial losses on defined benefit plan for the year (net of tax) (Refer to Note 33)	(21.72)	(12.68)
<b>Balance at the end of the year</b>	<b>(34.40)</b>	<b>(12.68)</b>

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 15 Financial liabilities

#### 15.a Borrowings

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Secured</b>			
Term loans:			
Foreign currency term loan			
- From others	4,604.00	4,035.46	3,000.24
<b>Other loans:</b>			
Long-term maturities of finance lease obligations	19,353.08	26,035.26	33,293.16
<b>Unsecured</b>			
Liability component of compound financial instruments - 36,716 0.00% convertible preference shares of Rs.1,000 each fully paid up (Refer to Note 14.a.)	-	-	23.65
<b>Total</b>	<b>23,957.08</b>	<b>30,070.72</b>	<b>36,317.05</b>

Current maturities of foreign currency term loans and finance lease obligations amounting to Rs. Nil and Rs. 2,004.66 (31 March 2016: Rs. Nil and Rs. 2,375.57; 1 April 2015: Rs. Nil and Rs. 3,221.71), respectively have been disclosed under 'Other financial liabilities' (Refer to Note 15.b).

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 29.

#### Secured - Term loans

##### As at 31 March 2017

Particulars	Disclosed under	As at 31 March 2017	Interest rate*	Period of maturity from the reporting date
Foreign currency term loan - USD#	Financial liabilities - borrowings	4,604.00	USD LIBOR plus markup	82 months

\* Markup is 275 basis points over 6 month USD LIBOR. The period of maturity from the date of origination is 137 months.

# The above mentioned loan is repayable in twenty unequal instalments ranging between USD 4 million to USD 6 million between the period September 2022 - December 2023.

Foreign currency term loan is secured by way of assignment of rights, title, benefits and interests of the Company in respect to Buyer-furnished equipment ('BFE') installed or to be installed in the aircraft under BFE Security and Assignment Agreement. Moreover, the lender has a contractual right to buy certain aircraft to be delivered to the Company partially by utilizing the pre-delivery payments under the agreement signed by Airbus S.A.S, lender and the Company.

There are no defaults as on reporting date in repayment of principal and interest.

##### As at 31 March 2016

Particulars	Disclosed under	As at 31 March 2016	Interest rate*	Period of maturity from the reporting date
Foreign currency term loan - USD#	Financial liabilities - borrowings	4,035.46	USD LIBOR plus markup	94 months

\* Markup is 275 basis points over 6 month USD LIBOR. The period of maturity from the date of origination is 137 months.

# The above mentioned loan is repayable in twenty unequal instalments ranging between USD 4 million to USD 6 million between the period September 2022 - December 2023.

Foreign currency term loan is secured by way of assignment of rights, title, benefits and interests of the Company in respect to Buyer-furnished equipment ('BFE') installed or to be installed in the aircraft under BFE Security and Assignment Agreement. Moreover, the lender has a contractual right to buy certain aircraft to be delivered to the Company partially by utilizing the pre-delivery payments under the agreement signed by Airbus S.A.S, lender and the Company.

There are no defaults as on reporting date in repayment of principal and interest.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 15. a Borrowings (contd...)

As at 1 April 2015

Particulars	Disclosed under	As at 1 April 2015	Interest rate*	Period of maturity from the reporting date
Foreign currency term loan - USD#	Financial liabilities - borrowings	3,000.24	USD LIBOR plus markup	106 months

\* Markup is 275 basis points over 6 month USD LIBOR. The period of maturity from the date of origination is 137 months.

# The above mentioned loan is repayable in twenty unequal instalments ranging between USD 4 million to USD 6 million between the period September 2022 - December 2023.

Foreign currency term loan is secured by way of assignment of rights, title, benefits and interests of the Company in respect to Buyer-furnished equipment ('BFE') installed or to be installed in the aircraft under BFE Security and Assignment Agreement. Moreover, the lender has a contractual right to buy certain aircraft to be delivered to the Company partially by utilizing the pre-delivery payments under the agreement signed by Airbus S.A.S, lender and the Company.

There are no defaults as on reporting date in repayment of principal and interest.

#### Secured - Other loans

##### Finance lease obligations

Certain aircraft have been obtained on finance lease, the obligation of which will be contractually settled in USD. The legal title to these items vests with the lessors. The lease term for aircraft is 12 years (31 March 16: 12 years; 1 April 2015: ranges between 10 - 12 years) and year of maturity ranges between March 2025 to September 2026 (31 March 16: January 2025 to September 2026; 1 April 2015: August 2019 to September 2026) with monthly/ quarterly payments beginning from the month/ quarter subsequent to the commencement of the lease. The total future minimum lease payments as at the reporting date, element of interest included in such payments and present value of these minimum lease payments are as follows:

Particulars	Non-current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Total future minimum lease payments	23,317.11	31,935.76	40,753.41	2,992.98	3,684.72	4,832.72
(b) Future interest included in (a) above	3,964.03	5,900.50	7,460.25	988.32	1,309.15	1,611.01
(c) Present value of future minimum lease payments [(a-b)]	19,353.08	26,035.26	33,293.16	2,004.66	2,375.57	3,221.71

The rate of interest for aircraft acquired on finance lease is inclusive of transaction costs and margin over 3/6 months USD LIBOR.

Interest is paid with margin over 3 months USD LIBOR, margin is less than 250 basis points (31 March 16 : Margin over 3 months USD LIBOR, margin is less than 450 basis points; 1 April 2015: Margin over 3/6 months USD LIBOR, margin is less than 450 basis points).

Finance lease obligation amounting to Rs. 21,357.74 (31 March 2016: Rs. 28,410.83, 1 April 2015: Rs. 36,514.87) are secured against the respective aircraft.

There are no defaults as on reporting date in repayment of principal lease and interest payments.

The future minimum lease payments and their present value as at 31 March 2017 is as follows:

Particulars	Present value of minimum lease payments	Future interest	Minimum lease payments
Not later than one year	2,004.66	988.32	2,992.98
Later than one year and not later than five years	9,055.35	2,925.21	11,980.56
Later than five years	10,297.73	1,038.82	11,336.55
<b>Total</b>	<b>21,357.74</b>	<b>4,952.35</b>	<b>26,310.09</b>

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 15. a Borrowings (contd...)

The future minimum lease payments and their present value as at 31 March 2016 is as follows

Particulars	Present value of minimum lease payments	Future interest	Minimum lease payments
Not later than one year	2,375.57	1,309.15	3,684.72
Later than one year and not later than five years	10,726.33	4,029.25	14,755.58
Later than five years	15,308.93	1,871.25	17,180.18
<b>Total</b>	<b>28,410.83</b>	<b>7,209.65</b>	<b>35,620.48</b>

The future minimum lease payments and their present value as at 1 April 2015 is as follows:

Particulars	Present value of minimum lease payments	Future interest	Minimum lease payments
Not later than one year	3,221.71	1,611.01	4,832.72
Later than one year and not later than five years	15,599.25	4,919.55	20,518.80
Later than five years	17,693.91	2,540.70	20,234.61
<b>Total</b>	<b>36,514.87</b>	<b>9,071.26</b>	<b>45,586.13</b>

Liability component of compound financial instruments

Particulars	Disclosed under	As at 1 April 2015	Interest rate	Terms of maturity from the reporting date
36,716 0.00% convertible preference shares of Rs. 1,000 each fully paid up*	Financial liabilities-borrowings	23.65	Range between 9% to 11%	Not earlier than (a) the initial public offer of the Company; or (b) a strategic sale of the Company

\* Converted into equity shares of the Company ranking in all respects pari passu with the existing fully paid-up equity shares of the Company in the ratio of 1:1, vide resolution passed by the Board in its meeting held on 23 June 2015. Refer to Note 13 for terms / rights attached to preference shares. Refer to Note 14.a.

### 15.b Other financial liabilities

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Interest accrued but not due on borrowings	–	112.57	–	115.61	–	97.33
Current maturities of finance lease obligations (Refer to Note 15.a)	–	2,004.66	–	2,375.57	–	3,221.71
Maintenance advance	–	2,956.93	–	–	–	–
Supplementary rentals	22,685.34	9,248.51	17,864.66	5,808.91	12,548.05	4,664.37
<b>Total</b>	<b>22,685.34</b>	<b>14,322.67</b>	<b>17,864.66</b>	<b>8,300.09</b>	<b>12,548.05</b>	<b>7,983.41</b>

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 29.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 16 Provisions

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Provision for employee benefits						
- Provision for defined benefit plans (Refer to Note 33)	420.21	74.75	319.84	55.69	239.99	34.56
- Provision for other long term employee benefits	407.30	348.85	259.46	455.51	113.06	443.05
Others						
- Provision for redelivery and overhaul cost	396.43	243.46	282.98	56.18	240.54	-
- Provision for wealth tax	-	-	-	-	-	1.03
<b>Total</b>	<b>1,223.94</b>	<b>667.06</b>	<b>862.28</b>	<b>567.38</b>	<b>593.59</b>	<b>478.64</b>

#### Provision for redelivery and overhaul cost

The schedule of provision as required to be disclosed in compliance with Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets' is as under:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Balance as at beginning of the year	339.16	240.54
Provisions created during the year	286.55	62.05
Interest accretion on provisions during the year	26.38	19.67
Impact of exchange loss on restatement of opening provision	(49.12)	(32.22)
Impact of exchange loss on restatement of closing provision	36.92	49.12
<b>Balance as at end of the year</b>	<b>639.89</b>	<b>339.16</b>
Balance as at end of the year - Non-current	396.43	282.98
Balance as at end of the year - Current	243.46	56.18

Aircraft maintenance costs also includes provision for overhaul expenses for certain aircraft held under operating leases. These are recorded at discounted value, where effect of the time value of money is material.

The Company has in its fleet aircraft on operating lease. As contractually agreed under the lease contracts, the aircraft have to be redelivered to the lessors at the end of the lease term under stipulated contractual return conditions. The redelivery costs are estimated by management based on historical trends and data, and are recorded in the financial statements in proportion to the expired lease period. These are recorded at the discounted value, where effect of the time value of money is material.

The measurement of the provision for redelivery and overhaul cost includes assumptions primarily relating to expected costs and discount rates commensurate with the expected obligation maturity schedules. An estimate is therefore made to ensure that the provision corresponds to the present value of the expected costs to be borne by the Company. Judgement is exercised by management given the long-term nature of assumptions that go into the determination of the provision. The assumption made in relation to the current year are consistent with those in the previous year.

Expected timing of resulting outflow of economic benefit is financial year 2018 - 2023 and the Company calculates the provision using Discounted Cash Flow (DCF) method.

#### Sensitivity analysis for key assumptions used:

If expected cost differ by 10% from management's estimate, while holding all other assumptions constant, the provision for redelivery and overhaul cost may increase/ decrease by Rs. 63.31 (31 March 2016: Rs. 33.92).

If expected discount rate differ by 1%, while holding all other assumptions constant, the provision for redelivery and overhaul cost may increase/ decrease by Rs. 3.75 (31 March 2016: Rs. 3.98).

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 17 Trade payables

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
- Related parties (Refer to Note 35)	205.79	290.53	232.68
- Micro enterprises and small enterprises (Refer to Note below)	29.98	15.89	17.75
- Other trade payables	7,510.17	7,105.86	4,504.32
<b>Total</b>	<b>7,745.94</b>	<b>7,412.28</b>	<b>4,754.75</b>

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 29.

#### Dues to micro and small enterprises

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
The amounts remaining unpaid to micro and small suppliers as at the end of the year			
- Principal	29.98	15.89	17.75
- Interest	-	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-	-

### 18 Other liabilities

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Advances from customers	-	1,770.40	-	2,130.40	-	1,925.22
Forward sales	-	15,584.20	-	12,445.78	-	11,984.19
Employee related liabilities	75.00	1,151.61	107.39	1,013.65	148.77	699.49
Statutory dues	-	1,219.63	-	790.75	-	605.01
<b>Total</b>	<b>75.00</b>	<b>19,725.84</b>	<b>107.39</b>	<b>16,380.58</b>	<b>148.77</b>	<b>15,213.91</b>

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 19 Income tax

a. Amounts recognised in the Statement of Profit and Loss comprises :

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Current tax:</b>		
- Current year	4,943.11	7,303.93
- Previous years	(31.60)	-
	4,911.51	7,303.93
<b>Deferred tax expense</b>		
Attributable to-		
Origination and reversal of temporary differences	524.83	1,069.53
MAT credit entitlement written back	(584.82)	-
	(59.99)	1,069.53
<b>Total income tax expense</b>	<b>4,851.52</b>	<b>8,373.46</b>

### Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Remeasurements of defined benefit plans	(33.22)	(19.39)
Income tax relating to above mentioned item	11.50	6.71

### b. Amounts recognised directly in other equity

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Tax impact on compound financial instruments	-	10.03
	-	10.03

### c. Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Profit before tax</b>	<b>21,443.40</b>	<b>28,235.07</b>
Tax using the Company's domestic tax rate - 34.608% (31 March 2016: 34.608%)	7,421.13	9,771.59
<b>Tax effect of:</b>		
Income not liable to tax	(1,707.57)	(1,623.77)
Additional deduction on employee stock option scheme expense	(144.73)	-
Adjustments in current tax of previous years	(31.60)	-
MAT credit entitlement written back	(584.82)	-
Others	(100.89)	225.64
<b>Income tax expense</b>	<b>4,851.52</b>	<b>8,373.46</b>

### d. Income tax assets and income tax liabilities:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Income tax assets [net of current income tax liabilities Rs. 5,071.48 (31 March 2016: Rs. 7,615.72, 1 April 2015: Rs. 7,671.61)]	97.60	189.28	383.77
Less: Current income tax liabilities [net of current income tax assets of Rs. 14,238.55 (31 March 2016: Rs. 7,361.67, 1 April 2015: Rs. 1,350.13)]	446.77	89.66	1.02
<b>Net income tax assets/ (liability) at the year end</b>	<b>(349.17)</b>	<b>99.62</b>	<b>382.75</b>



## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 19 Income tax (contd...)

e. The tax effect of deferred tax assets and liabilities comprises of :

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Property, plant and equipment and Other intangible assets	(5,018.33)	(4,629.84)	(3,503.52)
Other non-current assets	(1,374.67)	(1,111.92)	(840.65)
Investments at FVTPL	(189.11)	(41.57)	(8.83)
Financial liabilities at amortised cost	(1,262.91)	(911.67)	(903.06)
Financial assets at amortised cost	1,599.96	1,357.45	1,019.15
MAT credit entitlement	3,792.73	3,429.67	4,689.31
Employee related provisions and liabilities	623.35	520.54	434.38
Other liabilities and provisions	162.92	(137.41)	(66.39)
Others	48.00	56.96	34.28
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(1,618.06)</b>	<b>(1,467.79)</b>	<b>854.67</b>

As at 1 April 2015, the Company has recognised net deferred tax asset. The utilisation of the deferred tax asset is dependent on future taxable profits and reversal of existing taxable temporary differences. The deferred tax asset recognised on 1 April 2015 was partially utilised subsequently and as on 31 March 2016, the Company had recognised a net deferred tax liability. Further, the Company has recognised MAT credit entitlement in the current and previous years. The utilisation of MAT credit entitlement (unused tax credits) is depending on future taxable profits. The MAT credit entitlement is recognised only to the extent that it is probable that future taxable profits will be available against which such MAT credit entitlement can be utilised. However, if there is a change in future taxable profits, which will also make the Company to foresee recognition of such unrecognised MAT credit entitlement amounting to Rs. 1,017.21, the same may be recognised.

### f. Movement in deferred tax assets / (liabilities) balances

Particulars	Net balance	Recognised in	Recognised	Others*	Net balance
	1 April 2015	profit or loss	in OCI		31 March 2016
Property, plant and equipment and Other intangible assets	(3,503.52)	(1,126.32)	-	-	(4,629.84)
Other non-current assets	(840.65)	(271.27)	-	-	(1,111.92)
Investments at FVTPL	(8.83)	(32.74)	-	-	(41.57)
Financial liabilities at amortised cost	(903.06)	(8.61)	-	-	(911.67)
Financial assets at amortised cost	1,019.15	338.30	-	-	1,357.45
MAT credit entitlement	4,689.31	0.00	-	(1,259.64)	3,429.67
Employee related provisions and liabilities	434.38	79.45	6.71	-	520.54
Other liabilities and provisions	(66.39)	(71.02)	-	-	(137.41)
Others	34.28	22.68	-	-	56.96
<b>Deferred tax assets / (liabilities) (net)</b>	<b>854.67</b>	<b>(1,069.53)</b>	<b>6.71</b>	<b>(1,259.64)</b>	<b>(1,467.79)</b>

\* Represent minimum alternative tax utilised during the year.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 19 Income tax (contd...)

#### f. Movement in deferred tax assets / (liabilities) balances

Particulars	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Others*	Net balance 31 March 2017
Property, plant and equipment and Other intangible assets	(4,629.84)	(388.49)	–	–	(5,018.33)
Other non-current assets	(1,111.92)	(262.75)	–	–	(1,374.67)
Investments at FVTPL	(41.57)	(147.54)	–	–	(189.11)
Financial liabilities at amortised cost	(911.67)	(351.24)	–	–	(1,262.91)
Financial assets at amortised cost	1,357.45	242.51	–	–	1,599.96
MAT credit entitlement	3,429.67	584.82	–	(221.76)	3,792.73
Employee related provisions and liabilities	520.54	91.31	11.50	–	623.35
Other liabilities and provisions	(137.41)	300.33	–	–	162.92
Others	56.96	(8.96)	–	–	48.00
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(1,467.79)</b>	<b>59.99</b>	<b>11.50</b>	<b>(221.76)</b>	<b>(1,618.06)</b>

\* Represent minimum alternative tax utilised during the year.

#### g. Expiry of unrecognised MAT credit entitlement:

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Amount	Year of expiry upto	Amount	Year of expiry upto	Amount	Year of expiry upto
MAT credit entitlement - written off	1,017.21	2021	1,602.03	2021	1,602.03	2021

### 20 Revenue from operations

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Sale of services</b>		
- Passenger services	174,009.88	151,088.88
- Cargo services	8,761.86	7,576.65
- Tours and packages	33.04	33.04
<b>Sale of products</b>		
- In-flight sales (traded goods)	1,595.90	1,726.31
<b>Other operating revenue</b>		
- Incentives	504.43	657.50
- Others*	899.89	316.71
<b>Total</b>	<b>185,805.00</b>	<b>161,399.09</b>

\* Others includes advertisement and commission income, claims received from service providers

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 21 Other income

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest income from bank deposits	3,913.27	3,687.41
Interest income from financial assets at amortised cost	488.02	442.68
Net gain on sale of current investments	1,221.27	346.80
Marked to market gain on current investments	546.42	120.11
<b>Other non-operating income (net):</b>		
- Profit on sale of property, plant and equipment [net of loss on sale of property, plant and equipment Rs. 210.80 (31 March 2016: Rs. 0.20)]	24.58	0.40
- Foreign exchange gain (net)	825.99	–
- Liabilities no longer required written back	414.93	69.34
- Miscellaneous income	456.22	484.47
<b>Total</b>	<b>7,890.70</b>	<b>5,151.21</b>

### 22 Purchase of stock-in-trade

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
In-flight purchases	1,238.32	1,147.82
<b>Total</b>	<b>1,238.32</b>	<b>1,147.82</b>

### 23 Changes in inventories of stock-in-trade

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
In-flight purchases		
- Opening stock	74.66	63.34
- Closing stock	(77.60)	(74.66)
<b>Net increase in stock-in-trade</b>	<b>(2.94)</b>	<b>(11.32)</b>

### 24 Employee benefits expense

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Salaries, wages and bonus	19,471.41	16,775.83
Contribution to provident and other funds (Refer to Note 33)	373.13	306.71
Employee stock option scheme expense (Refer to Note 38)	504.89	677.07
Staff welfare expenses	132.47	120.23
<b>Total</b>	<b>20,481.90</b>	<b>17,879.84</b>

### 25 Finance costs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Interest expenses:</b>		
- Interest on borrowings measured at amortised cost	179.98	125.65
- Finance lease charges on finance lease obligations measured at amortised cost	1,298.99	1,201.34
- Interest accretion on provisions and other financial liabilities measured at amortised cost	1,670.58	1,510.31
- Interest others	158.25	12.34
Net loss on foreign currency transactions and translation to the extent regarded as borrowing cost*	–	191.52
<b>Total</b>	<b>3,307.80</b>	<b>3,041.16</b>

\* Schedule III to the Companies Act, 2013 requires disclosure of exchange differences arising from foreign currency loans to the extent that they are regarded as an adjustment to interest cost. The amount of Rs. Nil (31 March 2016: Rs. 191.52) representing this adjustment has been disclosed in the above note. The remaining exchange loss of Rs. Nil (31 March 2016: Rs. 930.50) has been disclosed under "Other expenses".

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 26 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Depreciation on property, plant and equipment (Refer to Note 3)	4,398.09	4,937.70
Amortisation on other intangible assets (Refer to Note 4)	174.44	116.98
<b>Total</b>	<b>4,572.53</b>	<b>5,054.68</b>

### 27 Other expenses

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Landing fees and en route charges	18,680.18	14,099.71
Aircraft repair and maintenance (net)	6,905.98	3,996.73
Redelivery and overhaul cost (Refer to Note 16)	286.55	62.05
Engineering consumables (including provision for obsolescence)	–	7.73
Consumption of stores and spares and loose tools	1,211.68	1,130.73
Repairs and maintenance	413.96	424.71
Insurance		
- aircraft	306.02	295.09
- others	139.48	138.60
Tours and packages	15.45	18.11
Reservation cost	1,231.38	876.08
Commission	6,878.51	7,257.91
Sales promotion and advertisement	943.84	882.12
In-flight and passenger cost	1,002.79	741.41
Crew accommodation and transportation	2,505.90	1,958.49
Operating cost of software	1,155.22	688.68
Training	1,132.87	1,024.97
Legal and professional	980.87	567.13
Auditor's remuneration:		
- Audit fees	10.50	9.50
- Limited reviews	5.25	1.50
- Tax audit	0.80	0.80
- Other matters*	3.05	0.03
- Reimbursement of expenses	2.26	2.13
Recruitment cost	76.14	82.05
Rent (Refer to Note below)	897.02	778.98
Rates and taxes	71.91	65.90
Bank charges	753.71	461.48
Property, plant and equipment written off	47.46	4.26
Travelling and conveyance	620.40	571.45
Printing and stationery	174.67	143.63
Communication and information technology	77.15	67.06
Donations	–	0.18
Other operating cost	906.75	693.29
Advance written off	9.09	2.10
Foreign exchange loss (net)	–	930.50
Corporate social responsibility expenses (Refer to Note 37)	215.81	85.08
Sitting fees	2.00	2.05
Miscellaneous expenses	321.18	269.96
<b>Total</b>	<b>47,985.83</b>	<b>38,342.18</b>

\* Excludes fee paid to statutory auditor amounting to Rs. Nil (31 March 2016: Rs. 20.00) for IPO related services.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 27 Other expenses (contd...)

#### Operating leases for aircraft and engines

The Company has taken aircraft on dry operating lease from lessors. Under the aircraft operating lease arrangement, the Company accrue monthly rental in the form of base and supplementary rentals. Base rental payments are either based on floating interest rates or on fixed rentals. Supplementary rentals are based on aircraft utilisation and are calculated with reference to the number of hours or cycles operated during each month. Both base and supplementary rentals have been charged to Statement of Profit and Loss. The Lease has varying terms, escalation clauses and renewal rights. On renewal the terms of leases are renegotiated.

Total future minimum lease payments due under non-cancellable operating leases (except supplementary rental which are based on aircraft utilization and calculated on number of hours or cycles operated) are as follows:

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Less than one year	25,603.42	19,796.27	16,486.80
Between one and five years	54,159.89	41,106.97	39,503.28
More than five years	3,445.52	3,210.87	5,153.81
<b>Total</b>	<b>83,208.83</b>	<b>64,114.11</b>	<b>61,143.89</b>

Aircraft and engine rentals, recognised in Statement of Profit and Loss amounting to Rs. 31,253.73 (31 March 2016: Rs. 25,067.64) are also net of cash and non-cash incentives and certain other credits, exclusive of claims, amounting to Rs. 5,332.06 (31 March 2016: Rs. 3,565.96).

#### Operating leases for assets other than aircraft and engines

The Company has taken its office premises, various commercial premises and residential premises for its employees under cancellable operating lease arrangements.

The lease payments charged during the year to the Statement of Profit and Loss amounting to Rs. 897.02 (31 March 2016: Rs. 778.98). The lease has varying terms, escalation clauses and renewal rights. On renewal the terms of leases are renegotiated.

### 28 Transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, with effect from 1 April 2016, with transition date of 1 April 2015, pursuant to notification issued by Ministry of Corporate Affairs dated 16 February 2015. Accordingly, the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and the opening Ind AS balance sheet as at 1 April 2015 have been prepared in accordance with Ind AS.

In preparing opening Ind AS balance sheet, the Company have adjusted amounts reported previously in the financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended), as notified under section 133 of the Act ("Previous Indian GAAP") and other relevant provisions for the Act. An explanation of how the transition from Previous Indian GAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes.

#### a. Exemptions and exception availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Previous Indian GAAP to Ind AS.

#### (i) Ind AS optional exemptions

##### 1 Deemed Cost

As per Ind AS 101, an entity may elect to use carrying values of all property, plant and equipment and other intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous Indian GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure property, plant and equipment and other intangible assets at their Previous Indian GAAP carrying values. Refer to Note 3 and 4.

##### 2 Exchange differences arising from translation of long-term foreign currency monetary items

As per Ind AS 101, a first-time adopter of Ind AS may continue the policy adopted for accounting for exchange differences arising from

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 28 Transition to Ind AS: (contd...)

translation of long-term foreign currency monetary items recognised in the financial statements for the year ending immediately before the beginning of the first Ind AS financial reporting year as per the Previous Indian GAAP (i.e. year ended 31 March 2016 or before). The Company has opted for the optional exemption and accordingly, the Company has adjusted foreign currency loss amounting to Rs. 2,311.29 during the year ended 31 March 2016, arising on re-statement of long-term foreign currency monetary liabilities used for acquisition of a depreciable capital asset. Refer to Note 3.

### 3 Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether a contract or an arrangement existing at the date of transition contains a lease. If the entity elects the optional exemption, then it assesses whether the lease contracts / arrangements existing at the date of transition contain lease are based on the facts and circumstances existing at that date except where the effect is expected not to be material. The Company has elected to apply this exemption on the basis of facts and circumstances existing as at the transition date.

### (ii) Ind AS mandatory exceptions

#### 1 Estimates

Under Ind AS 101, an entity's estimates in accordance with Ind AS at 'the date of transition to Ind AS' (i.e. 1 April 2015) or 'the end of the comparative period presented in the entity's first Ind AS financial statements' (i.e. 31 March 2016), as the case may be, should be consistent with estimates made for the same date in accordance with the Previous Indian GAAP.

The Company's Ind AS estimates as at the transition date are consistent with the estimates made as at the same date made under Previous Indian GAAP. Key estimates considered in preparation of the financial statements that were not required under the Previous Indian GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Discount rate for determining value of provision for redelivery and overhaul cost.

#### 2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

### b. Reconciliations between Previous Indian GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for previous periods. The following tables and notes represents the reconciliations from Previous Indian GAAP to Ind AS.

#### (i) Reconciliation of equity as at 1 April 2015 (date of transition to Ind AS)

	Note reference	Amount as per Previous Indian GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	c.(viii)	48,664.02	361.79	49,025.81
Capital work-in-progress		4.53	-	4.53
Other intangible assets		96.37	-	96.37
Intangible assets under development		-	-	-
<b>Financial assets</b>				
Investments		0.46	-	0.46
Loans	c.(iii)	6,051.32	(2,944.50)	3,106.82
Other financial assets		16,055.60	-	16,055.60
Deferred tax assets (net)	c.(x)	597.96	256.71	854.67
Income tax assets (net)		383.77	-	383.77
Other non-current assets	c.(iii)	56.94	2,092.94	2,149.88
<b>Total non-current assets</b>		<b>71,910.97</b>	<b>(233.06)</b>	<b>71,677.91</b>

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 28 Transition to Ind AS (contd...)

#### (i) Reconciliation of equity as at 1 April 2015 (date of transition to Ind AS)

	Note reference	Amount as per Previous Indian GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>Current assets</b>				
Inventories	c.(viii)	1,305.54	(361.79)	943.75
<b>Financial assets</b>				
Investments	c.(v)	5,167.52	25.51	5,193.03
Trade receivables		1,045.50	–	1,045.50
Cash and cash equivalents		2,467.49	–	2,467.49
Bank balances other than cash and cash equivalents, above		17,526.31	–	17,526.31
Loans		41.25	–	41.25
Other financial assets		2,007.24	–	2,007.24
<b>Other current assets</b>	c.(iii)	2,119.28	336.12	2,455.40
<b>Total current assets</b>		31,680.13	(0.16)	31,679.97
<b>Total assets</b>				
		103,591.10	(233.22)	103,357.88
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		307.00	–	307.00
<b>Other equity</b>				
Equity component of compound financial instruments	c.(vii)	36.72	22.07	58.79
Reserves and surplus	c.(xii)	3,863.23	3,573.21	7,436.44
<b>Total equity</b>		4,206.95	3,595.28	7,802.23
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	c.(vii),(ix)	36,338.29	(21.24)	36,317.05
Other financial liabilities	c.(iv)	15,433.12	(2,885.07)	12,548.05
Provisions	c.(vi)	635.97	(42.38)	593.59
Other non-current liabilities		148.77	–	148.77
Deferred incentives		13,317.44	–	13,317.44
<b>Total non-current liabilities</b>		65,873.59	(2,948.69)	62,924.90
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables		4,754.75	–	4,754.75
Other financial liabilities	c.(ix)	7,662.79	320.62	7,983.41
Provisions	c.(ii)	1,679.07	(1,200.43)	478.64
Current tax liabilities (net)		1.02	–	1.02
Other current liabilities		15,213.91	–	15,213.91
Deferred incentives		4,199.02	–	4,199.02
<b>Total current liabilities</b>		33,510.56	(879.81)	32,630.75
<b>Total equity and liabilities</b>				
		103,591.10	(233.22)	103,357.88

\* Previous Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 28 Transition to Ind AS (contd...)

#### (ii) Reconciliation of equity as at 31 March 2016

	Note reference	Amount as per Previous Indian GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	c.(viii),(ix)	46,755.15	519.19	47,274.34
Capital work-in-progress		237.34	–	237.34
Other intangible assets		199.74	–	199.74
Intangible assets under development		82.31	–	82.31
<b>Financial assets</b>				
Investments		0.25	–	0.25
Loans	c.(iii)	8,139.57	(3,922.35)	4,217.22
Other financial assets		14,977.84	–	14,977.84
Income tax assets (net)		189.28	–	189.28
Other non-current assets	c.(iii)	172.10	2,761.39	2,933.49
<b>Total non-current assets</b>		<b>70,753.58</b>	<b>(641.77)</b>	<b>70,111.81</b>
<b>Current assets</b>				
Inventories	c.(viii)	1,267.20	(504.38)	762.82
<b>Financial assets</b>				
Investments	c.(v)	9,741.20	120.11	9,861.31
Trade receivables		1,571.14	–	1,571.14
Cash and cash equivalents		8,053.68	–	8,053.68
Bank balances other than cash and cash equivalents, above		29,133.02	–	29,133.02
Loans		90.46	–	90.46
Other financial assets		3,089.92	–	3,089.92
<b>Other current assets</b>	c.(iii)	<b>3,061.24</b>	<b>451.50</b>	<b>3,512.74</b>
<b>Total current assets</b>		<b>56,007.86</b>	<b>67.23</b>	<b>56,075.09</b>
<b>Total assets</b>		<b>126,761.44</b>	<b>(574.54)</b>	<b>126,186.90</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		3,603.57	–	3,603.57
<b>Other equity</b>				
Equity component of compound financial instruments	c.(vii)	–	58.79	58.79
Reserves and surplus	c.(xii)	14,739.20	8,842.96	23,582.16
Other comprehensive income - Remeasurement of defined benefit plans (net of tax)	c.(i)	–	(12.68)	(12.68)
<b>Total equity</b>		<b>18,342.77</b>	<b>8,889.07</b>	<b>27,231.84</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	c.(ix)	29,949.02	121.70	30,070.72
Other financial liabilities	c.(iv)	20,955.12	(3,090.46)	17,864.66
Provisions	c.(vi)	905.42	(43.14)	862.28
Deferred tax liabilities (net)	c.(x)	1,750.07	(282.28)	1,467.79
Other non-current liabilities		107.39	–	107.39
Deferred incentives		11,778.16	–	11,778.16
<b>Total non-current liabilities</b>		<b>65,445.18</b>	<b>(3,294.18)</b>	<b>62,151.00</b>

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 28 Transition to Ind AS (contd...)

#### (ii) Reconciliation of equity as at 31 March 2016 (contd...)

	Note reference	Amount as per Previous Indian GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables		7,412.28	–	7,412.28
Other financial liabilities	c.(ix)	7,963.75	336.34	8,300.09
Provisions	c.(ii)	7,073.15	(6,505.77)	567.38
Current tax liabilities (net)		89.66	–	89.66
Other current liabilities		16,380.58	–	16,380.58
Deferred incentives		4,054.07	–	4,054.07
<b>Total current liabilities</b>		<b>42,973.49</b>	<b>(6,169.43)</b>	<b>36,804.06</b>
<b>Total equity and liabilities</b>		<b>126,761.44</b>	<b>(574.54)</b>	<b>126,186.90</b>

\* Previous Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

#### (iii) Reconciliation of total comprehensive income for the year ended 31 March 2016

	Note reference	Amount as per Previous Indian GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>Income</b>				
Revenue from operations		161,399.09	–	161,399.09
Other income	c.(v),(iii)	4,613.93	537.28	5,151.21
<b>Total income</b>		<b>166,013.02</b>	<b>537.28</b>	<b>166,550.30</b>
<b>Expenses</b>				
Aircraft fuel expenses		47,793.24	–	47,793.24
Aircraft and engine rentals (net of cash and non cash incentives of Rs. 3,565.96)	c.(iv),(iii)	26,121.52	(1,053.89)	25,067.63
Purchase of stock-in-trade		1,147.82	–	1,147.82
Changes in inventories of stock-in-trade		(11.32)	–	(11.32)
Employee benefits expense	c.(i)	17,899.23	(19.39)	17,879.84
Finance costs	c.(iv),(vi),(vii),(ix)	1,348.53	1,692.63	3,041.16
Depreciation and amortisation expense		5,054.68	–	5,054.68
Other expenses	c.(iii),(iv),(vi),(ix)	38,369.82	(27.64)	38,342.18
<b>Total expenses</b>		<b>137,723.52</b>	<b>591.71</b>	<b>138,315.23</b>
<b>Profit before tax</b>		<b>28,289.50</b>	<b>(54.43)</b>	<b>28,235.07</b>
<b>Income tax expense</b>				
Current tax		7,303.93	–	7,303.93
Deferred tax (credit) / charge		1,088.37	(18.84)	1,069.53
<b>Total tax expense</b>		<b>8,392.30</b>	<b>(18.84)</b>	<b>8,373.46</b>
<b>Profit for the year</b>		<b>19,897.20</b>	<b>(35.59)</b>	<b>19,861.61</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
- Remeasurements of defined benefit plans		–	(19.39)	(19.39)
- Income tax relating to above mentioned item		–	6.71	6.71
<b>Other comprehensive income for the year, net of tax</b>		<b>–</b>	<b>(12.68)</b>	<b>(12.68)</b>
<b>Total comprehensive income for the year</b>		<b>19,897.20</b>	<b>(48.27)</b>	<b>19,848.93</b>

\* Previous Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 28 Transition to Ind AS (contd...)

(iv) There are certain reconciliation items between Cash Flow Statement prepared under Previous Indian GAAP and those prepared under Ind AS.

Net cash generated from operating activities amounting to Rs. 166.49 has increased on account of reclassification of certain rotables and non-aircraft equipments from inventory to Property, plant and equipment, Accordingly, cash used in investing activities has increased by Rs. 166.49. Refer to Note c. (viii) below.

(v) Reconciliation of total equity as at 31 March 2016 and 1 April 2015

Particulars	Rs at 31 March 2016	Rs at 1 April 2015
Equity under Previous Indian GAAP	18,342.77	4,206.95
Gains on discounting of long term financial assets and liabilities, net	3,217.90	2,136.28
Impact in other equity of compound financial instruments	12.96	(23.65)
Loss on unwinding of discounting long term financial assets and liabilities, net	(1,249.95)	–
Gains arising on fair value accounting of financial assets	120.11	25.51
Dividend and tax paid on dividend	6,505.77	1,200.43
Actuarial valuation of defined benefit plans reclassified in other comprehensive income	19.39	–
Deferred tax on temporary differences	275.57	256.71
Other comprehensive income (net of tax)	(12.68)	–
Equity under Ind AS	27,231.84	7,802.23

(vi) Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	For the year ended 31 March 2016
Net Profit for the year as per Previous Indian GAAP	19,897.20
Gain on discounting of long term financial assets and liabilities, net	1,081.53
Loss on unwinding of discounted long term financial assets and liabilities, net	(1,249.95)
Gain/(loss) arising on Fair value accounting of financial assets	94.60
Actuarial valuation of defined benefit plans reclassified in other comprehensive income	19.39
Deferred tax on temporary differences	18.84
Net profit for the year as per Ind AS	19,861.61
Other comprehensive income (net of tax)	(12.68)
Total comprehensive income as per Ind AS	19,848.93

c. Notes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit and loss for the year ended 31 March 2016

(i) Employee benefits : Remeasurement of post employment benefit plans

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in Other Comprehensive Income instead of Statement of Profit and Loss. Under Previous Indian GAAP these were forming part of the Statement of Profit and Loss for the year. As a result of this change, the employee benefit expense to the extent of actuarial loss amounting to Rs. 19.39 (net of taxes Rs. 12.68) for the year ended 31 March 2016 has been reduced and the same has been reclassified to Other Comprehensive Income. There is no impact on the other equity as at 31 March 2016.

(ii) Provisions : Proposed dividend

Under the Previous Indian GAAP, dividend proposed by the Board of Directors after the reporting period but before the approval of the financial statements were considered as adjusting events. Accordingly, the provision for proposed dividend was recognised as liability. Under Ind AS such dividends are recognised when the same is approved by the shareholders in the annual general meeting. Accordingly, the total liability recorded for proposed dividend and corporate dividend tax of Rs. 6,505.77 as at 31 March 2016 (Rs. 1,200.43 as at 1 April 2015) included in the provisions has been reversed with corresponding adjustment to reserves and surplus. Consequently, the other equity increased by Rs. 6,505.77 as at 31 March 2016 (Rs. 1,200.43 as at 1 April 2015).

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 28 Transition to Ind AS (contd...)

#### (iii) Financial assets (Loans): Security deposits

Under Previous Indian GAAP, interest free security deposits (that are refundable in cash on completion of the term as per the contract) are recorded at their transaction value. Under Ind AS, such financial assets are required to be recognised initially at their fair value and subsequently at amortised cost. Difference between the fair value and transaction value of the security deposit has been recognised as deferred rent. Consequent to this change the amount of security deposit as on 31 March 2016 has decreased by Rs. 3,922.35 (1 April 2015 : Rs. 2,944.50) with a creation of deferred rent (included in other non-current and current assets) of Rs. 3,212.89 (1 April 2015 : Rs. 2,429.06). The other equity decreased by Rs. 515.44 as at 1 April 2015. The unwinding of security deposit happens by recognition of a notional interest income in Statement of Profit and Loss at effective interest rate. The deferred rent gets amortised on a straight line basis over the term of the security deposits. The profit and other equity for the year ended 31 March 2016 decreased by Rs. 194.02 due to amortisation of deferred rent by Rs. 447.01 (included in aircraft and engine rentals), decrease in foreign exchange gain by Rs. 189.69 due to restatement of security deposit as at reporting date (included in other expense) and increase in notional interest income of Rs. 442.68 recognised on security deposits (included in other income).

#### (iv) Financial liabilities (Other financial liabilities) : Supplementary rentals

Under Previous Indian GAAP, interest free long term liabilities were recognised at transaction value. Under Ind AS, such financial liabilities are required to be recognised initially at their fair value and subsequently at amortised cost. Consequent to this change, the supplemental rentals have decreased by Rs. 3,090.46 (1 April 2015 : Rs. 2,885.07). The other equity increased by Rs. 2,885.07 as at 1 April 2015. The profit and other equity for the year ended 31 March 2016 has increased by Rs. 205.39 due to gain on discounting of supplementary rentals by Rs. 1,500.90 (included in Aircraft and engine rentals), decrease in forex loss on restatement of supplemental rentals as at reporting date by Rs. 182.06 (included in other expense) and unwinding of discounted liabilities for supplementary rental by Rs. 1,477.57 (included in finance cost).

#### (v) Fair valuation of investments

Under Previous Indian GAAP, investments in equity instruments and mutual funds were classified as long-term investments and current investments, respectively, based on intended holding period and realisability. The long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. The current investments were carried at lower of cost or fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments amounting to Rs. 25.51 have been recognised in other equity as at the date of transition (i.e. 1 April 2015). The profit and other equity for the year ended 31 March 2016 has increased by Rs. 94.60 due to the fair value changes.

#### (vi) Provisions - Provision for redelivery and overhaul cost

Under the Previous Indian GAAP, discounting of provisions was not allowed. Under Ind AS, the provisions are measured at discounted amounts, if the effect of the time value of money is material.

Accordingly, provision for redelivery and overhaul cost has been discounted to their present values. Consequent to this change, the provision for redelivery and overhaul cost has decreased by Rs. 43.14 (1 April 2015 Rs. 42.38). The other equity increased by Rs. 42.38 as at 1 April 2015. The profit and other equity for the year ended 31 March 2016 increased by Rs. 0.76 due to gain on discounting of provision of Rs. 20.43 (included in other expense) which is partially set off by unwinding of discounted provision of Rs. 19.67 (included in finance cost).

#### (vii) Convertible preference share - other equity

The Company had issued convertible preference shares. Under Previous Indian GAAP, the preference shares were classified as equity. Under Ind AS, convertible preference shares (compound financial instruments) are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised using the effective interest method. On the transition date (i.e. 1 April 2015), the equity component of compound financial instruments has been reclassified, as a separate head under other equity, from reserves and surplus amounting to Rs. 22.07 (net of tax of Rs. 10.03) (31 March 2016 : Rs. 22.07 [net of tax of Rs. 10.03]). Further, the liability component of compound financial instruments has been reclassified, as a separate item under the head borrowings, from reserves and surplus amounting to Rs. 23.65 (including the interest accretion portion). During the year ended 31 March 2016,

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 28 Transition to Ind AS (contd...)

interest amounting to Rs. 13.07 (included in finance cost) till the date of conversion i.e. 23 June 2015 has been charged to Statement of Profit and Loss. The liability component of compound financial instruments amounting to Rs. 36.72 as at date of conversion has been reclassified to the equity component of financial instruments.

#### (viii) Property, plant and equipment

Under Ind AS, Property, plant and equipment ("PPE") including rotables, consumables and non-aircraft equipment that meet the criteria of PPE are capitalised as part of cost of PPE. The Company, in accordance with Ind AS 16 - Property, Plant and Equipment, has identified certain spare parts and stand-by equipment as they meet the definition of PPE, which were earlier classified as inventories in the Previous Indian GAAP, have been reclassified/ capitalised as rotables and non-aircraft equipment amounting to Rs. 361.79 (1 April 2015) and Rs. 504.38 (31 March 2016) under PPE and depreciated over its remaining useful life.

#### (ix) Finance lease obligation - Financial Liability - Borrowings

Under Ind AS, upfront borrowing cost on finance lease obligations is considered as finance cost and included in the finance lease obligations through amortisation method using effective interest rate.

Under Previous Indian GAAP, transaction costs incurred in connection with finance lease liability was amortised on a straight line basis over the period of lease and charged to Statement of Profit and Loss. Under Ind AS, transaction costs are deducted from the carrying amount of financial lease liability on initial recognition and these costs are charged to Statement of Profit and Loss using the effective interest method. As at 1 April 2015 the borrowing (finance lease liability) has decreased by Rs. 44.89, other financial liability (current portion of finance lease liability and interest accrued but not due on borrowings) has increased by Rs. 320.62. As at 31 March 2016 the borrowing (finance lease liability) has increased by Rs. 121.70, other financial liability (current portion of finance lease liability and interest accrued but not due on borrowings) has increased by Rs. 336.34. During the year ended 31 March 2016, there is an increase in finance lease charges by Rs. 182.32 (Finance cost) due to increase in interest cost based on the effective interest rate method. Consequent to above change, as on the date of the transition (i.e 1 April 2015) the financial lease liability (including current portion of finance lease liability) and the other equity has decreased by Rs. 275.73 (31 March 2016 : Rs.458.04).

The finance lease liability is restated at each reporting date and the exchange gain / loss is capitalised. Further, due to the above effect of transition to Ind AS in the financial lease liability, the value of PPE has increased by Rs. 14.81 for the year ended 31 March 2016 on account of capitalisation of foreign exchange losses on restatement of finance lease liability.

#### (x) Deferred tax assets / liabilities (net)

Previous Indian GAAP requires accounting for deferred tax, using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

In addition, the various transitional adjustments lead to temporary differences. On the date of transition (i.e 1 April 2015), the net impact on deferred tax liabilities is of Rs. 256.71 (31 March 2016: Rs. 282.28). The profit and other equity for the year ended 31 March 2016 have decreased by Rs. 18.44 due to differences in temporary differences.

#### (xi) Other Comprehensive Income

Under Previous Indian GAAP, there was no requirement to disclose any item of profit or loss in Other Comprehensive income. However, Ind AS requires certain items of profit or loss to be reclassified to other comprehensive income. Consequent to this, the Company has reclassified remeasurement of defined benefit plans from Statement of Profit and Loss to other comprehensive income.

#### (xii) Retained earnings

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 29 Fair value measurement and financial instruments

#### a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

##### (i) As on 1 April 2015

Particulars	Note	Carrying value				Fair value measurement using		
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>								
<b>Non-current</b>								
Investments	5	0.46	–	–	0.46	–	–	0.46
Loans	6	–	–	3,106.82	3,106.82	–	–	3,106.82
Other financial assets*	7	–	–	16,055.60	16,055.60			
<b>Current</b>								
Investments	5	5,193.03	–	–	5,193.03	–	5,193.03	–
Trade receivables*	10	–	–	1,045.50	1,045.50			
Cash and cash equivalents*	11	–	–	2,467.49	2,467.49			
Bank balances other than cash and cash equivalents*	12	–	–	17,526.31	17,526.31			
Loans	6	–	–	41.25	41.25	–	–	41.25
Other financial assets*	7	–	–	2,007.24	2,007.24			
<b>Total</b>		<b>5,193.49</b>	<b>–</b>	<b>42,250.21</b>	<b>47,443.70</b>			
<b>Financial liabilities</b>								
<b>Non-current</b>								
Borrowings#	15.a	–	–	36,317.05	36,317.05	–	–	36,317.05
Other financial liabilities								
Supplementary rentals	15.b	–	–	12,548.05	12,548.05	–	–	12,548.05
<b>Current</b>								
Trade payables*	17	–	–	4,754.75	4,754.75			
Other current financial liabilities								
Interest accrued but not due on borrowings#	15.b	–	–	97.33	97.33	–	–	97.33
Current maturities of finance lease obligations#	15.b	–	–	3,221.71	3,221.71	–	–	3,221.71
Supplementary rentals	15.b	–	–	4,664.37	4,664.37	–	–	4,664.37
<b>Total</b>		<b>–</b>	<b>–</b>	<b>61,603.26</b>	<b>61,603.26</b>			

##### (ii) As on 31 March 2016

Particulars	Note	Carrying value				Fair value measurement using		
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>								
<b>Non-current</b>								
Investments	5	0.25	–	–	0.25	–	–	0.25
Loans	6	–	–	4,217.22	4,217.22	–	–	4,217.22
Other financial assets*	7	–	–	14,977.84	14,977.84			

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 29.a Financial instruments - by category and fair value hierarchy (contd...)

#### (ii) As on 31 March 2016 (contd...)

Particulars	Note	Carrying value				Fair value measurement using		
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Current</b>								
Investments	5	9,861.31	-	-	9,861.31	-	9,861.31	-
Trade receivables*	10	-	-	1,571.14	1,571.14			
Cash and cash equivalents*	11	-	-	8,053.68	8,053.68			
Bank balances other than cash and cash equivalents*	12	-	-	29,133.02	29,133.02			
Loans	6	-	-	90.46	90.46	-	-	90.46
Other financial assets*	7			3,089.92	3,089.92			
<b>Total</b>		<b>9,861.56</b>	<b>-</b>	<b>61,133.28</b>	<b>70,994.84</b>			
<b>Financial liabilities</b>								
<b>Non-current</b>								
Borrowings#	15.a	-	-	30,070.72	30,070.72	-	-	30,070.72
Other financial liabilities								
Supplementary rentals	15.b	-	-	17,864.66	17,864.66	-	-	17,864.66
<b>Current</b>								
Trade payables*	17	-	-	7,412.28	7,412.28			
Other current financial liabilities								
Interest accrued but not due on borrowings#	15.b	-	-	115.61	115.61	-	-	115.61
Current maturities of finance lease obligations#	15.b	-	-	2,375.57	2,375.57	-	-	2,375.57
Supplementary rentals	15.b	-	-	5,808.91	5,808.91	-	-	5,808.91
<b>Total</b>		<b>-</b>	<b>-</b>	<b>63,647.75</b>	<b>63,647.75</b>			

#### (iii) As on 31 March 2017

Particulars	Note	Carrying value				Fair value measurement using		
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>								
<b>Non-current</b>								
Investments	5	0.18	-	-	0.18	-	-	0.18
Loans	6	-	-	5,440.26	5,440.26	-	-	5,305.46
Other financial assets*	7	-	-	10,356.39	10,356.39			
<b>Current</b>								
Investments	5	37,134.10	-	-	37,134.10	-	37,134.10	-
Trade receivables*	10	-	-	1,587.02	1,587.02			
Cash and cash equivalents*	11	-	-	1,531.09	1,531.09			
Bank balances other than cash and cash equivalents*	12	-	-	44,794.26	44,794.26			
Loans	6	-	-	39.76	39.76	-	-	39.76
Other financial assets*	7			4,101.10	4,101.10			
<b>Total</b>		<b>37,134.28</b>	<b>-</b>	<b>67,849.88</b>	<b>104,984.16</b>			



## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 29.a Financial instruments - by category and fair value hierarchy (contd...)

#### (ii) As on 31 March 2017 (contd...)

Particulars	Note	Carrying value				Fair value measurement using		
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Financial liabilities</b>								
<b>Non-current</b>								
Borrowings#	15.a	-	-	23,957.08	23,957.08	-	-	23,957.08
Other financial liabilities								
Supplementary rentals	15.b	-	-	22,685.34	22,685.34	-	-	22,932.78
<b>Current</b>								
Trade payables*	17	-	-	7,745.94	7,745.94			
Other current financial liabilities								
Interest accrued but not due on borrowings#	15.b	-	-	112.57	112.57	-	-	112.57
Current maturities of finance lease obligations#	15.b	-	-	2,004.66	2,004.66	-	-	2,004.66
Supplementary rentals	15.b	-	-	9,248.51	9,248.51	-	-	9,300.67
Maintenance advance*	15.b	-	-	2,956.93	2,956.93			
<b>Total</b>		-	-	68,711.03	68,711.03			

# The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

\* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents, maintenance advance and other current financial assets, approximates the fair values, due to their short-term nature. The other non-current financial assets represents bank deposits (due for maturity after twelve months from the reporting date) and interest accrued but not due on bank deposits, the carrying value of which approximates the fair values as on the reporting date.

The fair values for loans were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of supplementary rentals are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

There has been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2017 and 31 March 2016.

#### Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of NAV for unquoted mutual funds.
- the fair value of the remaining financial instruments is determined using discounted cash flow method.

#### Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Senior Management. Discussions on valuation and results are held between the Senior Management and valuation team at least once every quarter in line with the Company's quarterly reporting periods.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 29 Fair value measurement and financial instruments (contd...)

#### b. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ;
- Market Risk - Foreign currency ; and
- Market Risk - Interest rate

#### Risk management framework

The Board of Directors of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management policies and ensuring its effectiveness.

The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk management committee oversees how management monitors compliance with Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Company.

#### (i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade receivables	1,587.02	1,571.14	1,045.50
Loans	5,480.02	4,307.68	3,148.07
Cash and cash equivalents	1,531.09	8,053.68	2,467.49
Other bank balances other than cash and cash equivalents	44,794.26	29,133.02	17,526.31
Other financial assets	14,457.49	18,067.76	18,062.84

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units. The loans primarily represents security deposits given to aircraft manufacturer. Such deposit will be returned to the Company on deliveries of the aircraft by the aircraft manufacturer. The credit risk associated with such deposits is relatively low.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and certain parts of Middle East and South Asia. Trade receivables also includes receivables from credit card companies which are realisable within a period 2 to 21 working days. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The Company sells majority of its passenger services against deposits made by agents (customers) and through online channels.

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience for customers. Based on the business environment in which the Company operates, management considers that the trade receivables (other than receivables from government departments) are in default (credit impaired) if the payments are more than 90 days past due however the Company based upon past trends determine an impairment allowance for loss on receivables outstanding for more than 180 days past due.

Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers. Trade receivables as at year end primarily includes Rs. 730.62 (31 March 2016: Rs. 1,037.25 1 April 2015: Rs. 600.98) relating to revenue generated from passenger services and Rs. 920.36 (31 March 2016: Rs. 598.23, 1 April 2015: Rs. 514.63) relating to revenue generated from cargo services.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 29.b. Financial risk management (contd...)

The Company's exposure to credit risk for trade receivables is as follows:

Particulars	Gross carrying amount		
	Rs at 31 March 2017	Rs at 31 March 2016	Rs at 1 April 2015
1-90 days past due *	1,268.62	1,461.79	927.20
91 to 180 days past due	191.26	81.41	76.67
More than 180 days past due #	198.59	99.39	113.08
	1,658.47	1,642.59	1,116.95

\* The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

# The Company based upon past trends determine an impairment allowance for loss on receivables outstanding for more than 180 days past due.

# Receivables more than 180 days past due primarily comprises receivables from government departments, which are fully realisable on historical payment behaviour and hence no loss allowance has been recognised and from agents for which the impairment allowance has already been recognised on specific credit risk factor.

The allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2017 and 31 March 2016 is insignificant and hence the same has not been recognised. The reversal for lifetime expected credit loss on customer balances for the year ended 31 March 2017 is Rs. Nil (31 March 2016: Rs. Nil.)

#### Movement in the allowance for impairment in respect of trade receivables

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Balance at the beginning of the year	71.45	71.45
Impairment loss recognised / (reversed)	-	-
Amount written off	-	-
Balance at the end of the year	71.45	71.45

#### (ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) and short-term investments of Rs. 93,431.85 as at 31 March 2017 (31 March 2016: Rs. 60,587.94, 1 April 2015: Rs. 40,305.38) anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility of Rs. 46,271.25 (31 March 2016: Rs. 34,013.80, 1 April 2015 Rs. 25,261.58) will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Company believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 29.b. Financial risk management (contd...)

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

As at 31 March 2017	Carrying amount	Contractual cash flows				Total
		Less than six months	Between six months and one year	Between one and five years	More than 5 years	
Foreign currency term loans from others	4,604.00	–	–	–	4,604.00	4,604.00
Finance lease obligations (including current maturities)	21,357.74	1,160.69	1,176.80	10,075.02	10,671.40	23,083.91
Interest accrued but not due on borrowings	112.57	100.88	–	–	–	100.88
Supplementary rentals	31,933.85	3,011.94	6,637.71	26,201.14	178.96	36,029.75
Maintenance advance	2,956.93	1,744.33	1,212.60	–	–	2,956.93
Trade payables	7,745.94	7,745.94	–	–	–	7,745.94
<b>Total</b>	<b>68,711.03</b>	<b>13,763.78</b>	<b>9,027.11</b>	<b>36,276.16</b>	<b>15,454.36</b>	<b>74,521.41</b>

As at 31 March 2016	Carrying amount	Contractual cash flows				Total
		Less than six months	Between six months and one year	Between one and five years	More than 5 years	
Foreign currency term loans from others	4,035.46	–	–	–	4,035.46	4,035.46
Finance lease obligations (including current maturities)	28,410.83	1,403.63	1,423.14	12,160.68	15,999.63	30,987.08
Interest accrued but not due on borrowings	115.61	95.92	–	–	–	95.92
Supplementary rentals	23,673.57	4,063.24	1,975.44	19,732.37	993.01	26,764.06
Trade payables	7,412.28	7,412.28	–	–	–	7,412.28
<b>Total</b>	<b>63,647.75</b>	<b>12,975.07</b>	<b>3,398.58</b>	<b>31,893.05</b>	<b>21,028.10</b>	<b>69,294.80</b>

As at 1 April 2015	Carrying amount	Contractual cash flows				Total
		Less than six months	Between six months and one year	Between one and five years	More than 5 years	
Foreign currency term loans from others	3,000.24	–	–	–	3,000.24	3,000.24
Finance lease obligations (including current maturities)	36,514.87	1,830.81	1,846.16	17,100.94	18,626.32	39,404.23
Interest accrued but not due on borrowings	97.33	75.08	–	–	–	75.08
Supplementary rentals	17,212.42	1,714.91	3,257.62	11,546.20	3,578.76	20,097.49
Trade payables	4,754.75	4,754.75	–	–	–	4,754.75
<b>Total</b>	<b>61,579.61</b>	<b>8,375.55</b>	<b>5,103.78</b>	<b>28,647.14</b>	<b>25,205.32</b>	<b>67,331.79</b>

#### (iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### A. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 29.b. Financial risk management (contd...)

#### Exposure to interest rate risk

The Company's interest rate risk arises majorly from the foreign currency term loan and finance lease obligations carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Foreign currency term loan- from others	4,604.00	4,035.46	3,000.24
Finance lease obligations (including current maturities)	21,357.74	28,410.83	36,514.87
<b>Total</b>	<b>25,961.74</b>	<b>32,446.29</b>	<b>39,515.11</b>

#### Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Statement of Profit and Loss	
	Increase by 0.50 %	Decrease by 0.50 %
Increase/ (decrease) in interest on foreign currency term loans-from others and on finance lease obligations		
For the year ended 31 March 2017	128.43	(128.43)
For the year ended 31 March 2016	160.08	(160.08)

### B. Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

#### Exposure to foreign currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2017, 31 March 2016 and 1 April 2015 are as below:

#### As at 31 March 2017

Particulars	USD	EUR	GBP	AED	NPR	OMR	SGD	THB	CHF	QAR	AUD
<b>Financial assets</b>											
Trade receivables	0.20	2.15	-	161.34	9.92	44.58	2.44	1.00	-	-	-
Cash and cash equivalents	-	-	-	39.97	5.12	5.86	8.79	11.89	-	-	-
Loans	5,038.97	-	-	0.13	5.94	-	0.52	0.24	-	-	-
Other financial assets	1,179.76	-	-	37.67	-	-	2.06	0.63	-	-	-
<b>Total financial assets</b>	<b>6,218.93</b>	<b>2.15</b>	<b>-</b>	<b>239.11</b>	<b>20.98</b>	<b>50.44</b>	<b>13.81</b>	<b>13.76</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>											
Borrowings	25,961.74	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	35,003.35	-	-	-	-	-	-	-	-	-	-
Trade payables	2,145.14	80.46	16.28	267.62	18.02	44.71	15.74	14.70	9.10	2.48	-
<b>Total financial liabilities</b>	<b>63,110.23</b>	<b>80.46</b>	<b>16.28</b>	<b>267.62</b>	<b>18.02</b>	<b>44.71</b>	<b>15.74</b>	<b>14.70</b>	<b>9.10</b>	<b>2.48</b>	<b>-</b>

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 29.b. Financial risk management (contd...)

As at 31 March 2016

Particulars	USD	EUR	GBP	AED	NPR	OMR	SGD	THB	CHF	QAR	AUD
<b>Financial assets</b>											
Trade receivables	1.39	2.82	0.55	245.03	5.96	18.21	4.58	2.00	-	-	-
Cash and cash equivalents	0.27	-	-	154.35	33.94	6.04	8.63	10.22	-	-	-
Loans	3,884.16	-	-	0.13	5.93	-	0.62	0.38	-	-	-
Other financial assets	859.37	-	-	32.34	-	-	2.02	0.65	-	-	-
<b>Total financial assets</b>	<b>4,745.19</b>	<b>2.82</b>	<b>0.55</b>	<b>431.85</b>	<b>45.83</b>	<b>24.25</b>	<b>15.85</b>	<b>13.25</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>											
Borrowings	32,446.29	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	23,789.19	-	-	-	-	-	-	-	-	-	-
Trade payables	1,615.97	37.04	18.64	150.11	18.91	19.48	10.07	15.95	8.61	-	-
<b>Total financial liabilities</b>	<b>57,851.45</b>	<b>37.04</b>	<b>18.64</b>	<b>150.11</b>	<b>18.91</b>	<b>19.48</b>	<b>10.07</b>	<b>15.95</b>	<b>8.61</b>	<b>-</b>	<b>-</b>

As at 1 April 2015

Particulars	USD	EUR	GBP	AED	NPR	OMR	SGD	THB	CHF	QAR	AUD
<b>Financial assets</b>											
Trade receivables	89.11	2.08	-	678.62	7.85	45.15	123.25	37.89	-	-	-
Cash and cash equivalents	-	-	-	168.12	7.87	28.66	7.93	29.73	-	-	-
Loans	2,848.28	-	-	0.12	5.88	-	0.57	0.18	-	-	-
Other financial assets	831.60	-	-	23.92	-	-	1.76	0.33	-	-	-
<b>Total financial assets</b>	<b>3,768.99</b>	<b>2.08</b>	<b>-</b>	<b>870.78</b>	<b>21.60</b>	<b>73.81</b>	<b>133.51</b>	<b>68.13</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>											
Borrowings	39,515.11	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	17,309.69	-	-	-	-	-	-	-	-	-	-
Trade payables	1,179.67	11.31	74.13	118.47	18.83	11.38	14.10	7.47	7.36	-	0.90
<b>Total financial liabilities</b>	<b>58,004.47</b>	<b>11.31</b>	<b>74.13</b>	<b>118.47</b>	<b>18.83</b>	<b>11.38</b>	<b>14.10</b>	<b>7.47</b>	<b>7.36</b>	<b>-</b>	<b>0.90</b>

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 29.b. Financial risk management (contd...)

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2017 and 31 March 2016 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Statement of Profit and Loss for the year ended 31 March 2017		Statement of Profit and Loss for the year ended 31 March 2016	
	Gain/ (loss) on appreciation	Gain/ (loss) on depreciation	Gain/ (loss) on appreciation	Gain/ (loss) on depreciation
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
AED	0.29	(0.29)	(2.82)	2.82
CHF	0.09	(0.09)	0.09	(0.09)
EUR	0.78	(0.78)	0.34	(0.34)
GBP	0.16	(0.16)	0.18	(0.18)
NPR	(0.03)	0.03	(0.27)	0.27
OMR	(0.06)	0.06	(0.05)	0.05
SGD	0.02	(0.02)	(0.06)	0.06
THB	0.01	(0.01)	0.03	(0.03)
QAR	0.02	(0.02)	-	-
USD*	355.34	(355.34)	246.95	(246.95)
<b>Total</b>	<b>356.62</b>	<b>(356.62)</b>	<b>244.39</b>	<b>(244.39)</b>

USD: United States Dollar, GBP: Great British Pound, AED: Arab Emirates Dirhams, NPR: Nepalese Rupees, OMR: Omani Rials, THB: Thai Baht, CHF: Swiss Franc, SGD: Singapore Dollar, EUR: Euro, AUD: Australian Dollar, QAR: Qatari Riyal.

\*The sensitivity analysis to foreign currency risk excludes an exposure to foreign exchange fluctuations on long term foreign currency loans that have been capitalised in the cost of the related property plant and equipment. For the year ended 31 March 2017 and 31 March 2016, 1% depreciation / appreciation in Indian Rupees against USD, affects the adjustment to leased asset (aircraft taken on finance lease) by Rs. 213.58 (31 March 2016: Rs. 284.11). It is expected to impact the Statement of Profit and Loss over the remaining life of the property, plant and equipment as an adjustment to depreciation charge.

### 30 Capital Management

The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows. Management also monitors the return on equity.

The Board of directors regularly review the Company's capital structure in light of the economic conditions, business strategies and future commitments.

For the purpose of the Company's capital management, capital includes issued share capital, convertible preference share capital, securities premium and all other equity reserves. Debt includes, foreign currency term loan and finance lease obligations.

During the financial year ended 31 March 2017, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.



## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 30 Capital Management (contd...)

#### Debt equity ratio:

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Foreign currency term loan- from others	4,604.00	4,035.46	3,000.24
Finance lease obligations	21,357.74	28,410.83	36,514.87
<b>Total Debt (A)</b>	<b>25,961.74</b>	<b>32,446.29</b>	<b>39,515.11</b>
Equity share capital	3,614.68	3,603.57	307.00
Other equity	34,177.49	23,628.27	7,495.23
<b>Total Equity (B)</b>	<b>37,792.17</b>	<b>27,231.84</b>	<b>7,802.23</b>
<b>Debt equity ratio (C = A/B)</b>	<b>0.69</b>	<b>1.19</b>	<b>5.06</b>

#### Return on equity:

Particulars	For the year ended	For the year ended
	31 March 2017	31 March 2016
Profit after tax	16,591.88	19,861.61
Equity share capital	3,614.68	3,603.57
Other equity	34,177.49	23,628.27
<b>Total equity</b>	<b>37,792.17</b>	<b>27,231.84</b>
<b>Return on equity Ratio (%)</b>	<b>44%</b>	<b>73%</b>

### 31 Contingent liabilities (to the extent not provided for)

The Company is a party to various taxation disputes and legal claims, which are not acknowledged as debts as detailed below. Significant management judgement is required to ascertain that it is not probable that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claims.

#### (i) Income tax

The income tax authority has assessed and revised the taxable income on account of disallowance of certain expenses, provisions, depreciation and/or adjustments, and in respect of the tax treatment of certain incentives received from the manufacturer with the acquisition of aircraft and engines. The Company has received favourable order from the final fact finding authority, Income Tax Appellate Tribunal ("ITAT") for three years i.e. Assessment Year ('AY') 2007-08, AY 2008-09 and AY 2009-10 against such disallowance and/or adjustments made by tax authorities. However, the tax authorities have filed an appeal before the High Court against the order of the ITAT. The Company believes, based on advice from counsels/experts, that the views taken by the ITAT are sustainable in higher courts and accordingly no provision is required to be recorded in the books of account. The tax exposure estimated by the Company pertaining to these cases amounts to Rs. 4,177.82 as at 31 March 2017 (31 March 2016: Rs. 972.71, 1 April 2015: Rs. 972.71). This exposure (excluding interest and penalty) is net of Rs. 1,017.21, (31 March 2016 : Rs. 1,602.03, 1 April 2015 : Rs. 1,602.03) which represents minimum alternate tax recoverable written off in the earlier years.

(ii) The Company is in legal proceedings for various disputed legal matters related to Customs, Octroi, Service Tax and Value Added Tax (VAT). The amounts involved in these proceedings, not acknowledged as debt, are:

- (1) Customs- Rs. Nil (31 March 2016: Rs. Nil, 1 April 2015: Rs. 24.05),
- (2) Service Tax- Rs. 145.68 (31 March 2016: Rs. 145.68, 1 April 2015: Rs. 56.04),
- (3) Value Added Tax - Rs. 7.85 (31 March 2016: Rs. Nil, 1 April 2015: Rs. 10.28) and
- (4) Octroi - Rs. 74.45 (31 March 2016: Rs. Nil, 1 April 2015: Rs. Nil).

The Company believes, based on advice from counsels/experts, that the views taken by authorities are not sustainable and accordingly no provision is required to be recorded in the books of account.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 31 Contingent liabilities (to the extent not provided for) (contd...)

#### (iii) Other legal cases

- 1) Claims by supplier amounting to Rs. Nil (31 March 2016: Rs. 244.09, 1 April 2015: Rs. 179.32) on account of certain disputed matters.
- 2) As per the notification dated 1 January 2016, The Payment of Bonus (Amendment) Act, 2015 is applicable retrospectively w.e.f 1 April 2014. While the Company has considered the impact of this amendment for the current and previous financial year, in view of the partial stay granted by Karnataka and Kerala High Court, the impact of this amendment for the period 1 April 2014 till 31 March 2015 amounting to Rs. 19.47 has not been acknowledged as debt.
- 3) Ministry of Civil Aviation, Government of India, vide their Order No. AV 13011/3/2016 dated 9 November 2016 stated that Regional Connectivity Fund Levy will be imposed on scheduled flights being operated within India to fund the Regional Connectivity Fund (RCF). Pursuant to the above order, Airport Authority of India has raised invoice amounting to Rs. 646.71 on the Company for the period ended as on 31 March 2017. Federation of Indian Airlines has filed a writ petition before High Court of Delhi to challenge these RCF Levy. The matter is currently pending with the High Court of Delhi. Moreover, the Company, based on advice received from experts, believes that the levy to fund the RCF is not tenable and accordingly no provision is required to be recorded in the books of account.

#### (iv) Other legal proceedings for which the Company is contingently liable

The Company is party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on the financial statements and hence no provision has been set-up against the same.

#### Notes:

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities. Accordingly, the above mentioned contingent liabilities are disclosed at undiscounted amount.

### 32 Commitments

Particulars	Rs at	Rs at	Rs at
	31 March 2017	31 March 2016	1 April 2015
a. Estimated amount of contracts remaining to be executed on capital account and other commitments, and not provided for in the books of account [net of advances Rs. 119.65 (31 March 2016: Rs. 136.34, 1 April 2015: Rs. 51.07)]	1,430,211.59	1,487,878.36	586,812.64
	1,430,211.59	1,487,878.36	586,812.64

For non-cancellable operating and finance leases commitments Refer to Note 27 and Note 15 a.

### 33 Employee benefits

The Company contributes to the following post-employment benefit plans in India.

#### Defined contribution plan

The Company pays provident fund contributions to the appropriate government authorities at rate specified as per regulations.

An amount of Rs. 362.55 (31 March 2016: Rs. 299.64) has been recognised as an expense in respect of the Company's contribution to Provident Fund deposited with the relevant authorities and has been shown under Employee benefits expense in the Statement of Profit and Loss.

#### Defined benefit plan

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

The following table sets out the status of the defined benefit plan as required under Ind-AS 19 - Employee Benefits:

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 33 Employee benefits (contd...)

#### a. Passenger services

##### (i) Changes in present value of defined benefit obligation:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Present value of obligation at the beginning of the year	364.18	266.06
Interest cost	30.15	22.14
Current service cost	99.78	70.84
Benefits paid	(46.15)	(13.45)
Remeasurements - experience adjustments	1.13	18.36
Remeasurements - actuarial loss/ (gain) from changes in assumptions	30.41	0.23
Present value of obligation the end of the year	479.50	364.18

##### (ii) Assumptions:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Economic assumptions</b>			
Discount rate	7.11%	7.79%	7.98%
Rate of increase in compensation levels	Non crew 10.75% Crew 5.75%	Non crew 10.75% Crew 5.75%	Non crew 10.75% Crew 5.75%
<b>Demographic assumptions:</b>			
Retirement age	Pilot : 65 years Cabin Crew : 40 years Non Crew : 60 years	Pilot : 65 years Cabin Crew : 40 years Non Crew : 60 years	Pilot : 65 years Cabin Crew : 40 years Non Crew : 60 years
Mortality table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Withdrawal	18%	18%	18%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

##### (iii) Sensitivity analysis

#### Defined benefit obligation

Change in assumptions	As at 31 March 2017		As at 31 March 2016	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase/ (decrease) in obligation with 1% movement in discount rate	(34.97)	35.58	(28.94)	29.19
Increase/ (decrease) in obligation with 1% movement in future rate of increase in compensation levels	49.54	(48.92)	41.32	(40.77)

The sensitivity analysis are based on a change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied, as has been applied when calculating the provision for defined benefit plan recognised in the Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

#### Risk exposure:

The defined benefit plan is exposed to a number of risks, the most significant of which are detailed below:

Change in discount rates: A decrease in discount yield will increase plan liabilities.

Mortality table: The gratuity plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in plan liabilities.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 33 Employee benefits (contd...)

#### (iv) Defined benefit liability and employer contribution

The expected maturity analysis of undiscounted defined benefit liability is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
As at 31 March 2017	75.21	74.70	207.28	301.87	659.06
As at 31 March 2016	56.62	59.36	185.03	280.46	581.46

#### b. Cargo services

##### (i) Changes in present value of defined benefit obligation:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Present value of obligation at the beginning of the year	11.35	8.49
Interest cost	0.89	0.68
Current service cost	1.81	1.52
Benefits paid	(0.27)	(0.14)
Remeasurements - experience adjustments	0.83	0.80
Remeasurements - actuarial loss/ (gain) from changes in assumptions	0.85	-
Present value of obligation at the end of the year	15.46	11.35

##### (ii) Assumptions:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Economic assumptions:</b>			
Discount rate	7.11%	7.79%	7.98%
Rate of increase in compensation levels	10.75%	10.75%	10.75%
<b>Demographic assumptions:</b>			
- Retirement age	60 years	60 years	60 years
- Mortality table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
- Withdrawal	18%	18%	18%

##### (iii) Sensitivity analysis

###### Defined benefit obligation

Particulars	As at 31 March 2017		As at 31 March 2016	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase/ (decrease) in obligation with 1% movement in discount rate	(1.07)	1.09	(0.91)	0.92
Increase/ (decrease) in obligation with 1% movement in future rate of increase in compensation levels	1.37	(1.34)	1.29	(1.28)

The sensitivity analysis are based on a change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied, as has been applied when calculating the provision for defined benefit plan recognised in the Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 33 Employee benefits (contd...)

#### Risk exposure:

The defined benefit plan is exposed to a number of risks, the most significant of which are detailed below:

Change in discount rates: A decrease in discount yield will increase plan liabilities.

Mortality table: The gratuity plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in plan liabilities.

#### (iv) Defined benefit liability and employer contribution

The expected maturity analysis of undiscounted defined benefit liability is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
For the year ended 31 March 2017	2.14	2.17	5.82	9.62	19.75
For the year ended 31 March 2016	1.61	1.69	5.34	9.47	18.12

#### c. Bifurcation of provision for defined benefit plan at the end of year:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for defined benefit plans			
Passenger services			
- Current	72.68	54.13	33.56
- Non-current	406.82	310.05	232.50
Cargo services			
- Current	2.07	1.56	1.00
- Non-current	13.39	9.79	7.49
Total	494.96	375.53	274.55

### 34 Segment reporting

#### A. Basis for Segment reporting

Factors used to identify the entity's reportable segments, including the basis of organisation

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

The principal activities of the Company comprises Air Transportation, in respect of which it operates in Domestic and International sectors. Accordingly, the Company has two reportable segments as follows:

- Domestic (air transportation within India)
- International (air transportation outside India)

#### Segment revenue and expenses:

Segment revenue and expenses represents revenue and expenses that are either directly attributed to individual segments or are attributed to individual segments on a reasonable basis. The remainder of the revenue and expenses are categorized as unallocated which mainly comprises finance costs and other operating expenses and certain other income since the underlying assets/liabilities/services are used interchangeably. The Company believes that it is not practical to provide segment disclosures relating to these unallocated revenue and expenses, and accordingly these are separately disclosed as "unallocated".

#### Segment assets and liabilities:

Segment assets includes all operating assets used by a segment which are directly attributed to individual segments or are attributed to individual segments on a reasonable basis. Segment liabilities include all operating liabilities which are directly attributed to individual segments or are attributed to individual segments on a reasonable basis. The remainder of assets and liabilities are categorized as unallocated, since the Company believes that it is not practical to allocate the same over reportable segments on a reasonable basis.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 34 Segment reporting (contd...)

#### B. Information about reportable segments

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Segment Revenue</b>		
Domestic	170,640.87	146,893.36
International	15,585.79	14,697.26
<b>Total</b>	<b>186,226.66</b>	<b>161,590.62</b>
<b>Segment results</b>		
Domestic	22,672.53	30,208.92
International	2,851.09	3,883.91
<b>Total</b>	<b>25,523.62</b>	<b>34,092.83</b>
<b>Add:</b>		
Unallocable revenue	7,469.04	4,959.68
	<b>7,469.04</b>	<b>4,959.68</b>
<b>Less:</b>		
Finance costs	3,307.80	3,041.16
Unallocable depreciation and amortisation expense	570.14	394.65
Unallocable expenses	7,671.32	7,381.63
<b>Profit before tax</b>	<b>21,443.40</b>	<b>28,235.07</b>
<b>Less:</b>		
Income tax expense	4,851.52	8,373.46
<b>Net Profit after tax</b>	<b>16,591.88</b>	<b>19,861.61</b>
<b>Depreciation and amortisation expense</b>		
Domestic	3,671.89	4,255.28
International	330.50	404.75
Un-allocable depreciation and amortisation expense	570.14	394.65
<b>Total</b>	<b>4,572.53</b>	<b>5,054.68</b>
<b>Material non-cash (income) / expenses other than depreciation and amortisation expense</b>	<b>(1,408.90)</b>	<b>3,243.06</b>
<b>Other disclosures</b>		
<b>Capital expenditure</b>		
Domestic	1,504.18	1,322.64
International	135.39	125.80
Un-allocable capital expenditure	748.60	1,198.25
<b>Total</b>	<b>2,388.17</b>	<b>2,646.69</b>

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 34 Segment reporting (contd...)

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
<b>Segment assets</b>			
Domestic	38,604.99	47,645.60	48,069.79
International	3,411.15	4,541.34	4,306.86
Unallocable assets	110,081.46	73,999.96	50,981.23
<b>Total</b>	<b>152,097.60</b>	<b>126,186.90</b>	<b>103,357.88</b>
<b>Segment liabilities</b>			
Domestic	38,800.23	28,667.12	30,535.14
International	3,509.71	2,800.68	2,810.19
Unallocable liabilities	71,995.49	67,487.26	62,210.32
<b>Total</b>	<b>114,305.43</b>	<b>98,955.06</b>	<b>95,555.65</b>

### 35 Related party disclosures

a. List of related parties and nature of relationship where control exists:

(i) Parent and Ultimate Controlling Party

InterGlobe Enterprises Limited (Parent till 9 November 2015)

Mr. Rahul Bhatia (Ultimate Controlling Party till 9 November 2015)

(ii) Subsidiaries

Agile Airport Services Private Limited (Incorporated on 14 February 2017)

b. List of related parties and nature of relationship with whom transactions have taken place during the current/ previous year

(i) Parent and Ultimate Controlling Party

InterGlobe Enterprises Limited (Parent till 9 November 2015)

Mr. Rahul Bhatia (Ultimate Controlling Party till 9 November 2015)

(ii) Entity/ person with direct or indirect significant influence over the Company

InterGlobe Enterprises Limited (with effect from 10 November 2015)

Ms. Shobha Gangwal - Wife of Mr. Rakesh Gangwal (Related party with effect from 25 April 2015)

(iii) Subsidiaries

Agile Airport Services Private Limited (Incorporated on 14 February 2017)

(iv) Key managerial personnel of the Company or its parent and their close family members

Mr. Aditya Ghosh – President and Whole Time Director

Mr. Kapil Bhatia – Father of Mr. Rahul Bhatia (Director till 23 June 2015)

Mr. Rahul Bhatia – Director (Managing Director till 23 June 2015)

Ms. Rohini Bhatia – Director

Mr. Rakesh Gangwal - Director (with effect from 25 June 2015)

Ms. Shobha Gangwal - Wife of Mr. Rakesh Gangwal

Dr. Asha Mukherjee - Sister of Mr. Rakesh Gangwal

Mr. Devadas Mallaya Mangalore - Independent Director

Dr. Anupam Khanna - Independent Director

Mr. Alok Mehta - Brother of Ms. Rohini Bhatia

Mr. Rohit Philip - Chief Financial Officer (with effect from 18 July 2016)

Mr. Pankaj Madan - Chief Financial Officer (till 17 July 2016)

Mr. Sanjay Gupta - Company Secretary and Chief Compliance Officer (with effect from 18 August 2016)

Mr. Suresh Kumar Bhutani - Company Secretary (till 15 July 2016)



## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 35 Related party disclosures (contd...)

- (v) Other related parties - Entities which are joint ventures or subsidiaries or where control/ significant influence exists of parties as given in (a) or (b) above

InterGlobe Air Transport Limited (Fellow subsidiary till 9 November 2015)

InterGlobe Foundation (Fellow subsidiary till 9 November 2015)

InterGlobe Technologies Private Limited

Acquire Services Private Limited (Related party till 9 November 2015)

InterGlobe Hotels Private Limited

CAE Simulation Training Private Limited

The Chinkerpoo Family Trust (Trustee: Shobha Gangwal & J.P.Morgan Trust Company of Delaware)

Caddie Hotels Private Limited

IGC (Mauritius) Private Limited (Fellow subsidiary till 9 November 2015)

Pegasus Buildtech Private Limited

Pegasus Utility Maintenance & Services Private Limited

Techpark Hotels Private Limited

### c. Transactions with related parties during the current / previous year:

S. No.	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(i)	<b>Rent expense</b>		
	InterGlobe Enterprises Limited	43.05	40.22
	Acquire Services Private Limited	-	37.77
	InterGlobe Air Transport Limited	2.03	-
	Pegasus Buildtech Private Limited	4.89	-
(ii)	<b>Commission expense</b>		
	InterGlobe Air Transport Limited	367.79	935.18
(iii)	<b>Reservation cost</b>		
	InterGlobe Technologies Private Limited	294.56	222.96
(iv)	<b>Legal and professional expense</b>		
	InterGlobe Enterprises Limited	161.78	146.21
(v)	<b>Crew accommodation and transportation expense</b>		
	InterGlobe Hotels Private Limited	79.34	69.08
	Techpark Hotels Private Limited	-	0.37
	Caddie Hotels Private Limited	94.22	19.19
(vi)	<b>Training expense</b>		
	CAE Simulation Training Private Limited	635.72	393.08
(vii)	<b>Operating cost of software</b>		
	InterGlobe Enterprises Limited	319.61	146.53
	InterGlobe Technologies Private Limited	23.54	33.91
(viii)	<b>Repairs and maintenance</b>		
	InterGlobe Enterprises Limited	23.46	8.88
	Acquire Services Private Limited	-	8.85
	InterGlobe Air Transport Limited	1.58	-
	Pegasus Utility Maintenance & Services Private Limited	1.16	-

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 35 Related party disclosures (contd...)

#### c. Transactions with related parties during the current / previous year:

S. No.	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(ix)	<b>Corporate social responsibility expenses</b>		
	InterGlobe Foundation	–	28.00
(x)	<b>Miscellaneous income</b>		
	InterGlobe Technologies Private Limited	–	0.54
	InterGlobe Hotels Private Limited	0.20	–
(xi)	<b>Miscellaneous expenses</b>		
	InterGlobe Hotels Private Limited	0.47	0.25
	Caddie Hotels Private Limited	5.78	1.93
	InterGlobe Enterprises Limited	12.90	5.55
	Acquire Services Private Limited	–	4.59
	InterGlobe Air Transport Limited	0.35	–
	Pegasus Buildtech Private Limited	0.07	–
	Pegasus Utility Maintenance & Services Private Limited	0.77	–
(xii)	<b>Purchase of Property, plant and equipment</b>		
	InterGlobe Air Transport Limited	3.88	–
(xiii)	<b>Vehicle security received</b>		
	Mr. Rohit Philip	2.37	–
	Mr. Sanjay Gupta	0.31	–
(xiv)	<b>Compensation to key managerial personnel</b>		
	Short-term employee benefits	189.82	301.00
	Post-employment benefits	3.49	3.16
	Share-based payment	221.57	118.28
	Other long-term benefits	60.17	3.62
(xv)	<b>Sitting fees*</b>		
	Mr. Rahul Bhatia	0.15	0.15
	Ms. Rohini Bhatia	0.35	0.40
	Mr. Rakesh Gangwal	0.20	0.05
	Mr. Devadas Malliya Mangalore	0.65	0.85
	Dr. Anupam Khanna	0.60	0.60
	* Excludes service tax		
(xvi)	<b>Interim dividend (Refer to Note 14 b.)</b>		
	InterGlobe Enterprises Limited	–	5,637.16
	Mr. Kapil Bhatia	–	1.79
	Mr. Rahul Bhatia	–	1.44
	Ms. Rohini Bhatia	–	0.36
	Mr. Rakesh Gangwal	–	2,111.91
	Ms. Shobha Gangwal	–	1,108.07
	The Chinkerpoo Family Trust (Trustee: Shobha Gangwal & J.P.Morgan Trust Company of Delaware)	–	2,111.91

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 35 Related party disclosures (contd...)

#### c. Transactions with related parties during the current / previous year:

S. No.	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(xvii)	<b>Final dividend (Refer to Note 14 b.)</b>		
	InterGlobe Enterprises Limited	2,304.74	–
	Mr. Kapil Bhatia	0.75	–
	Mr. Rahul Bhatia	0.60	–
	Ms. Rohini Bhatia	0.15	–
	Mr. Rakesh Gangwal	912.91	–
	Ms. Shobha Gangwal	522.79	–
	Dr. Asha Mukherjee	20.24	–
	The Chinkerpoo Family Trust (Trustee: Shobha Gangwal & J.P.Morgan Trust Company of Delaware)	845.64	–
	IGE (Mauritius) Private Limited	48.60	–
	Mr. Alok Mehta	0.00	–
(xviii)	<b>Conversion of convertible preference shares into equity shares (Refer to Note 14 a.)</b>		
	Mr. Rahul Bhatia	–	3.01
	Ms. Shobha Gangwal	–	3.01
	Mr. Rakesh Gangwal	–	2.00
(xix)	<b>Bonus shares - Issued during the year (Refer to Note 13)</b>		
	InterGlobe Enterprises Limited	–	1,412.46
	Acquire Services Private Limited	–	0.09
	Mr. Kapil Bhatia	–	0.45
	Mr. Rahul Bhatia	–	27.41
	Ms. Rohini Bhatia	–	0.09
	Mr. Rakesh Gangwal	–	547.24
	Ms. Shobha Gangwal	–	304.71
	Dr. Asha Mukherjee	–	13.49
	The Chinkerpoo Family Trust (Trustee: Shobha Gangwal & J.P.Morgan Trust Company of Delaware)	–	529.20
(xx)	<b>Investment in equity shares of subsidiary</b>		
	Agile Airport Services Private Limited	0.10	–
(xxi)	<b>Advances given for expenses</b>		
	Agile Airport Services Private Limited	0.24	–

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 35 Related party disclosures (contd...)

#### d. Outstanding balances

S. No.	Particulars	Rs at 31 March 2017	Rs at 31 March 2016	Rs at 1 April 2015
(i)	<b>Payables</b>			
	InterGlobe Enterprises Limited	55.35	41.96	4.52
	InterGlobe Air Transport Limited	1.12	78.96	83.39
	InterGlobe Technologies Private Limited	103.15	95.55	124.74
	InterGlobe Hotels Private Limited	7.25	4.86	5.82
	Caddie Hotels Private Limited	16.84	10.51	–
	Acquire Services Private Limited	–	0.85	6.16
	CAE Simulation Training Private Limited	21.32	57.84	8.05
	Pegasus Buildtech Private Limited	0.45	–	–
	Pegasus Utility Maintenance & Services Private Limited	0.31	–	–
	Key managerial personnel	92.47	14.67	2.31
(ii)	<b>Advance for expenses</b>			
	Agile Airport Services Private Limited	0.24	–	–
(iii)	<b>Investment in equity shares of subsidiary</b>			
	Agile Airport Services Private Limited	0.10	–	–

#### e. Terms and Conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash. Transactions relating to dividend, subscriptions for new equity shares are on the same terms and conditions that are offered to other shareholders.

### 36 Earnings per share (EPS)

#### a. Profit attributable to equity share holders

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit attributable to equity share holders:		
Profit attributable to equity share holders for basic earnings	16,591.88	19,861.61
Profit attributable to equity share holders adjusted for the effect of dilution	16,591.88	19,861.61

#### b. Weighted average number of equity shares

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Weighted average number of equity shares		
- For basic earnings per share	361,156,673	342,073,191
Dilutive effect of stock options and convertible preference shares *	706,140	10,133,924
	361,862,813	352,207,115
Basic earnings per share (Rs.)	45.94	58.06
Diluted earnings per share (Rs.)	45.85	56.39
Nominal value per share (Rs.)	10	10

\* Includes 706,140 (31 March 2016: 797,990) of stock options granted to employees under the employee stock option schemes are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 36 Earnings per share (EPS) (contd...)

307,411 (31 March 2016: 1,113,756) of the stock options granted to employees under the existing employee share option schemes have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the current and previous year presented.

Convertible preference shares are considered to be potential equity shares and have been included in the determination of diluted earnings per share from their date of issue.

Note: Earnings per share calculations are done in accordance with Ind AS 33 'Earnings Per Share' as notified under section 133 of the Companies Act 2013. As required by Ind AS 33, if the number of equity or potential equity shares outstanding increases as a result of a bonus issue or share split or decreases as a result of a reverse share split (consolidation of shares), the calculation of basic and diluted earnings per share should be adjusted for all the periods presented. As stated in Note 13 'Share Capital', the number of shares, during the year ended 31 March 2016, have increased on account of issue of bonus shares and split of shares. Accordingly, the bonus shares and share split have been considered while computing the basic and diluted earnings per share for the year ended 31 March 2016.

### 37 Corporate social responsibility

Under Section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, atleast 2% of the average net profits of the Company made during the three immediately preceding financial years on Corporate Social Responsibility (CSR), pursuant to its policy in this regard.

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
a) Gross amount required to be spent by the Company during the year	312.60	189.47
b) Amount spent and paid during the year	215.81	85.08
<b>Particulars of amount spent and paid during the year:</b>		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	215.81	85.08
	215.81	85.08

### 38 Share-based payment arrangements:

#### a. Description of share-based payment arrangements

##### (i) InterGlobe Aviation Limited Tenured Employees Stock Option Scheme - 2015 (ESOS 2015 - I)

On 23 June 2015, the Board of Directors approved the InterGlobe Aviation Limited Tenured Employees Stock Option Scheme - 2015 (the "ESOS 2015 - I"), which was subsequently approved in the Extraordinary General Meeting held on 25 June 2015. ESOS 2015 - I comprises 1,111,819 options, granted to eligible employees determined by Compensation Committee, which are convertible into equivalent number of equity shares of Rs. 10 each as per the terms of the scheme. Upon vesting, the employees can acquire one common equity share of the Company for every option granted. The options were granted on 25 June 2015.

Vesting of the Options granted under the ESOS 2015 - I shall be one year from the Grant Date or completion of the listing of the shares of the Company on a recognized stock exchange in India in an initial public offering, whichever is later. In case the listing is not completed within two years from the date of Grant, the Options shall automatically lapse on the expiry of such two year period.

S No.	Grant Date	Number of Options	Exercise Price (Rs.)	Vesting Conditions	Vesting Period	Contractual period
a.	25-Jun-15	1,111,819	10	1 year from the Grant Date or completion of listing, whichever is later. If listing is not completed for a period of 2 years from grant date, the options shall lapse on expiry of 2 years.	1 year from the Grant Date or completion of listing, whichever is later.	2 years

During the year ended 31 March 2017, all the options granted under ESOS 2015 - I were exercised and consequently equity share capital has been increased by Rs. 11.11.

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 38 Share-based payment arrangements: (contd...)

#### (ii) InterGlobe Aviation Limited Employees Stock Option Scheme - 2015 (ESOS 2015 - II)

On 23 June 2015, the Board of Directors approved the InterGlobe Aviation Limited Employees Stock Option Scheme - 2015 (the "ESOS 2015 - II"), which was subsequently approved in the Extraordinary General Meeting held on 25 June 2015. ESOS 2015 - II, comprises 3,107,674 options, which are granted to eligible employees of the Company determined by Compensation Committee, which are convertible into equivalent number of equity shares of Rs. 10 each as per the terms of the scheme. Upon vesting, the employees can acquire one common equity share of the Company for every option. The options were granted on the dates as mentioned in table below.

S No.	Grant date	Number of Options	Exercise Price (Rs.)	Vesting Conditions	Vesting Period	Contractual period
(i)	30-Oct-15	420,530	10	Graded vesting to President and Whole Time Director of the Company, can be exercised within 1 year from the respective vesting dates.	4 years	2 years to 5 years
(ii)	30-Oct-15	1,514,587	765	Graded vesting to other employees of the Company, can be exercised within 4 years from the respective vesting dates.	4 years	5 years to 8 years
(iii)	30-Oct-15	332,026	765	Subject to market condition being met, the options granted to President and Whole Time Director of the Company, can be exercised within 4 years of vesting.	After 4.5 years	8.5 years
(iv)	16-Sep-16	353,299	10	Graded vesting to other employees of the Company, can be exercised within 15 March of the calendar year following the calendar year in which the applicable vesting occurs, but in any event no Option will be Exercised later than 7 (seven) years after the Date of Grant or 3 (three) months after termination of employment of the Optionee.	4 years	1.5 years to 7 years

#### b. Measurement of fair values

The weighted average fair value of stock options as on grant date

Particulars	Method of Valuation	Weighted average fair value as on the grant date (Rs.)
ESOS 2015 - I	Black Scholes option pricing model	569
ESOS 2015 - II		
- Employees other than President and whole time director covered in (ii) above	Black Scholes option pricing model	360-488
- President and whole time director covered in (i) above	Black Scholes option pricing model and Monte Carlo Stimulation	756-758
- President and whole time director covered in (iii) above	Black Scholes option pricing model	620
- Employees other than President and whole time director covered in (iv) above	Black Scholes option pricing model	737-820

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 38 Share-based payment arrangements: (contd...)

The inputs used in the measurement of grant date fair value are as follows:

Particulars	Share Price (Rs.)	Exercise Price (Rs.)	Expected Volatility	Expected Life (in years)	Expected Dividend	Risk free Interest Rate
ESOS 2015 - I	578	10	57.0%	1	0.0%	7.5%
ESOS 2015 - II						
- Employees other than President and whole time director covered in (ii) above	765	765	60.0% - 61.1%	3 - 6	0.0%	7.5%
- President and whole time director covered in (i) above	765	10	60.5% - 66.7%	1.5 - 4.5	0.0%	7.5%
- President and whole time director covered in (iii) above	765	765	62.4%	2	0.0%	7.5%
- Employees other than President and whole time director covered in (iv) above	868	10	52.7%	1.25 - 4.25	3.62%	7.5%

The risk-free interest rates are determined based on current yield to maturity of Government Bonds with 10 years residual maturity. Expected volatility calculation is based on historical daily closing stock prices of competitors / Company using standard deviation of daily change in stock price. The minimum life of stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised. The expected life has been considered based on average sum of maximum life and minimum life and may not necessarily indicative of exercise patterns that may occur. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date. For the measurement of grant date fair value certain market conditions were considered in the method of valuation.

#### c. Effect of employee stock option scheme on the Statement of Profit and Loss:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Employee stock option scheme expense	504.89	677.07
Total	504.89	677.07

#### d. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Options outstanding as at the beginning of the year	3,378,962	422.61	-	-
Add: Options granted during the year	353,299	10	3,378,962	422.61
Less: Options forfeited and expired during the year	307,970	765	-	-
Less: Options exercised during the year*	1,111,819	10	-	-
Options outstanding as at the year end	2,312,472	512.35	3,378,962	422.61
Exercisable at the end of the period	247,432	572.52	-	-

Particulars	As at 31 March 2017	As at 31 March 2016
Weighted average remaining life of options outstanding at the end of the year	5.28	4.95

\*The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2017 was Rs. 944.10.



## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

- 39 During the year ended 31 March 2016, the Company had completed the initial public offer (IPO). The proceeds from IPO was Rs. 12,091 (net of fresh issue related expenses (including Service Tax))

Details of utilization of IPO proceeds are as follows:

Objects of the issue	Proceeds from the issue as per the prospectus	Utilized amount upto 31 March 2017	Unutilized amount as at 31 March 2017
Retirement of certain outstanding finance lease liabilities and consequent acquisition of aircraft	11,656.63	11,656.63	–
Purchase of ground support equipment for airline operations	342.58	342.58	–
General corporate purposes	91.79	91.79	–
<b>Total</b>	<b>12,091.00</b>	<b>12,091.00</b>	<b>–</b>

### 40 Disclosure on specified bank notes

During the year, the Company had Specified Bank Notes (SBN) or other denomination note as defined in the MCA notification G.S.R. 308(€) dated 30 March 2017 on the details of SBN held and transacted during the period from 8 November 2016 to 30 December 2016, the details of SBNs and other denomination notes as per the notification is given below:

(In Indian Rupees)

Particulars	Specified Bank Notes*	Other denomination Notes**	Total
Closing cash on hand as on 8 November 2016	7,162,000	5,640,505	12,802,505
Add: Permitted receipts	373,032,500	603,690,917	976,723,417
Less: Permitted payments	–	4,654,537	4,654,537
Less: Amount deposited in Banks	380,194,500	594,454,425	974,648,925
Closing cash on hand as on 30 December 2016	–	10,222,460	10,222,460

\* For the purposes of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(€), dated the 8 November 2016.

\*\* excluding foreign currency notes.

- 41 The Company has established a comprehensive system of maintenance of information and documents that are required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its international transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

### 42 Scheme of arrangement:

#### Amalgamation of the Company with Caelum Investment, LLC

A scheme of amalgamation between Caelum Investment LLC ("Transferor Company") and InterGlobe Aviation Limited (the "Company" or "Transferee Company") and their respective shareholders/members and creditors ("Scheme") was sanctioned by the High Court of Delhi vide its order dated 22 December 2014 ("Order") under Sections 391 to 394 and all other applicable provisions of the Companies Act, 1956 in Company Petition No. 599/2014 connected with Company Application (M) No. 107/2014 and in respect of which the certified copy of the formal Order was obtained on 27 March 2015 and was subsequently filed with the Registrar of Companies on 24 April 2015. Further, in relation to the Scheme, the Company has received a certificate of merger dated 24 April 2015 from the Secretary of State, Division of Corporations, State of Delaware, United States of America giving effect to the merger of the Transferor Company with the Company. Accordingly, in terms of the Scheme, the Scheme came into effect from 24 April 2015 ("Effective Date"). The applicable date and the effective date of the scheme is 24 April 2015.

#### Transferor Company was an investment Company.

In relation to the Scheme, the Foreign Investment Promotion Board vide its letter (No. 69(2014)/90(2014) dated 10 September

## Notes forming part of the financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 42 Scheme of arrangement: (contd...)

2014 had granted its approval to the Company to issue and allot upto 147,000 equity shares having face value of Rs. 1,000 each constituting 47.88% of the issued, paid-up equity share capital to the members of the Transferor Company in the proportion of the voting units held by such members in the Transferor Company pursuant to the Scheme. Further, the Competition Commission of India vide its order dated 30 July 2014 stated that the proposed combination is not likely to have an appreciable adverse effect on competition in India and therefore, approved the same under Section 31(1) of the Competition Act, 2002.

As on the Effective Date, the only assets of the Transferor Company represents 147,000 equity shares having face value of Rs. 1,000 ("Equity Shares") in the Transferee Company.

In accordance with the terms of the Scheme, the Company at its board meeting held on 25 April 2015, cancelled the equity shares held by the Transferor Company in the Company and issued and allotted 147,000 fresh fully paid-up equity shares of Rs. 1,000 each to the members of Transferor Company in the manner mentioned below, constituting 47.88% of the post issue paid-up equity share capital of the Company on the date of issue of the aforesaid 147,000 equity shares. In terms of the Scheme, the 147,000 fresh equity shares were issued to the members of the Transferor Company in the proportion to the voting units held by the members of the Transferor Company in the Transferor Company and whose names appear in the books and records of the Transferor Company as on 23 April 2015 i.e. the 'Record Date', as defined in the Scheme:

S No.	Name of Shareholder	Number of equity shares
1	Mr. Rakesh Gangwal	58,800
2	Ms. Shobha Gangwal	29,400
3	The Chinkerpoo Family Trust (Trustee: Shobha Gangwal & J.P Morgan Trust Company of Delaware)	58,800
	Total	147,000

As per the scheme, 147,000 equity shares of Rs. 1,000 each held by the Transferor Company in the Transferee Company were extinguished and proportionate number of fresh fully paid-up equity shares of Rs. 1,000 each of the Transferee Company were issued to the members of the Transferor Company.

- 43 Subsequent to year ended 31 March 2017, the Company has signed a term sheet with Avions de Transport Regional G.I.E. (ATR) for the purchase of 50 ATR 72-600 aircraft with the flexibility to reduce the number of aircraft deliveries based on certain conditions. This term sheet is subject to reaching a mutually satisfactory final purchase agreement with ATR and the engine manufacturer.
- 44 The public shareholding as at 31 March 2017 is 14.12% of the Company. The Company will comply with the minimum public shareholding requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulations) Rules, 1957 within the stipulated period of three years from the date of listing of equity shares of the Company, as allowed under Rule 19(2)(b)(ii) of Securities Contracts (Regulations) Rules, 1957.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W /W-100022

Jiten Chopra

Partner

Membership No. 092894

Place: Gurgaon

Date: 9 May 2017

For and on behalf of the Board of Directors of  
InterGlobe Aviation Limited

Rohini Bhatia

Director

DIN: 01583219

Rohit Philip

Chief Financial Officer

Place: Gurgaon

Date: 9 May 2017

Aditya Ghosh

President and Whole Time Director

DIN: 01243445

Sanjay Gupta

Company Secretary and Chief Compliance Officer

# Consolidated Financial Statements

## Independent Auditor's Report

To The Members of InterGlobe Aviation Limited

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of InterGlobe Aviation Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at

31 March 2017, and its consolidated financial performance including other comprehensive income, its consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report 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 purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Group so far as it appears from our examination of those books;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant Rules issued thereunder;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group company incorporated in India is disqualified as on 31 March 2017 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 over financial reporting of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 31 to the consolidated Ind AS financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India; and
  - iv. The Group has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures performed, and the report of the statutory auditors of its subsidiary company incorporated in India and relying on the Holding company's management representation we report that the disclosures are in accordance with books of account maintained by the Group and as produced to us by the Holding Company's Management - Refer Note 39 to the consolidated Ind AS financial statements.

For B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W / W-100022

Jiten Chopra

Partner

Place: Gurgaon

Date: 09 May 2017

Membership number: 092894

## Independent Auditor's Report (contd...)

Annexure A to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of InterGlobe Aviation Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Group as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of InterGlobe Aviation Limited (hereinafter referred to as "the Holding Company") and its subsidiary company which is a company incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 its business, including adherence to the respective 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 Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both

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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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 system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or

timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company and its subsidiary company,

which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W / W-100022

Jiten Chopra

Partner

Place: Gurgaon

Date: 09 May 2017

Membership number: 092894



## Consolidated Balance Sheet as at 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

	Note	As at 31 March 2017
<b>I Assets</b>		
<b>Non-current assets</b>		
a. Property, plant and equipment	3	37,474.72
b. Capital work-in-progress		233.03
c. Other intangible assets	4	463.69
d. Intangible assets under development		18.83
e. Financial assets		
(i) Investments	5	0.18
(ii) Loans	6	5,440.26
(iii) Others financial assets	7	10,356.39
f. Income tax assets (net)	19.c	97.60
g. Other non-current assets	8	3,548.74
<b>Total non-current assets</b>		<b>57,633.44</b>
<b>Current assets</b>		
a. Inventories	9	1,631.50
b. Financial assets		
(i) Investments	5	37,134.10
(ii) Trade receivables	10	1,587.02
(iii) Cash and cash equivalents	11	1,531.19
(iv) Bank Balances other than cash and cash equivalents, above	12	44,794.26
(v) Loans	6	39.76
(vi) Others financial assets	7	4,100.86
c. Other current assets	8	3,645.23
<b>Total current assets</b>		<b>94,463.92</b>
<b>Total assets</b>		<b>152,097.36</b>
<b>II Equity and Liabilities</b>		
<b>Equity</b>		
a. Equity share capital	13	3,614.68
b. Other equity	14	34,177.08
<b>Equity attributable to owners of the Company</b>		<b>37,791.76</b>
c. Non-controlling interest		-
<b>Total equity</b>		<b>37,791.76</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
a. Financial liabilities		
(i) Borrowings	15.a	23,957.08
(ii) Other financial liabilities	15.b	22,685.34
b. Provisions	16	1,223.94
c. Deferred tax liabilities (net)	19.d	1,618.06
d. Other non-current liabilities	18	75.00
e. Deferred incentives		16,899.90
<b>Total non-current liabilities</b>		<b>66,459.32</b>
<b>Current liabilities</b>		
a. Financial liabilities		
(i) Trade payables	17	7,746.10
(ii) Other financial liabilities	15.b	14,322.67
b. Provisions	16	667.06
c. Current tax liabilities (net)	19.c	446.77
d. Other current liabilities	18	19,725.85
e. Deferred incentives		4,937.83
<b>Total current liabilities</b>		<b>47,846.28</b>
<b>Total equity and liabilities</b>		<b>152,097.36</b>

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W /U-100022

Jiten Chopra

Partner

Membership No. 092894

For and on behalf of the Board of Directors of  
InterGlobe Aviation Limited

Rohini Bhatia

Director

DIN: 01583219

Rohit Philip

Chief Financial Officer

Place: Gurgaon

Date: 9 May 2017

Aditya Ghosh

President and Whole Time Director

DIN: 01243445

Sanjay Gupta

Company Secretary and Chief Compliance Officer

Place: Gurgaon

Date: 9 May 2017

## Consolidated Statement of Profit and Loss for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

	Note	For the year ended 31 March 2017
<b>Income</b>		
Revenue from operations	20	185,805.00
Other income	21	7,890.70
Total income		193,695.70
<b>Expenses</b>		
Aircraft fuel expenses		63,415.13
Aircraft and engine rentals (net) (Refer to Note 28)		31,253.73
Purchase of stock-in-trade	22	1,238.32
Changes in inventories of stock-in-trade	23	(2.94)
Employee benefits expense	24	20,481.90
Finance costs	25	3,307.80
Depreciation and amortisation expense	26	4,572.53
Other expenses	27	47,986.24
Total expenses		172,252.71
<b>Profit before tax</b>		<b>21,442.99</b>
<b>Income tax expense</b>		
Current tax	19	4,911.51
Deferred tax (credit) / charge		(59.99)
<b>Total tax expense</b>		<b>4,851.52</b>
<b>Profit for the year</b>		<b>16,591.47</b>
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
- Remeasurements of defined benefit plans		(33.22)
- Income tax relating to above mentioned item		11.50
<b>Other comprehensive income for the year, net of tax</b>		<b>(21.72)</b>
<b>Total comprehensive income for the year</b>		<b>16,569.75</b>
<b>Profit for the year attributable to</b>		
- Owners of the Company		16,591.47
- Non-controlling interest		-
<b>Other comprehensive income for the year attributable to</b>		
- Owners of the Company		(21.72)
- Non-controlling interest		-
<b>Total comprehensive income for the year attributable to</b>		
- Owners of the Company		16,569.75
- Non-controlling interest		-
<b>Earnings per equity share of face value of Rs. 10 each</b>	36	
Basic (Rs.)		45.94
Diluted (Rs.)		45.85

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W /W-100022

Jiten Chopra

Partner

Membership No. 092894

Place: Gurgaon

Date: 9 May 2017

For and on behalf of the Board of Directors of

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Director

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Chief Financial Officer

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Date: 9 May 2017

Aditya Ghosh

President and Whole Time Director

DIN: 01243445

Sanjay Gupta

Company Secretary and Chief Compliance Officer

## Consolidated Cash Flow Statement

for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2017
<b>A. Cash flows from operating activities</b>	
Profit before tax	21,442.99
Adjustments for:	
Depreciation and amortisation expense	4,572.53
Provision for redelivery and overhaul cost	286.55
Liabilities no longer required written back	(414.93)
Profit on sale of property, plant and equipment (net)	(24.58)
Non cash incentives, claims and credits (net)	(2,152.27)
Interest accretion on provisions and other financial liabilities measured at amortised cost	1,670.58
Deferred rent amortisation (included in Aircraft and engine rentals)	535.97
Property, plant and equipment written off	47.46
Advance write off	9.09
Unrealised foreign exchange (gain) / loss (net)	(861.80)
Interest on borrowings measured at amortised cost	179.98
Finance lease charges on finance lease obligations measured at amortised cost	1,298.99
Employee stock option scheme expense	504.89
Interest income from bank deposits	(3,913.27)
Interest income from financial assets at amortised cost	(488.02)
Marked to market gain on current investments	(546.42)
Net gain on sale of current investments	(1,221.27)
Operating profit before working capital changes	20,926.47
Adjustments for:	
Increase in trade receivables	(21.45)
Increase in inventories	(868.68)
Increase in loans, other financial assets, and other assets	(2,432.46)
Increase in trade payables, other financial liabilities and other liabilities	17,338.75
Increase in deferred incentives	7,119.03
Cash generated from operating activities	42,061.66
Income tax paid	(4,240.96)
Net cash generated from operating activities	37,820.70
<b>B. Cash flows from investing activities</b>	
Purchase of property, plant and equipment and other intangible assets (including capital advances)	(2,372.38)
Proceeds from sale of property, plant and equipment	6,132.30
Deposits made with banks due to mature within 12 months from the reporting date (net)	(15,661.24)
Refer to Note 12 [deposits under lien Rs. 39,471.53]	
Deposits made with banks due to mature after 12 months from the reporting date (net)	3,567.53
Refer to Note 7 [deposits under lien Rs. 9,633.84]	
Purchase of mutual funds / shares	(126,733.58)
Proceeds from sale of mutual funds / shares	101,228.56
Interest received	3,460.24
Net cash used in investing activities	(30,378.57)

## Consolidated Cash Flow Statement for the year ended 31 March 2017 (contd...)

(Rupees in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2017
<b>C. Cash flows from financing activities</b>	
Proceeds from secured loans	676.61
Repayment of secured loans	(7,526.39)
Interest paid	(168.77)
Finance lease charges paid	(478.79)
Proceeds from issue of shares on exercise of stock options	11.11
Dividend paid	(5,422.03)
Corporate dividend tax paid	(1,103.80)
Net cash used in financing activities	(14,012.06)
Net decrease in cash and cash equivalents during the year (A+B+C)	(6,569.93)
Effect of exchange rate changes on cash and cash equivalent held in foreign currency	47.44
<b>D. Cash and cash equivalents at the beginning of the year</b>	
Cash on hand	30.83
Balance with banks:	
- On current accounts	2,664.02
- On deposit accounts (with original maturity of three months or less)	5,358.83
	8,053.68
<b>E. Cash and cash equivalents as at the end of the year</b>	
Cash on hand	43.17
Balance with banks:	
- On current accounts	1,488.02
	1,531.19

### Notes:

- The Consolidated Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act 2013, read with the relevant rules thereunder.
- Current account balance with banks includes Rs. 71.43 held in foreign currency which are freely remissible to the Group.

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W /W-100022

Jiten Chopra

Partner

Membership No. 092894

For and on behalf of the Board of Directors of

InterGlobe Aviation Limited

Rohini Bhatia

Director

DIN: 01583219

Rohit Philip

Chief Financial Officer

Place: Gurgaon

Date: 9 May 2017

Aditya Ghosh

President and Whole Time Director

DIN: 01243445

Sanjay Gupta

Company Secretary and Chief Compliance Officer

Place: Gurgaon

Date: 9 May 2017

## Consolidated Statement of Changes in Equity

for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### A. Equity share capital

	Note	For the year ended 31 March 2017	
		Number of shares	Amount
Balance at the beginning of the year		360,356,544	3,603.57
Changes in equity share capital during the year:			
Issued during the year pursuant to exercise of employee stock options scheme	38	1,111,819	11.11
Balance at the end of the year		361,468,363	3,614.68

### B. Other equity

	Note	Equity component of compound financial instruments*	Reserves and Surplus				Other comprehensive income**	Total equity attributable to owners of the Company
			Employee stock options outstanding account	Securities premium reserve	General reserve	Retained Earnings		
Balance as at 1 April 2016		58.79	677.07	11,971.74	389.07	10,544.28	(12.68)	23,628.27
Profit for the year						16,591.47	-	16,591.47
Other comprehensive income for the year	14 c.						(21.72)	(21.72)
Total comprehensive income for the year						27,135.75	(34.40)	40,198.02
Final dividend	14 b.(v)					(5,422.03)		(5,422.03)
Corporate dividend tax						(1,103.80)		(1,103.80)
Employee stock option scheme expense	38	-	504.89	-	-	-	-	504.89
Amount utilized / transfer for issue of shares on exercise of stock options	38	-	(632.84)	632.84	-	-	-	-
Balance as at 31 March 2017		58.79	549.12	12,604.58	389.07	20,609.92	(34.40)	34,177.08

\* Represents equity component of compound financial instruments (net of tax) - 36,716 0.00% convertible preference shares of Rs.1,000 each fully paid up.

\*\* Other comprehensive income represents remeasurement of defined benefit plans (net of tax).

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W /W-100022

For and on behalf of the Board of Directors of

InterGlobe Aviation Limited

Jiten Chopra

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President and Whole Time Director

DIN: 01243445

Rohit Philip

Chief Financial Officer

Sanjay Gupta

Company Secretary and Chief Compliance Officer

Place: Gurgaon

Date: 9 May 2017

Place: Gurgaon

Date: 9 May 2017

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 1. Company Information / Overview

InterGlobe Aviation Limited (the "Company") is a public limited company domiciled in India. The Company was incorporated on 13 January 2004 as a private limited company in India. Subsequently, the Company changed its legal status from a private company to a public company on 11 August 2006. The Company's registered office is at Central Wing, Ground Floor, Thapar House, 124 Janpath, New Delhi - 110 001. The shares were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 10 November 2015. The Company is in the low cost carrier (LCC) segment of the airline industry in India.

The subsidiary of the Company, i.e. Agile Airport Services Private Limited ("Agile") has been incorporated on 14 February 2017 and the operations of Agile has not yet commenced.

InterGlobe Aviation Limited together with its subsidiary is hereinafter referred to as the "Group".

The activities of the Group comprises of air transportation and pre-flight and post flight ground handling operations which includes passenger and cargo services and providing related allied services such as in-flight catering services, work of ground handling and other allied services at the airports.

### 2.a Basis of preparation

#### (i) Statement of compliance

The Group has adopted Indian Accounting Standards (Ind AS) with effect from 1 April 2016, pursuant to notification issued by Ministry of Corporate Affairs dated 16 February 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the Consolidated Financial Statements comply with Ind AS as prescribed under section 133 of the Companies Act, 2013 (the "Act"), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, relevant provisions of the Act and other accounting principles generally accepted in India.

On 14 February 2017, Agile Airport Services Private Limited ('Agile') was incorporated as a wholly owned subsidiary of the Company for the purpose of carrying out the work of ground handling and other allied services at the airports, having paid up capital of Rs. 100,000 (10,000 equity shares of Rs. 10 each). With the incorporation of the subsidiary, the Company is required to prepare consolidated financial statements for the first time for the year ended 31 March 2017. Accordingly, no comparative figures for consolidated financial statements are required to be presented.

The Consolidated Financial Statements for the year ended 31 March 2017 are the first Consolidated Financial Statements of the Group prepared under Ind AS.

The Consolidated Financial Statements were authorised for issue by Board of Directors of the Company on 9 May 2017.

#### (ii) Basis of measurement

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

#### (iii) Critical accounting estimates and judgements

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

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

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

Note 2.(b) (xiii) and 33- measurement of defined benefit obligations: key actuarial assumptions.

Note 2.(b) (ix) and (x) - judgement required to ascertain lease classification and fair value of aircraft.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

Note 2.(b) (vii) - measurement of useful life and residual values of property, plant and equipment.

Note 2.(b) (xix) and 16 - estimation of costs of redelivery and overhaul.

Note 2.(b) (xiv) and 31 - judgement is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.

Note 38 - judgement required to determine grant date fair value technique.

Note 2.(b) (iii) (iv) and 29 - fair value measurement of financial instruments.

Note 2.(b) (xi) - judgement required to determine probability of recognition of deferred tax assets and MAT credit entitlement.

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

### (iv) Basis of consolidation

The Company consolidates entity which it owns or controls. The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiary as disclosed in Note 42. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions are eliminated upon consolidation. These Consolidated Financial Statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interest which represents part of net profit or loss and net assets of subsidiary that are not, directly or indirectly, owned or controlled by the Company, are excluded.

## 2.b Significant accounting policies

The accounting policies set out below have been applied in these consolidated financial statements.

### (i) Current - non-current classification

All assets and liabilities are classified into current and non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the normal operating cycle of the respective company of the Group;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting period; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the normal operating cycle of the respective company of the Group;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the respective company of the Group does not have an unconditional right to defer settlement of the liability for at least 12 months



## Notes forming part of the consolidated financial statements for the year ended 31 March 2017 (Rupees in millions, except for share data and if otherwise stated)

after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

### Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the respective company of the group has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

### (ii) Foreign currency transactions and translations

#### Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Group operates i.e., functional currency, to be Indian Rupees (Rs.). The Consolidated Financial Statements are presented in Indian Rupees, which is the Group's functional and presentation currency. All amounts have been rounded to nearest millions upto two decimal places, unless otherwise stated.

#### Transactions and Balances

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Group at the exchange rates at the date of the transactions or at an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Consolidated Statement of Profit and Loss, except for gains / (losses) arising on translation of long-term foreign currency monetary loans taken before 31 March 2016 and used for acquisition of depreciable property, plant and equipment, are adjusted in the cost of property, plant and equipment. The above treatment will continue till the repayment of the foreign currency monetary loans.

Foreign exchange gains / (losses) arising on translation of foreign currency monetary loans are presented in the Consolidated Statement of Profit and Loss on net basis. However, foreign exchange differences arising from foreign currency monetary loans to the extent regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs.

### (iii) 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 principal or the most advantageous market must be accessible to/ by the Group.

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

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing 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.

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

The Group measures financial instruments, such as, investments, at fair value at each reporting date. Also, fair value of financial instruments measured at amortised cost is disclosed in Note 29.

### (iv) Financial instruments

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

#### Financial assets

##### Recognition and initial measurement

All financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### Classification and subsequent measurement

##### Classification

For the purpose of subsequent measurement, the Group classifies financial assets in following categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

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

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVTOCI if both of the following criteria are met:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

A financial asset being equity instrument is measured at FVTPL.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

##### Subsequent measurement

##### Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the Consolidated Statement of Profit and Loss.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the Consolidated Statement of Profit and Loss.

### Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in Consolidated Statement of Profit and Loss.

### Impairment of financial assets (other than at fair value)

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognised as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### Financial liabilities

#### Recognition and initial measurement

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

#### Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Consolidated Statement of Profit and Loss.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Consolidated Statement of Profit and Loss.

### Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Consolidated Statement of Profit and Loss.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

### Compound financial instruments - convertible preference shares

Compound financial instruments issued by the Company comprises of convertible preference shares that can be converted to equity shares of the Company.

Convertible preference shares are bifurcated into liability and equity components based on the terms of the contract.

The liability component of convertible preference shares is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of convertible preference shares is not remeasured subsequently.

Interest related to the liability component is recognised in Consolidated Statement of Profit and Loss. On conversion, the liability component is reclassified to equity and no gain or loss is recognised.

### (v) Share capital

#### Equity share capital

Issuance of ordinary shares are recognised as equity share capital in equity. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

### (vi) Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### (vii) Property, plant and equipment

#### Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate component of property, plant and equipment. The Group has recognised major inspection costs relating to engine and airframe overhauls and other heavy maintenance as separate components for owned aircraft and aircraft taken on finance lease ("Leased Aircraft").

The cost of improvements to aircraft, if recognition criteria are met, have been capitalised and disclosed separately as leasehold improvement - aircraft.

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. Any gain or loss arising on derecognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the Consolidated Statement of Profit and Loss when property, plant and equipment is derecognised. The carrying amount

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

of any component accounted as a separate component is derecognised, when replaced or when the property, plant and equipment to which the component relates gets derecognised.

### Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Consolidated Statement of Profit and Loss at the time of incurrence.

### Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to Consolidated Statement of Profit and Loss. Depreciation on property, plant and equipment, except aircraft (including aircraft taken on finance lease) and spare engine, rotables and non-aircraft equipment, leasehold improvements - aircraft and leasehold improvements, is provided on written down value method at the rates and in the manner provided in Schedule II of the Companies Act, 2013. Depreciation on aircraft (including aircraft taken on finance lease) and spare engine, rotables and non-aircraft equipment is provided on the straight line method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013.

Major inspection costs relating to engine and airframe overhauls and other heavy maintenance are identified as separate components for owned and Leased Aircraft and are depreciated over the expected lives between major overhauls and remaining useful live of the aircraft, whichever is lower.

Depreciation has been charged based on the following useful lives:

Asset Head	Useful life in years
Owned and Leased Aircraft and owned spare engines	
-Aircraft and engine components including spare engines	20
-Major inspection and overhaul costs	4 - 12
Rotables and non-aircraft equipment	20
Furniture and fixtures	10
Computer	
-End user devices	3
-Server and networks	6
Office equipment	
-Office equipment	5
-Electrical equipment	10
Ground support equipment	15
Vehicles (including ground support vehicles)	
-Motor vehicles (ground support equipment)	8
-Motor vehicles	8

Expenditure incurred towards leasehold improvements - aircraft is depreciated on a straight line basis over the remaining period of the lease of the aircraft or 5 years, whichever is lower.

Leasehold improvements are depreciated on a straight line basis over the period of the initial lease term or their estimated useful life, whichever is lower.

The useful lives have been determined based on internal evaluation done by management and are in line with the estimated useful lives, to the extent prescribed by the Schedule II of the Companies Act, 2013, in order to reflect the technological obsolescence and actual usage of the asset. The residual values are not more than 5% of the original cost of the asset.

Depreciation is calculated on a pro-rata basis for assets purchased/sold during the year.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed by management at each reporting date and adjusted prospectively, as appropriate.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

### (viii) Other intangible assets

#### Recognition and measurement

Other intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The other intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

Gain or losses arising from derecognition of an other intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the other intangible asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

#### Subsequent costs

Subsequent costs is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on other intangible assets is recognised in the Consolidated Statement of Profit and Loss, as incurred.

#### Amortisation

Amortisation is calculated to write off the cost of other intangible assets over their estimated useful lives of 3 years using the straight-line method. Amortisation is calculated on a pro-rata basis for assets purchased/ disposed during the year.

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

#### Intangible assets under development

Cost of intangible assets under development as at the reporting date are disclosed as intangible assets under development.

### (ix) Leases

#### Leased assets

Leases of property, plant and equipment that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance lease. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities, as appropriate. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Leases in which significant portion of risks and rewards of ownership are not transferred are classified as operating leases. In determining the appropriate classification, the substance of the transaction rather than the form is considered.

Lease classification is made at the inception of the lease. Lease classification is changed only if, at any time during the lease, the parties to the lease agreement agree to revise the terms of the lease (without renewing it) in a way that it would have been classified differently, had the changed terms been in effect at inception. The revised agreement involves renegotiation of original terms and conditions and are accounted prospectively over the remaining term of the lease.

#### Lease payments

Minimum lease payments made under finance lease are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Lease payments in respect of assets taken on operating lease are charged to the Consolidated Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017 (Rupees in millions, except for share data and if otherwise stated)

### Sale and lease back transactions

Gains and losses arising on sale and leaseback transactions resulting in an operating lease and where the sale price is at fair value, are recognised immediately in the Consolidated Statement of Profit and Loss. Where the sale price is below fair value, any losses are immediately recognised in the Consolidated Statement of Profit and Loss, except where the loss is compensated for by future lease payments at below market price, it is deferred and amortised in proportion to the lease payments over the initial period for which the asset is expected to be used. Where the sale price is above fair value, the excess over fair value is amortised over the initial period of the lease which coincides with the period for which the asset is expected to be used.

Any excess of sales proceeds over the carrying amount in case a sale and leaseback transaction results in a finance lease, is deferred and amortised over the expected period of use of leased asset in proportion to the depreciation of the leased asset.

### (x) Incentive - non-refundable

#### Cash incentives

The Group receives non-refundable incentives in connection with the acquisition of aircraft and engines. In case of owned aircraft or aircraft under finance lease, incentives are recorded as a reduction to the cost of related aircraft and engines. Where the aircraft is held under operating lease, the incentives are deferred and reduced from the operating lease rentals on a straight line basis over the initial lease period of the respective aircraft. In case of return of an aircraft taken on operating lease before the expiry of the lease term, the unamortised balance of deferred incentive is recorded in the Consolidated Statement of Profit and Loss.

The Group also receives non-refundable milestone incentives from the engine manufacturer on achievement of certain milestones relating to acquisition and delivery of aircraft. These milestone incentives are recorded as reduction to the carrying value of aircraft and engines in case of owned aircraft and engines. Where the aircraft is held under operating lease, the incentives are deferred and reduced from the lease rentals on a straight line basis over the remaining initial lease period of the respective aircraft. Where the aircraft is held under finance lease, the incentives are deferred and recognised under the head 'Other operating revenue' in the Consolidated Statement of Profit and Loss, on a straight line basis over the remaining initial lease period of the respective aircraft. In case of prepayment of finance lease obligations for aircraft taken on finance lease and consequently taking the ownership of the aircraft, before the expiry of the lease term, the unamortised balance of deferred incentive is recorded as a reduction to the carrying value of the aircraft. In case of return of an aircraft taken on operating lease before the expiry of the lease term, the unamortised balance of deferred incentive is recorded in the Consolidated Statement of Profit and Loss.

#### Non-cash incentives

Non-cash incentives are recorded as and when due to the Group by setting up a deferred asset and a corresponding deferred incentive. These incentives are recorded as a reduction to the cost of related aircraft and engines in case of owned aircraft and aircraft held under finance lease. Where the aircraft is held under operating lease, the incentives are deferred and reduced from the lease rentals on a straight line basis over the estimated period of use of these incentives, which coincides with the initial lease period.

The deferred asset explained above is reduced on the basis of utilization of incentives against liability towards purchase of goods and services.

### (xi) Inventories

Inventories primarily includes stores and spares and loose tools (other than those which meet the criteria of property, plant and equipment), fuel and in-flight inventories. Inventories are valued at lower of cost and net realisable value ('NRV'). Cost of inventories comprise all costs of purchase after deducting non refundable rebates and discounts and all other costs incurred in bringing the inventories to their present location and condition. Cost are assigned to individual items of inventory on the weighted average cost basis. NRV for in-flight inventory is the estimated selling price of goods sold less the estimated cost necessary to make the sale. NRV for stores and spares, loose tools and fuel used in rendering of services are not written down below cost except in cases where the price of such materials have declined and it is estimated that the cost of rendering of services will exceed their selling price. Where necessary, due allowance is made for all damaged, obsolete and slow moving items. The comparison of cost and net realizable value is made on an item by item basis at each reporting date.



## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### (xii) Impairment - non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### (xiii) Employee benefits

#### Short-term employee benefits

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve 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 an undiscounted amount expected to be paid when the liabilities are settled.

#### Post-employment benefit plans

##### Defined contribution plans

The Group pays provident fund contributions to the appropriate government authorities. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

##### Defined benefit plans

Defined benefit plans of the Group comprise gratuity.

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The gratuity plan of the Group is unfunded.

The liability recognised in the Consolidated Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost and other costs are included in employee benefit expense in the Consolidated Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in 'other equity' in the Consolidated Statement of Changes in Equity and in the Consolidated Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from settlement or curtailments are recognised immediately in Consolidated Statement of Profit and Loss as past service cost.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### Other long-term employee benefits

#### i. Compensated absences

The benefits under compensated expenses are accounted as other long-term employee benefits. The Group's net obligation in respect of compensated absences is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Remeasurements are recognised in Consolidated Statement of Profit and Loss in the period in which they arise.

#### ii. Others

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Remeasurements are recognised in Consolidated Statement of Profit and Loss in the period in which they arise.

### Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees under the Employee Stock Option Scheme ('ESOS') is generally recognised as an employee stock option scheme expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The increase in equity recognised in connection with a share based payment transaction is presented in the 'Employee stock option outstanding account', as separate component in equity. For share-based payment awards with market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

### (xiv) Provisions and contingent liabilities and assets

#### Provisions

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Contingent liabilities and assets

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

### (xv) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of discounts. Revenue is recorded provided the recovery of consideration is probable and determinable.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017 (Rupees in millions, except for share data and if otherwise stated)

### Passenger and cargo revenue

Passenger revenue is recognised on flown basis i.e. when the service is rendered, net of discounts given to the passengers, applicable taxes and airport levies such as passenger service fee, user development fee, etc., if any. Cargo revenue is recognised when service is rendered i.e. goods are transported, net of airport levies and applicable taxes.

The sale of tickets not yet flown is credited to unearned revenue i.e. 'Forward Sales' disclosed under other current liabilities. Fees charged for modification and cancellation of flight tickets and towards special service request are recognised as revenue on rendering of the service.

The unutilised balance in Forward Sales for more than a year is recognised as revenue based on historical statistics, data and management estimates and considering the Group's cancellation policy.

### In flight sales

Revenue from sale of merchandise is recognised on transfer of all significant risks and rewards to the passenger. Revenue from sale of food and beverages is recognised on sale of goods to the passenger, net of applicable taxes.

### Tour and packages

Income and related expense from sale of tours and packages are recognised upon services being rendered and where applicable, are stated net of discounts and applicable taxes. The income and expense are stated on gross basis.

The sale of tours and packages not yet serviced is credited to unearned revenue, i.e. 'Forward Sales' disclosed under other current liabilities.

### Interest income

Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method on a time proportionate basis.

### Claims and other credits - non-refundable

Claims relate to reimbursement towards operational expenses such as operating lease rentals, aircraft repair and maintenance, etc, are adjusted against such expenses over the estimated period for which these reimbursements pertain. When credits are used against purchase of goods and services such as operating lease rentals, aircraft repair and maintenance, etc, these are adjusted against such expenses on utilization basis. The claims and credits are netted off against related expense arising on the same transaction as it reflects the substance of transaction. Moreover, any claim or credit not related to reimbursement towards operational expenses or used for purchase of goods and services are recognised as income in the Consolidated Statement of Profit and Loss when a contractual entitlement exists, the amount can be reliably measured and receipt is virtually certain.

### (xvi) Commission

The commission paid / payable on sales is recognised on sale of ticket and in accordance with the terms of contracts with agents (customers). As the Group acts as a principal, the commission is recognised as an expense in the Consolidated Statement of Profit and Loss.

### (xvii) Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

### (xviii) Borrowing costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### (xix) Aircraft repair, maintenance and redelivery cost

The Group recognises aircraft repair and maintenance cost in the Consolidated Statement of Profit and Loss (except heavy maintenance

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

visits, engine overhaul and landing gear overhaul expenses for owned aircraft and aircraft taken on finance lease) on incurred basis, except for aircraft maintenance covered by third party maintenance agreements, where in a portion of the cost are charged to the Consolidated Statement of Profit and Loss at a contractual rate per hour in accordance with the terms of the agreements.

Aircraft maintenance costs also includes provision for overhaul expenses for certain aircraft held under operating leases. These are recorded at discounted value, where effect of the time value of money is material.

The Group has in its fleet aircraft on operating lease. As contractually agreed under the lease contracts, the aircraft have to be redelivered to the lessors at the end of the lease term under stipulated contractual return conditions. The redelivery costs are estimated by management based on historical trends and data, and are recorded in the Consolidated Financial Statements in proportion to the expired lease period. These are recorded at the discounted value, where effect of the time value of money is material.

### (xx) Aircraft fuel expense

Aircraft fuel expenses are recognised in the Consolidated Statement of Profit and Loss as uplifted and consumed, net off any discounts.

### (xxi) Income tax

Income tax expense comprises of current and deferred tax. It is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Significant management judgement is required to determine the probability of deferred tax asset.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that it is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Consolidated Balance Sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets levied by the same tax authorities.

### (xxii) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its equity shares.

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS is determined by adjusting profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares, which comprise convertible preference shares and share options granted to employees.

### (xxiii) Segment reporting

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

### (xxiv) Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

### (xxv) Recent accounting pronouncements

#### Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. The amendments are applicable to the Group from April 1, 2017.

#### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of Consolidated Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the consolidated Consolidated Financial Statements is being evaluated.

#### Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group is evaluating the requirements of the amendment and the impact on the Consolidated Financial Statements is being evaluated.

### Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

#### 3. Property, plant and equipment

As at 31 March 2017

Particulars	Owned aircraft and spare engines	Leased aircraft	Furniture and fixtures	Computer	Office equipment	Ground support equipment	Vehicles (including ground support vehicles)	Leasehold improvements - aircraft	Rotables and non-aircraft equipment	Total
<b>Gross value</b>										
Balance at the beginning of the year	9,147.87	39,960.69	156.73	317.77	70.51	1,098.85	539.91	787.90	528.28	53,051.11
Additions during the year	574.67	236.19	37.83	120.02	31.16	114.84	281.90	172.53	259.44	2,017.57
Disposals during the year #	7,741.62	38.85	0.03	1.85	0.22	-	8.11	-	45.87	7,836.55
Adjustments during the year **	5,718.07	(6,981.99)	-	-	-	-	-	-	-	(1,263.92)
<b>Balance at the end of the year</b>	<b>7,698.99</b>	<b>33,176.04</b>	<b>194.53</b>	<b>435.94</b>	<b>101.45</b>	<b>1,213.69</b>	<b>813.70</b>	<b>960.43</b>	<b>741.85</b>	<b>45,968.21</b>
<b>Accumulated depreciation</b>										
Balance at the beginning of the year	2,233.41	2,748.46	21.75	127.79	20.17	163.52	135.27	200.07	23.90	5,776.77
Depreciation for the year	931.41	2,452.46	43.67	139.08	26.15	183.17	163.40	227.57	44.38	4,398.09
Depreciation on disposals	1,639.28	38.93	0.01	0.21	0.07	-	2.87	-	-	1,681.37
Adjustments during the year **	524.29	(524.29)	-	-	-	-	-	-	-	-
Balance at the end of the year	2,049.83	4,637.70	65.41	266.66	46.25	346.69	295.80	289.23	68.28	8,493.49
<b>Net carrying value as at 31 March 2017</b>	<b>5,649.16</b>	<b>28,538.34</b>	<b>129.12</b>	<b>169.28</b>	<b>55.20</b>	<b>867.00</b>	<b>517.90</b>	<b>532.79</b>	<b>673.57</b>	<b>37,474.72</b>

\*As per Ind AS 101, a first-time adopter of Ind AS may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the year ending immediately before the beginning of the first Ind AS financial reporting year (i.e. year ended 31 March 2016 or before). The Group has opted for the optional exemption and accordingly, the Group had adjusted foreign currency gain amounting to Rs. 369.17 during the year ended 31 March 2017, arising on re-statement of long-term foreign currency monetary loans used for acquisition of a depreciable capital asset.

\*\* During the year ended 31 March 2017, the Group has utilized its Initial Public Offer proceeds towards retirement of certain outstanding finance lease liabilities in foreign currency and consequent acquisition of aircraft. The adjustment in the Gross value of owned aircraft of Rs. 5,718.07 represents the cost of the acquired finance leased aircraft as reduced by the outstanding deferred incentives amounting to Rs. 894.75 in respect of these aircraft, as on the date of the acquisition. The adjustment in the Accumulated Depreciation of owned aircraft of Rs. 524.29 represents the accumulated depreciation of the acquired finance leased aircraft as on the date of the acquisition.

Consequently, the adjustment in the Gross value of finance leased aircraft of Rs. 6,612.82 represents the cost of the transferred finance leased aircraft to owned aircraft, as on the date of the acquisition. Moreover, the adjustment in the Accumulated Depreciation of finance leased aircraft of Rs. 524.29 represents the accumulated depreciation of the transferred finance leased aircraft to owned aircraft as on the date of the acquisition.

# During the current year ended 31 March 2017, the Group has sold and leased back on operating lease, certain owned aircraft. Net gain amounting to Rs. 26.02 on account of such sale and lease back transaction has been recognised in the Consolidated Statement of Profit and Loss under other income as the transaction has been established at fair value (Refer to Note 21).

For terms of assets acquired under finance lease, Refer to Note 15(a).

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 4 Other intangible assets

As at 31 March 2017

Particulars	Computer software	Total
<b>Gross value</b>		
Balance at the beginning of the year	316.72	316.72
Additions during the year	438.39	438.39
Disposals during the year	–	–
Balance at the end of the year	755.11	755.11
<b>Accumulated amortisation</b>		
Balance at the beginning of the year	116.98	116.98
Amortisation for the year	174.44	174.44
Amortisation on disposals	–	–
Balance at the end of the year	291.42	291.42
<b>Net carrying value as at 31 March 2017</b>	<b>463.69</b>	<b>463.69</b>

### 5 Investments

Particulars	As at 31 March 2017
<b>Non-current investments</b>	
Equity investments	0.18
<b>Total</b>	<b>0.18</b>
<b>Current investments</b>	
Mutual funds	37,134.10
<b>Total</b>	<b>37,134.10</b>
<b>Grand Total</b>	<b>37,134.28</b>

Particulars	As at 31 March 2017	
	Non-current	Current
<b>Investments at fair value through profit or loss (FVTPL)</b>		
<b>Equity investments, unquoted</b>		
1,280 equity shares of Thai Baht (THB) 100 each, fully paid up, of Aeronautical Radio of Thailand, a state enterprise under the Ministry of Transport *	0.18	–
<b>Mutual funds, unquoted</b>		
2,271,407 units of face value of Rs. 1,000 each of Reliance Money Manager Fund-Direct Growth Plan-Growth Option	–	5,170.90
137,369,180 units of face value of Rs. 10 each of Reliance Medium Term Fund- Direct Plan Growth Plan- Growth Plan Option	–	4,765.30
14,274,252 units of face value of Rs. 100 each of Birla Sun Life Savings Fund Growth - Direct Plan	–	4,569.33
20,961,042 units of face value of Rs. 100 each of Birla Sun Life Floating Rate Fund- Long term-Growth Direct Plan	–	4,205.78
141,600,564 units of face value of Rs. 10 each of DHFL-Pramerica Low Duration Fund-Direct Plan-Growth	–	3,216.53
127,491,801 units of face value of Rs. 10 each of DHFL-Pramerica Ultra Short Term Fund-Direct Plan-Growth	–	2,536.12
53,788,491 units of face value of Rs. 10 each of Sundaram Money Fund -Direct Plan- Growth	–	1,844.69
75,348,776 units of face value of Rs. 10 each of Sundaram Ultra Short Term Fund -Direct Plan-Growth	–	1,711.37



## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 5 Investments (contd...)

Particulars	As at 31 March 2017	
	Non-current	Current
3,903,681 units of face value of Rs. 100 each of Birla Sun Life Cash Manager -Growth-Direct Plan	–	1,585.01
727,958 units of face value of Rs. 10 each of Kotak-Low Duration Fund-Direct Growth	–	1,478.18
50,363,331 of face value of Rs. 10 each of HDFC Floating Rate Income Fund-Short Term Plan-Wholesale Option Growth Option	–	1,428.28
730,035 units of face value of Rs. 1,000 each of Baroda Pioneer Treasury Advantage Fund-Plan B Growth	–	1,403.42
323,751 units of face value of Rs. 1,000 each of Reliance Liquid Fund - Cash Plan - Direct Growth Plan	–	849.93
40,014,061 units of face value of Rs. 10 each of LIC MF Saving Plus Fund-Direct-Growth Plan	–	1,030.40
489,933 units of face value of Rs. 1,000 each of Axis Treasury Advantage Fund – Direct Growth - TADG	–	904.47
141,593 units of face value of Rs. 1,000 each of UTI-Treasury Advantage-Institutional Plan-Direct Plan-Growth	–	319.35
46,359 units of face value of Rs. 1,000 each of Tata Ultra Short Term Fund Direct Plan - Growth	–	115.04
<b>Total</b>	<b>0.18</b>	<b>37,134.10</b>
Aggregate value of unquoted investments	0.18	37,134.10

There are no quoted investments during the year.

\* The transfer of the investment is restricted to airline members flying in Thailand.

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 29.

### 6 Loans

Particulars	As at 31 March 2017	
	Non-current	Current
<i>Unsecured, considered good, unless stated otherwise</i>		
Security deposit	5,440.26	39.76
<b>Total</b>	<b>5,440.26</b>	<b>39.76</b>

### 7 Other financial assets

Particulars	As at 31 March 2017	
	Non-current	Current
<i>Unsecured, considered good, unless stated otherwise</i>		
Bank deposits (due for maturity after twelve months from the reporting date) *	9,972.40	–
Interest accrued but not due on bank deposits	383.99	3,152.79
Maintenance recoverable	–	620.21
Insurance claim recoverable	–	46.66
Others (including credit recoverable)	–	281.20
<b>Total</b>	<b>10,356.39</b>	<b>4,100.86</b>

\*Bank deposits include Rs. 9,633.84 as deposits with banks under lien. These deposits are used for issuing letter of credit/ standby letter of credit/ bank guarantees.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 8 Other assets

Particulars	As at 31 March 2017	
	Non-current	Current
<i>Unsecured, considered good, unless stated otherwise</i>		
Prepaid expenses	–	1,327.65
Balance with service tax and custom authorities	–	925.58
Deferred incentive (non-cash)	–	28.91
Capital advances	119.65	–
Advance to employees	49.32	145.48
Deferred rent	3,379.77	592.35
Value added tax recoverable	–	40.18
Other recoverable	–	150.86
	3,548.74	3,211.01
Advance to suppliers		
- Considered good	–	434.22
- Considered doubtful	–	3.94
	–	438.16
Less: Impairment allowances for doubtful advances	–	3.94
	–	434.22
<b>Total</b>	<b>3,548.74</b>	<b>3,645.23</b>

### 9 Inventories

Particulars	As at 31 March 2017
Valued at lower of cost and net realisable value	
<i>Stores and spares</i>	
- Engineering stores and spares	767.80
- Goods in transit	39.26
	807.06
<i>Loose tools</i>	22.55
	829.61
Less: Provision for obsolescence, slow/non-moving engineering stores, spares and loose tools	–
	829.61
<i>Stock-in-trade</i>	
- In-flight inventory	77.60
<i>Fuel</i>	
- Fuel	6.21
- Goods in transit	718.08
<b>Total</b>	<b>1,631.50</b>

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 10 Trade receivables

Particulars	As at 31 March 2017
<i>Unsecured, considered good, unless otherwise stated</i>	
Trade receivables	
- Considered good	1,587.02
- Considered doubtful	71.45
	1,658.47
Less: Impairment allowances for doubtful receivables	71.45
<b>Total</b>	<b>1,587.02</b>

The carrying amount of trade receivables approximates their fair value, is included in Note 29.

The Group's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 29.

### 11 Cash and cash equivalents

Particulars	As at 31 March 2017
Cash on hand	43.17
Balance with banks:	
- On current account#	1,488.02
<b>Total</b>	<b>1,531.19</b>

# Current account balance with banks includes Rs. 71.43 held in foreign currency which are freely remissible to the Group.

### 12 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2017
Bank balances other than cash and cash equivalents*	
- On deposit account	44,794.26
<b>Total</b>	<b>44,794.26</b>

\*Bank deposits include Rs. 39,471.53 as deposits with banks under lien. These deposits are used for issuing letter of credit/ standby letter of credit/ bank guarantees.

### 13 Share capital

Particulars	As at 31 March 2017
<b>a. Authorised*</b>	
Equity shares	
750,000,000 equity shares of Rs. 10 each	7,500.00
<b>Total</b>	<b>7,500.00</b>
<b>b. Issued, subscribed and paid up</b>	
361,468,363 equity shares of Rs. 10 each fully paid up	3,614.68
<b>Total</b>	<b>3,614.68</b>

\* Refer to Note 13 i.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 13 Share capital (contd...)

#### c. Reconciliation of number of equity shares outstanding at the beginning and end of the year :

Particulars	For the year ended 31 March 2017
Equity shares issued, subscribed and paid up	
Equity shares at the beginning of the year	360,356,544
Equity shares increased during the year :	
- Issued during the year pursuant to exercise of employee stock options scheme (Refer to Note 38)	1,111,819
<b>Equity shares at the end of the year</b>	<b>361,468,363</b>

#### d. Terms / rights attached to each classes of shares

##### Equity shares

The Company has only one class of equity share. The par value of the share issued initially till 24 June 2015 was Rs. 1,000 per share. With the approval of the members at the Extraordinary General Meeting ('EGM') of the Company held on 25 June 2015 the par value of the share was changed to Rs. 10 per share. Refer to Note 13 i.(iv). Each holder of the equity share is entitled to one vote per share and is entitled to dividend, declared if any. The paid up equity shares of the Company rank pari-pasu in all respects, including dividend. The final dividend proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. The interim dividend is declared by the Board of Directors. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### e. Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date

Particulars	As at 31 March 2017	
	Number of Shares	Amount
Equity shares allotted as fully paid bonus shares by capitalization of capital redemption reserve in the year ended 31 March 2016	155,400,000	1,554.00
Equity shares allotted as fully paid bonus shares by capitalization of general reserve in the year ended 31 March 2016	153,944,400	1,539.44
<b>Total</b>	<b>309,344,400</b>	<b>3,093.44</b>

During the year ended 31 March 2016, the Company had issued 309,344,400 fully paid bonus shares during the period of five years immediately preceding the reporting date. The above shares were issued for Rs. 10 each. Refer to Note 13 i.(i).

#### f. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	As at 31 March 2017
	Number of Shares
Equity shares allotted pursuant to scheme of merger (Refer to Note 41)	147,000
<b>Total</b>	<b>147,000</b>

The Company in addition to the shares as stated in Note 13 e. above has issued 147,000 fully paid shares for consideration other than cash during the previous year ended 31 March 2016, during the period of five years immediately preceding the reporting date. The above shares were issued for Rs. 1,000 each, which were subsequently sub divided into equity share of Rs. 10 each. Refer to Note 13 i.(iv)

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 13 Share capital (contd...)

#### g. Shareholders holding more than 5% shares in the Company:

Particulars	Class of share	As at 31 March 2017	
		Number of Shares	%
InterGlobe Enterprises Limited	Equity shares	153,649,581	42.51%
Rakesh Gangwal	Equity shares	60,860,713	16.84%
The Chinkerpoo Family Trust (Trustee: Shobha Gangwal & J.P.Morgan Trust Company of Delaware)	Equity shares	56,375,730	15.60%
Shobha Gangwal	Equity shares	34,852,858	9.64%

#### h. Shares reserved for issuance under Stock Option Plans of the Company

For details of shares reserved for issue under the employee stock option scheme (ESOS) of the Company. (Refer to Note 13 i.(ii), (iii) and Note 38).

#### i. Other notes

- (i) The Shareholders' at the EGM of the Company held on 25 June 2015, approved capitalization of sum of Rs. 3,093.44, out of the balance in the Company's Capital Redemption Reserve / General Reserve and issued and allotted 309,344,400 equity shares of Rs. 10 each as bonus shares in the proportion of 9 fully paid equity shares of Rs. 10 each for every equity share of Rs. 10 held as on the record date which is 25 June 2015.
- (ii) The Shareholders' at the EGM of the Company held on 25 June 2015, approved adoption and implementation of "InterGlobe Aviation Limited-Tenured Employee Stock Option Scheme 2015 (ESOS 2015-I)" comprising 1,111,819 stock options, convertible into equivalent number of equity shares of Rs. 10 each as per the terms of the ESOS 2015-I. All options under ESOS 2015-I have been granted on 25 June 2015. During the year ended 31 March 2017, 1,111,819 options vested on 25 June 2016 and were subsequently exercised by the employees. Further, 1,111,819 equity shares of Rs. 10 each were allotted to the employees on exercise of option. Refer to Note 38.
- (iii) Further, the Shareholders' at the EGM of the Company held on 25 June 2015, approved adoption and implementation of "InterGlobe Aviation Limited- Employee Stock Option Scheme 2015 (ESOS 2015-II)" comprising 3,107,674 stock options, convertible into equivalent number of equity shares of Rs. 10 each as per the terms of the ESOS 2015-II scheme. Out of the above, 2,267,143 stock options were granted on 30 October 2015 and 353,299 stock options were granted on 16 September 2016. Refer to Note 38.
- (iv) The Shareholders' at the Extraordinary General Meeting ('EGM') of the Company held on 25 June 2015, approved the reclassification and sub-division of the authorized share capital of the Company aggregating to Rs. 2,200.00, comprising of 500,000 equity shares of Rs. 1,000 each aggregating to Rs. 500.00; 1,600,000 0.00% non-cumulative redeemable preference shares of Rs. 1,000 each aggregating Rs. 1,600.00 and 100,000 0.00% convertible preference shares of Rs. 1,000 each aggregating Rs. 100.00 to 220,000,000 equity shares of Rs. 10 each aggregating to Rs. 2,200.00.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 14 Other equity

Particulars	As at 31 March 2017
Equity component of compound financial instruments	58.79
Reserves and surplus	34,152.69
Other comprehensive income - Remeasurement of defined benefit plans (net of tax)	(34.40)
<b>Total</b>	<b>34,177.08</b>

#### a. Equity component of compound financial instruments

Particulars	For the year ended 31 March 2017
Nil 0.00% convertible preference shares of Rs. 1,000 each*	
Balance at the beginning of the year	58.79
<b>Balance at the end of the year</b>	<b>58.79</b>

\* The fully paid up convertible preference shares of Rs.1,000 each were issued by the Company at a premium ranging from Rs. 5,650 to Rs. 6,642 per share with 0.00% coupon rate and are convertible into equity shares of the Company in the ratio of 1:1 not earlier than (a) the initial public offer of the Company; or (b) a strategic sale of the Company. In the event of liquidation of the Company before conversion of preference shares, the preference shareholders had priority over the equity shares in the repayment of the capital. The holder of preference shares were entitled to one vote per share at any meeting of the Company on any resolutions of the Company directly affecting their rights.

During the previous year ended 31 March 2016, the Company converted 36,716 fully paid up 0.00% convertible preference shares into equity shares of the Company in the prescribed ratio of 1:1, vide resolution passed by the Board at its meeting held on 23 June 2015.

#### b. Reserves and surplus

Particulars	As at 31 March 2017
Employee stock option outstanding account (Refer to Note 38)	549.12
Securities premium reserve	12,604.58
General reserve	389.07
Retained earnings	20,609.92
<b>Total</b>	<b>34,152.69</b>

##### (i) Employee stock option outstanding account

Particulars	For the year ended 31 March 2017
Balance at the beginning of the year	677.07
Employee stock option scheme expense (Refer to Note 38)	504.89
Amount utilized / transfer for issue of shares pursuant to exercise of employee stock options scheme (Refer to Note 38)	(632.84)
<b>Balance at the end of the year</b>	<b>549.12</b>

Employee stock option outstanding account is used to record the impact of employee stock option schemes. Refer to Note 38 for further details of these plans.

##### (ii) Securities premium reserve

Particulars	For the year ended 31 March 2017
Balance at the beginning of the year	11,971.74
Premium received during the year on account of issue of shares (Refer to Note 13 i. and Note 38)	632.84
<b>Balance at the end of the year</b>	<b>12,604.58</b>

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 14 Other equity (contd...)

#### (iii) General reserve

Particulars	For the year ended 31 March 2017
Balance at the beginning of the year	389.07
Utilised during the year for issuing bonus shares (Refer to Note 13 i.(iii))	–
<b>Balance at the end of the year</b>	<b>389.07</b>

The Company transferred certain percentage of retained earnings to general reserve as per the provisions for dividend distribution under the Companies Act, 1956. During the previous year ended 31 March 2016, the general reserve has been utilized for issuance of bonus shares as per the provisions of the Companies Act, 2013.

#### (iv) Retained earnings

Particulars	For the year ended 31 March 2017
Balance at the beginning of the year	10,544.28
Add: Profit for the year	16,591.47
<b>Amount available for appropriation</b>	<b>27,135.75</b>
<b>Less: Appropriations</b>	
Final dividend (Refer note below)	(5,422.03)
Corporate dividend tax	(1,103.80)
<b>Balance at the end of the year</b>	<b>20,609.92</b>

#### Dividends

The following dividend was declared and paid by the Company

Particulars	For the year ended 31 March 2017
Final dividend of Rs. 15 per share*	5,422.03

\* On 29 April 2016, the Board of Directors of the Company has recommended a final dividend of Rs. 15 per share (face value of Rs. 10 per share) for the financial year ended 31 March 2016 and the same was approved by the shareholders at the Annual General Meeting of the Company held on 21 September 2016.

After the reporting date the following dividend was proposed by the Board of Directors of the Company subject to the approval of shareholders of the Company at its Annual General Meeting; Accordingly, the dividends have not been recognised as liabilities. Dividends would attract corporate dividend tax when declared.

Particulars	For the year ended 31 March 2017
Final dividend of Rs. 34 per share **	12,289.92
Corporate dividend tax	2,501.94

\*\* On 9 May 2017, the Board of Directors of the Company has recommended a final dividend of Rs. 34 per share (face value of Rs. 10 per share) for the financial year ended 31 March 2017, subject to approval of the shareholders in the upcoming Annual General Meeting of the Company.

#### c. Other comprehensive income - Remeasurement of defined benefit plans (net of tax)

Particulars	For the year ended 31 March 2017
<b>Other comprehensive income</b>	
Balance at the beginning of the year	(12.68)
Actuarial losses on defined benefit plan for the year (net of tax) (Refer to Note 33)	(21.72)
<b>Balance at the end of the year</b>	<b>(34.40)</b>



## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 15 Financial liabilities

#### 15.a Borrowings

Particulars	As at 31 March 2017
<b>Secured</b>	
<b>Term loans:</b>	
Foreign currency term loan	
- From others	4,604.00
<b>Other loans:</b>	
Long-term maturities of finance lease obligations	19,353.08
<b>Total</b>	<b>23,957.08</b>

Current maturities of foreign currency term loans and finance lease obligations amounting to Rs. Nil and Rs. 2,004.66, respectively have been disclosed under 'Other financial liabilities' (Refer to Note 15.b).

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 29.

#### Secured - Term loans

##### As at 31 March 2017

Particulars	Disclosed under	As at 31 March 2017	Interest rate*	Period of maturity from the reporting date
Foreign currency term loan - USD#	Financial liabilities - borrowings	4,604.00	USD LIBOR plus markup	82 months

\* Markup is 275 basis points over 6 month USD LIBOR. The period of maturity from the date of origination is 137 months.

# The above mentioned loan is repayable in twenty unequal instalments ranging between USD 4 million to USD 6 million between the period September 2022 - December 2023.

Foreign currency term loan is secured by way of assignment of rights, title, benefits and interests of the Company in respect to Buyer-furnished equipment ('BFE') installed or to be installed in the aircraft under BFE Security and Assignment Agreement. Moreover, the lender has a contractual right to buy certain aircraft to be delivered to the Company partially by utilizing the pre-delivery payments under the agreement signed by Airbus S.A.S, lender and the Company.

There are no defaults as on reporting date in repayment of principal and interest.

#### Secured - Other loans

##### Finance lease obligations

Certain aircraft have been obtained on finance lease, the obligation of which will be contractually settled in USD. The legal title to these items vests with the lessors. The lease term for aircraft is 12 years and year of maturity ranges between March 2025 to September 2026 with quarterly payments beginning from the quarter subsequent to the commencement of the lease. The total future minimum lease payments as at the reporting date, element of interest included in such payments and present value of these minimum lease payments are as follows:

Particulars	As at 31 March 2017	
	Non-current	Current
(a) Total future minimum lease payments	23,317.11	2,992.98
(b) Future interest included in (a) above	3,964.03	988.32
(c) Present value of future minimum lease payments [(a-b)]	19,353.08	2,004.66

The rate of interest for aircraft acquired on finance lease is inclusive of transaction costs and margin over 3 months USD LIBOR. Interest is paid with margin over 3 months USD LIBOR, margin is less than 250 basis points.

Finance lease obligation amounting to Rs. 21,357.74 are secured against the respective aircraft.

There are no defaults as on reporting date in repayment of principal lease and interest payments.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 15.a Borrowings (contd...)

The future minimum lease payments and their present value as at 31 March 2017 is as follows:

Particulars	Present value of minimum lease payments	Future interest	Minimum lease payments
Not later than one year	2,004.66	988.32	2,992.98
Later than one year and not later than five years	9,055.35	2,925.21	11,980.56
Later than five years	10,297.73	1,038.82	11,336.55
<b>Total</b>	<b>21,357.74</b>	<b>4,952.35</b>	<b>26,310.09</b>

### 15.b Other financial liabilities

Particulars	As at 31 March 2017	
	Non-current	Current
Interest accrued but not due on borrowings	–	112.57
Current maturities of finance lease obligations (Refer to Note 15.a)	–	2,004.66
Maintenance advance	–	2,956.93
Supplementary rentals	22,685.34	9,248.51
<b>Total</b>	<b>22,685.34</b>	<b>14,322.67</b>

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 29.

### 16 Provisions

Particulars	As at 31 March 2017	
	Non-current	Current
<b>Provision for employee benefits</b>		
- Provision for defined benefit plans (Refer to Note 33)	420.21	74.75
- Provision for other long term employee benefits	407.30	348.85
<b>Others</b>		
- Provision for redelivery and overhaul cost	396.43	243.46
<b>Total</b>	<b>1,223.94</b>	<b>667.06</b>

#### Provision for redelivery and overhaul cost

The schedule of provision as required to be disclosed in compliance with Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets' is as under:

Particulars	For the year ended 31 March 2017
Balance as at beginning of the year	339.16
Provisions created during the year	286.55
Interest accretion on provisions during the year	26.38
Impact of exchange loss on restatement of opening provision	(49.12)
Impact of exchange loss on restatement of closing provision	36.92
<b>Balance as at end of the year</b>	<b>639.89</b>
Balance as at end of the year - Non-current	396.43
Balance as at end of the year - Current	243.46

Aircraft maintenance costs also includes provision for overhaul expenses for certain aircraft held under operating leases. These are recorded at discounted value, where effect of the time value of money is material.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 16 Provisions (contd...)

The Group has in its fleet aircraft on operating lease. As contractually agreed under the lease contracts, the aircraft have to be redelivered to the lessors at the end of the lease term under stipulated contractual return conditions. The redelivery costs are estimated by management based on historical trends and data, and are recorded in the Consolidated Financial Statements in proportion to the expired lease period. These are recorded at the discounted value, where effect of the time value of money is material.

The measurement of the provision for redelivery and overhaul cost includes assumptions primarily relating to expected costs and discount rates commensurate with the expected obligation maturity schedules. An estimate is therefore made to ensure that the provision corresponds to the present value of the expected costs to be borne by the Group. Judgement is exercised by management given the long-term nature of assumptions that go into the determination of the provision.

Expected timing of resulting outflow of economic benefit is financial year 2018 - 2023 and the Group calculates the provision using Discounted Cash Flow (DCF) method.

#### Sensitivity analysis for key assumptions used:

If expected cost differ by 10% from management's estimate, while holding all other assumptions constant, the provision for redelivery and overhaul cost may increase/ decrease by Rs. 63.31.

If expected discount rate differ by 1%, while holding all other assumptions constant, the provision for redelivery and overhaul cost may increase/ decrease by Rs. 3.75.

### 17 Trade payables

Particulars	As at 31 March 2017
- Related parties (Refer to Note 35)	205.82
- Other trade payables	7,540.28
<b>Total</b>	<b>7,746.10</b>

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 29.

### 18 Other liabilities

Particulars	As at 31 March 2017	
	Non-current	Current
Advances from customers	-	1,770.40
Forward sales	-	15,584.20
Employee related liabilities	75.00	1,151.61
Statutory dues	-	1,219.64
<b>Total</b>	<b>75.00</b>	<b>19,725.85</b>

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 19 Income tax

a. Amounts recognised in the Statement of Profit and Loss comprises :

Particulars	For the year ended 31 March 2017
<b>Current tax:</b>	
- Current year	4,943.11
- Previous years	(31.60)
	4,911.51
<b>Deferred tax expense</b>	
Attributable to-	
Origination and reversal of temporary differences	524.83
MAT credit entitlement written back	(584.82)
	(59.99)
<b>Total income tax expense</b>	<b>4,851.52</b>

Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2017
Remeasurements of defined benefit plans	(33.22)
Income tax relating to above mentioned item	11.50

b. Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2017
<b>Profit before tax</b>	<b>21,442.99</b>
Tax using the enacted tax rate in India - 34.608%	7,420.99
<b>Tax effect of:</b>	
Income not liable to tax	(1,707.57)
Additional deduction on employee stock option scheme expense	(144.73)
Adjustments in current tax of previous years	(31.60)
MAT credit entitlement written back	(584.82)
Others	(100.75)
<b>Income tax expense</b>	<b>4,851.52</b>

c. Income tax assets and income tax liabilities:

Particulars	As at 31 March 2017
Income tax assets (net of current income tax liabilities Rs. 5,071.48)	97.60
Less: Current income tax liabilities (net of current income tax assets of Rs. 14,238.55)	446.77
<b>Net income tax liability at the year end</b>	<b>(349.17)</b>

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 19 Income tax (contd...)

d. The tax effect of deferred tax assets and liabilities comprises of :

Particulars	As at 31 March 2017
Property plant and equipment and Other intangible assets	(5,018.33)
Other non-current assets	(1,374.67)
Investments at FVTPL	(189.11)
Financial liabilities at amortised cost	(1,262.91)
Financial assets at amortised cost	1,599.96
MAT credit entitlement	3,792.73
Employee related provisions and liabilities	623.35
Other liabilities and provisions	162.92
Others	48.00
<b>Deferred tax liabilities (net)</b>	<b>(1,618.06)</b>

The Group has recognised MAT credit entitlement in the reporting year. The utilisation of MAT credit entitlement (unused tax credits) is depended on future taxable profits. The MAT credit entitlement is recognised only to the extent that it is probable that future taxable profits will be available against which such MAT credit entitlement can be utilised. However, if there is a change in future taxable profits, which will also make the Group to foresee recognition of such unrecognised MAT credit entitlement amounting to Rs. 1,017.21, the same may be recognised.

### e. Movement in deferred tax assets / (liabilities) balances

Particulars	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Others*	Net balance 31 March 2017
Property, plant and equipment and Other intangible assets	(4,629.84)	(388.49)	-	-	(5,018.33)
Other non-current assets	(1,111.92)	(262.75)	-	-	(1,374.67)
Investments at FVTPL	(41.57)	(147.54)	-	-	(189.11)
Financial liabilities at amortised cost	(911.67)	(351.24)	-	-	(1,262.91)
Financial assets at amortised cost	1,357.45	242.51	-	-	1,599.96
MAT credit entitlement	3,429.67	584.82	-	(221.76)	3,792.73
Employee related provisions and liabilities	520.54	91.31	11.50	-	623.35
Other liabilities and provisions	(137.41)	300.33	-	-	162.92
Others	56.96	(8.96)	-	-	48.00
<b>Deferred tax liabilities (net)</b>	<b>(1,467.79)</b>	<b>59.99</b>	<b>11.50</b>	<b>(221.76)</b>	<b>(1,618.06)</b>

\* Represent minimum alternative tax utilised during the year.

### f. Expiry of unrecognised MAT credit entitlement:

Particulars	As at 31 March 2017	
	Amount	Year of expiry upto
MAT credit entitlement - written off	1,017.21	2021

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 20 Revenue from operations

Particulars	For the year ended 31 March 2017
<b>Sale of services</b>	
- Passenger services	174,009.88
- Cargo services	8,761.86
- Tours and packages	33.04
<b>Sale of products</b>	
- In-flight sales (traded goods)	1,595.90
<b>Other operating revenue</b>	
- Incentives	504.43
- Others*	899.89
<b>Total</b>	<b>185,805.00</b>

\* Others includes advertisement and commission income, claims received from service providers.

### 21 Other income

Particulars	For the year ended 31 March 2017
Interest income from bank deposits	3,913.27
Interest income from financial assets at amortised cost	488.02
Net gain on sale of current investments	1,221.27
Marked to market gain on current investments	546.42
<b>Other non-operating income (net):</b>	
- Profit on sale of property, plant and equipment (net of loss on sale of property, plant and equipment Rs. 210.80)	24.58
- Foreign exchange gain (net)	825.99
- Liabilities no longer required written back	414.93
- Miscellaneous income	456.22
<b>Total</b>	<b>7,890.70</b>

### 22 Purchase of stock-in-trade

Particulars	For the year ended 31 March 2017
In-flight purchases	1,238.32
<b>Total</b>	<b>1,238.32</b>

### 23 Changes in inventories of stock-in-trade

Particulars	For the year ended 31 March 2017
In-flight purchases	
- Opening stock	74.66
- Closing stock	(77.60)
<b>Net increase in stock-in-trade</b>	<b>(2.94)</b>

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 24 Employee benefits expense

Particulars	For the year ended 31 March 2017
Salaries, wages and bonus	19,471.41
Contribution to provident and other funds (Refer to Note 33)	373.13
Employee stock option scheme expense (Refer to Note 38)	504.89
Staff welfare expenses	132.47
<b>Total</b>	<b>20,481.90</b>

### 25 Finance costs

Particulars	For the year ended 31 March 2017
<b>Interest expenses:</b>	
- Interest on borrowings measured at amortised cost	179.98
- Finance lease charges on finance lease obligations measured at amortised cost	1,298.99
- Interest accretion on provisions and other financial liabilities measured at amortised cost	1,670.58
- Interest others	158.25
<b>Total</b>	<b>3,307.80</b>

### 26 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2017
Depreciation on property, plant and equipment (Refer to Note 3)	4,398.09
Amortisation on other intangible assets (Refer to Note 4)	174.44
<b>Total</b>	<b>4,572.53</b>



## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 27 Other expenses

Particulars	For the year ended 31 March 2017
Landing fees and en route charges	18,680.18
Aircraft repair and maintenance (net)	6,905.98
Redelivery and overhaul cost (Refer to Note 16)	286.55
Consumption of stores and spares and loose tools	1,211.68
Repairs and maintenance	413.96
Insurance	
- aircraft	306.02
- others	139.48
Tours and packages	15.45
Reservation cost	1,231.38
Commission	6,878.51
Sales promotion and advertisement	943.84
In-flight and passenger cost	1,002.79
Crew accommodation and transportation	2,505.90
Operating cost of software	1,155.22
Training	1,132.87
Legal and professional	980.90
Auditor's remuneration:	
- Audit fees	10.60
- Limited reviews	5.25
- Tax audit	0.80
- Other matters	3.05
- Reimbursement of expenses	2.26
Recruitment cost	76.14
Rent (Refer to Note 28)	897.07
Rates and taxes	72.14
Bank charges	753.71
Property, plant and equipment written off	47.46
Travelling and conveyance	620.40
Printing and stationery	174.67
Communication and information technology	77.15
Other operating cost	906.75
Advance written off	9.09
Corporate social responsibility expenses (Refer to Note 37)	215.81
Sitting fees	2.00
Miscellaneous expenses	321.18
<b>Total</b>	<b>47,986.24</b>

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 28 Operating leases

#### Operating leases for aircraft and engines

The Group has taken aircraft on dry operating lease from lessors. Under the aircraft operating lease arrangement, the Group accrue monthly rental in the form of base and supplementary rentals. Base rental payments are either based on floating interest rates or on fixed rentals. Supplementary rentals are based on aircraft utilisation and are calculated with reference to the number of hours or cycles operated during each month. Both base and supplementary rentals have been charged to Consolidated Statement of Profit and Loss. The Lease has varying terms, escalation clauses and renewal rights. On renewal the terms of leases are renegotiated.

Total future minimum lease payments due under non-cancellable operating leases (except supplementary rental which are based on aircraft utilization and calculated on number of hours or cycles operated) are as follows:

Particulars	Rs at 31 March 2017
Less than one year	25,603.42
Between one and five years	54,159.89
More than five years	3,445.52
<b>Total</b>	<b>83,208.83</b>

Aircraft and engine rentals, recognised in Consolidated Statement of Profit and Loss amounting to Rs. 31,253.73 are also net of cash and non-cash incentives and certain other credits, exclusive of claims, amounting to Rs. 5,332.06.

#### Operating leases for assets other than aircraft and engines

The Group has taken its office premises, various commercial premises and residential premises for its employees under cancellable operating lease arrangements.

The lease payments charged during the year to the Consolidated Statement of Profit and Loss amounting to Rs. 897.07. The lease has varying terms, escalation clauses and renewal rights. On renewal the terms of leases are renegotiated.

### 29 Fair value measurement and financial instruments

#### a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As on 31 March 2017

Particulars	Note	Carrying value				Fair value measurement using		
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>								
<b>Non-current</b>								
Investments	5	0.18	–	–	0.18	–	–	0.18
Loans	6	–	–	5,440.26	5,440.26	–	–	5,305.46
Other financial assets*	7	–	–	10,356.39	10,356.39			
<b>Current</b>								
Investments	5	37,134.10	–	–	37,134.10	–	37,134.10	–
Trade receivables*	10	–	–	1,587.02	1,587.02			
Cash and cash equivalents*	11	–	–	1,531.19	1,531.19			
Bank balances other than cash and cash equivalents*	12	–	–	44,794.26	44,794.26			
Loans	6	–	–	39.76	39.76	–	–	39.76
Other financial assets*	7			4,100.86	4,100.86			
<b>Total</b>		<b>37,134.28</b>	<b>–</b>	<b>67,849.74</b>	<b>104,984.02</b>			

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 29. a. Financial instruments – by category and fair values hierarchy (contd...)

As on 31 March 2017

Particulars	Note	Carrying value				Fair value measurement using		
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Financial liabilities</b>								
<b>Non-current</b>								
Borrowings#	15.a	–	–	23,957.08	23,957.08	–	–	23,957.08
Other financial liabilities								
Supplementary rentals	15.b	–	–	22,685.34	22,685.34	–	–	22,932.78
<b>Current</b>								
Trade payables*	17	–	–	7,746.10	7,746.10			
Other current financial liabilities								
Interest accrued but not due on borrowings#	15.b	–	–	112.57	112.57	–	–	112.57
Current maturities of finance lease obligations#	15.b	–	–	2,004.66	2,004.66	–	–	2,004.66
Supplementary rentals	15.b	–	–	9,248.51	9,248.51	–	–	9,300.67
Maintenance advance*	15.b	–	–	2,956.93	2,956.93			
<b>Total</b>		–	–	68,711.19	68,711.19			

# The Group's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

\* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents, maintenance advance and other current financial assets, approximates the fair values, due to their short-term nature. The other non-current financial assets represents bank deposits (due for maturity after twelve months from the reporting date) and interest accrued but not due on bank deposits, the carrying value of which approximates the fair values as on the reporting date.

The fair values for loans were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of supplementary rentals are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

There has been no transfers between Level 1, Level 2 and Level 3 for the year ended 31 March 2017.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of NAV for unquoted mutual funds.
- the fair value of the remaining financial instruments is determined using discounted cash flow method.

Valuation processes

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Senior Management. Discussions on valuation and results are held between the Senior Management and valuation team atleast once every year in line with the Group's annual reporting period.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 29 Fair value measurement and financial instruments (contd...)

#### b. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ;
- Market Risk - Foreign currency ; and
- Market Risk - Interest rate

#### Risk management framework

The Board of Directors of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management policies and ensuring its effectiveness.

The Group's risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Risk management committee oversees how management monitors compliance with Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Group.

#### (i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Consolidated Balance Sheet

Particulars	As at 31 March 2017
Trade receivables	1,587.02
Loans	5,480.02
Cash and cash equivalents	1,531.19
Other bank balances other than cash and cash equivalents	44,794.26
Other financial assets	14,457.25

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units. The loans primarily represents security deposits given to aircraft manufacturer. Such deposit will be returned to the Group on deliveries of the aircraft by the aircraft manufacturer. The credit risk associated with such deposits is relatively low.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and certain parts of Middle East and South Asia. Trade receivables also includes receivables from credit card companies which are realisable within a period 2 to 21 working days. The Group does monitor the economic environment in which it operates. The Group manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

The Group sells majority of its passenger services against deposits made by agents (customer) and through online channels.

On adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Group's historical experience for customers. Based on the business environment in which the Group operates, management considers that the trade receivables (other than receivables from government departments) are in default (credit impaired) if the payments are more than 90 days past due however the Group based upon past trends determine an impairment allowance for loss on receivables outstanding for more than 180 days past due.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 29.b Financial risk management (contd...)

Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers. Trade receivables as at year end primarily includes Rs. 730.62 relating to revenue generated from passenger services and Rs. 920.36 relating to revenue generated from cargo services.

The Group's exposure to credit risk for trade receivables is as follows:

Particulars	Gross carrying amount
	Rs at 31 March 2017
1-90 days past due *	1,268.62
91 to 180 days past due	191.26
More than 180 days past due #	198.59
	1,658.47

\* The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

# The Group based upon past trends determine an impairment allowance for loss on receivables outstanding for more than 180 days past due.

# Receivables more than 180 days past due primarily comprises receivables from government departments, which are fully realisable on historical payment behaviour and hence no loss allowance has been recognised and from agents for which the impairment allowance has already been recognised on specific credit risk factor.

The allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2017 is insignificant and hence the same has not been recognised. The reversal for lifetime expected credit loss on customer balances for the year ended 31 March 2017 is Rs. Nil.

### Movement in the allowance for impairment in respect of trade receivables

Particulars	For the year ended 31 March 2017
Balance at the beginning of the year	71.45
Impairment loss recognised / (reversed)	-
Amount written off	-
Balance at the end of the year	71.45

### (ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) and short-term investments of Rs. 93,431.85 as at 31 March 2017 anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility of Rs. 46,271.25 will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Group believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Group's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 29.b Financial risk management (contd...)

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

As at 31 March 2017	Carrying amount	Contractual cash flows				Total
		Less than six months	Between six months and one year	Between one and five years	More than 5 years	
Foreign currency term loans from others	4,604.00	–	–	–	4,604.00	4,604.00
Finance lease obligations (including current maturities)	21,357.74	1,160.69	1,176.80	10,075.02	10,671.40	23,083.91
Interest accrued but not due on borrowings	112.57	100.88	–	–	–	100.88
Supplementary rentals	31,933.85	3,011.94	6,637.71	26,201.14	178.96	36,029.75
Maintenance advance	2,956.93	1,744.33	1,212.60	–	–	2,956.93
Trade payables	7,746.10	7,746.10	–	–	–	7,746.10
<b>Total</b>	<b>68,711.19</b>	<b>13,763.94</b>	<b>9,027.11</b>	<b>36,276.16</b>	<b>15,454.36</b>	<b>74,521.57</b>

#### (iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### A. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

#### Exposure to interest rate risk

The Group's interest rate risk arises majorly from the foreign currency term loan and finance lease obligations carrying floating rate of interest. These obligations exposes the Group to cash flow interest rate risk. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at 31 March 2017
Foreign currency term loan- from others	4,604.00
Finance lease obligations (including current maturities)	21,357.74
<b>Total</b>	<b>25,961.74</b>

#### Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Consolidated Statement of Profit and Loss	
	Increase by 0.50 %	Decrease by 0.50 %
Increase/ (decrease) in interest on foreign currency term loans-from others and on finance lease obligations		
For the year ended 31 March 2017	128.43	(128.43)

#### B. Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 29.b Financial risk management (contd...)

#### Exposure to foreign currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2017 are as below:

As at 31 March 2017

Particulars	USD	EUR	GBP	AED	NPR	OMR	SGD	THB	CHF	QAR
<b>Financial assets</b>										
Trade receivables	0.20	2.15	–	161.34	9.92	44.58	2.44	1.00	–	–
Cash and cash equivalents	–	–	–	39.97	5.12	5.86	8.79	11.89	–	–
Loans	5,038.97	–	–	0.13	5.94	–	0.52	0.24	–	–
Other financial assets	1,179.76	–	–	37.67	–	–	2.06	0.63	–	–
<b>Total financial assets</b>	<b>6,218.93</b>	<b>2.15</b>	<b>–</b>	<b>239.11</b>	<b>20.98</b>	<b>50.44</b>	<b>13.81</b>	<b>13.76</b>	<b>–</b>	<b>–</b>
<b>Financial liabilities</b>										
Borrowings	25,961.74	–	–	–	–	–	–	–	–	–
Other financial liabilities	35,003.35	–	–	–	–	–	–	–	–	–
Trade payables	2,145.14	80.46	16.28	267.62	18.02	44.71	15.74	14.70	9.10	2.48
<b>Total financial liabilities</b>	<b>63,110.23</b>	<b>80.46</b>	<b>16.28</b>	<b>267.62</b>	<b>18.02</b>	<b>44.71</b>	<b>15.74</b>	<b>14.70</b>	<b>9.10</b>	<b>2.48</b>

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2017 would have affected the measurement of financial instruments denominated in functional currency and affected Consolidated Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Consolidated Statement of Profit and Loss for the year ended 31 March 2017	
	Gain/ (loss) on appreciation	Gain/ (loss) on depreciation
1% appreciation/ depreciation in Indian Rupees against following foreign currencies :		
AED	0.29	(0.29)
CHF	0.09	(0.09)
EUR	0.78	(0.78)
GBP	0.16	(0.16)
NPR	(0.03)	0.03
OMR	(0.06)	0.06
SGD	0.02	(0.02)
THB	0.01	(0.01)
QAR	0.02	(0.02)
USD*	355.34	(355.34)
<b>Total</b>	<b>356.62</b>	<b>(356.62)</b>

USD: United States Dollar, GBP: Great British Pound, AED: Arab Emirates Dirhams, NPR: Nepalese Rupee, OMR: Omani Rials, THB: Thai Baht, CHF: Swiss Franc, SGD: Singapore Dollar, EUR: Euro, QAR: Qatari Riyal.

\*The sensitivity analysis to foreign currency risk excludes an exposure to foreign exchange fluctuations on long term foreign currency monetary loans that have been capitalised in the cost of the related property plant and equipment. For the year ended 31 March 2017, 1% appreciation in Indian Rupees against USD, affects the adjustment to leased asset (aircraft taken on finance lease) by Rs. 213.58. It is expected to impact the Consolidated Statement of Profit and Loss over the remaining life of the property, plant and equipment as an adjustment to depreciation charge.



## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 30 Capital Management

The primary objective of the management of the Group's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows. Management also monitors the return on equity.

The Board of directors regularly review the Group's capital structure in light of the economic conditions, business strategies and future commitments.

For the purpose of the Group's capital management, capital includes issued capital, securities premium and all other equity reserves. Debt includes, foreign currency term loan and finance lease obligations.

During the financial year ended 31 March 2017, no significant changes were made in the objectives, policies or processes relating to the management of the Group's capital structure.

#### Debt equity ratio:

Particulars	Rs at 31 March 2017
Foreign currency term loan- from others	4,604.00
Finance lease obligations	21,357.74
<b>Total debt (A)</b>	<b>25,961.74</b>
Equity share capital	3,614.68
Other equity	34,177.08
<b>Total equity (B)</b>	<b>37,791.76</b>
<b>Debt equity ratio (A = A/B)</b>	<b>0.69</b>

#### Return on equity:

Particulars	For the year ended 31 March 2017
Profit after tax	16,591.47
Equity share capital	3,614.68
Other equity	34,177.08
<b>Equity attributable to owners of the Company</b>	<b>37,791.76</b>
<b>Return on equity ratio (%)</b>	<b>44%</b>

### 31 Contingent liabilities (to the extent not provided for)

The Group is a party to various taxation disputes and legal claims, which are not acknowledged as debts as detailed below. Significant management judgement is required to ascertain that it is not probable that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claims.

#### (i) Income tax

The income tax authority has assessed and revised the taxable income on account of disallowance of certain expenses, provisions, depreciation and/or adjustments, and in respect of the tax treatment of certain incentives received from the manufacturer with the acquisition of aircraft and engines. The Group has received favourable order from the final fact finding authority, Income Tax Appellate Tribunal ("ITAT") for three years i.e. Assessment Year ('AY') 2007-08, AY 2008-09 and AY 2009-10 against such disallowance and/or adjustments made by tax authorities. However, the tax authorities have filed an appeal before the High Court against the order of the ITAT. The Group believes, based on advice from counsels/experts, that the views taken by the ITAT are sustainable in higher courts and accordingly no provision is required to be recorded in the books of account. The tax exposure (excluding interest and penalty) estimated by the Group pertaining to these cases amounts to Rs. 4,177.82 as at 31 March 2017. This exposure is net of Rs. 1,017.21 which represents minimum alternate tax recoverable written off in the earlier years.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 31 Contingent liabilities (to the extent not provided for) (contd...)

(ii) The Group is in legal proceedings for various disputed legal matters related to Customs, Octroi, Service Tax and Value Added Tax (VAT). The amounts involved in these proceedings, not acknowledged as debt, are:

- (1) Service Tax- Rs. 145.68,
- (2) Value Added Tax - Rs. 7.85 and
- (3) Octroi - Rs. 74.45.

The Group believes, based on advice from counsels/experts, that the views taken by authorities are not sustainable and accordingly no provision is required to be recorded in the books of account.

#### (iii) Other legal cases

- 1) As per the notification dated 1 January 2016, The Payment of Bonus (Amendment) Act, 2015 is applicable retrospectively w.e.f 1 April 2014. While the Group has considered the impact of this amendment for the current and previous financial year, in view of the partial stay granted by Karnataka and Kerala High Court, the impact of this amendment for the period 1 April 2014 till 31 March 2015 amounting to Rs. 19.47 has not been acknowledged as debt.
- 2) Ministry of Civil Aviation, Government of India, vide their Order No. AV 13011/3/2016 dated 9 November 2016 stated that Regional Connectivity Fund Levy will be imposed on scheduled flights being operated within India to fund the Regional Connectivity Fund (RCF). Pursuant to the above order, Airport Authority of India has raised invoice amounting to Rs. 646.71 on the Company for the period ended as on 31 March 2017. Federation of Indian Airlines has filed a writ petition before High Court of Delhi to challenge these RCF Levy. The matter is currently pending with the High Court of Delhi. Moreover, the Company, based on advice received from experts, believes that the levy to fund the RCF is not tenable and accordingly no provision is required to be recorded in the books of account.

#### (iv) Other legal proceedings for which the Group is contingently liable

The Group is party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on the financial statements and hence no provision has been set-up against the same.

#### Notes:

Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities. Accordingly, the above mentioned contingent liabilities are disclosed at undiscounted amount.

### 32 Commitments

Particulars	Rs at 31 March 2017
a. Estimated amount of contracts remaining to be executed on capital account and other commitments, and not provided for in the books of account [net of advances Rs. 119.65]	1,430,211.59
	1,430,211.59

For non-cancellable operating and finance leases commitments Refer to Note 28 and Note 15 (a).

### 33 Employee benefits

The Group contributes to the following post-employment benefit plans in India.

#### Defined contribution plan

The Group pays provident fund contributions to the appropriate government authorities at rate specified as per regulations.

An amount of Rs. 362.55 has been recognised as an expense in respect of the Group's contribution to Provident Fund deposited with the relevant authorities and has been shown under Employee benefits expense in the Consolidated Statement of Profit and Loss.

#### Defined benefit plan

The Group operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Group on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 33 Employee benefits (contd...)

The following table sets out the status of the defined benefit plan as required under Ind-AS 19 - Employee Benefits:

#### a. Passenger services

##### (i) Changes in present value of defined benefit obligation:

Particulars	For the year ended 31 March 2017
Present value of obligation at the beginning of the year	364.18
Interest cost	30.15
Current service cost	99.77
Benefits paid	(46.14)
Remeasurements - experience adjustments	1.13
Remeasurements - actuarial loss/ (gain) from changes in assumptions	30.41
Present value of obligation the end of the year	479.50

##### (ii) Assumptions:

Particulars	As at 31 March 2017
<b>Economic assumptions</b>	
Discount rate	7.11%
Rate of increase in compensation levels	Non crew 10.75% Crew 5.75%
<b>Demographic assumptions:</b>	
Retirement age	Pilot : 65 years Cabin Crew : 40 years Non Crew : 60 years
Mortality table	IALM (2006-08)
Withdrawal	18%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

##### (iii) Sensitivity analysis

##### Defined benefit obligation

Change in assumptions	As at 31 March 2017	
	Increase by 1%	Decrease by 1%
Increase/ (decrease) in obligation with 1% movement in discount rate	(34.97)	35.58
Increase/ (decrease) in obligation with 1% movement in future rate of increase in compensation levels	49.54	(48.92)

The sensitivity analysis are based on a change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied, as has been applied when calculating the provision for defined benefit plan recognised in the Balance Sheet.

##### Risk exposure:

The defined benefit plan is exposed to a number of risks, the most significant of which are detailed below:

Change in discount rates: A decrease in discount yield will increase plan liabilities.

Mortality table: The gratuity plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in plan liabilities.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 33 Employee benefits (contd...)

#### (iv) Defined benefit liability and employer contribution

The expected maturity analysis of undiscounted defined benefit liability is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
As at 31 March 2017	75.21	74.70	207.28	301.87	659.06

#### b. Cargo services

##### (i) Changes in present value of defined benefit obligation:

Particulars	For the year ended 31 March 2017
Present value of obligation at the beginning of the year	11.35
Interest cost	0.89
Current service cost	1.81
Benefits paid	(0.27)
Remeasurements - experience adjustments	0.83
Remeasurements - actuarial loss/ (gain) from changes in assumptions	0.85
Present value of obligation at the end of the year	15.46

##### (ii) Assumptions:

Particulars	As at 31 March 2017
<b>Economic assumptions:</b>	
Discount rate	7.11%
Rate of increase in compensation levels	10.75%
<b>Demographic assumptions:</b>	
- Retirement age	60 years
- Mortality table	IALM (2006-08)
- Withdrawal	18%

##### (iii) Sensitivity analysis

##### Defined benefit obligation

Particulars	As at 31 March 2017	
	Increase by 1%	Decrease by 1%
Increase/ (decrease) in obligation with 1% movement in discount rate	(1.07)	1.09
Increase/ (decrease) in obligation with 1% movement in future rate of increase in compensation levels	1.37	(1.34)

The sensitivity analysis are based on a change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied, as has been applied when calculating the provision for defined benefit plan recognised in the Consolidated Balance Sheet.

##### Risk exposure:

The defined benefit plan is exposed to a number of risks, the most significant of which are detailed below:

Change in discount rates: A decrease in discount yield will increase plan liabilities.

Mortality table: The gratuity plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in plan liabilities.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 33 Employee benefits (contd...)

#### (iv) Defined benefit liability and employer contribution

The expected maturity analysis of undiscounted defined benefit liability is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
As at 31 March 2017	2.14	2.17	5.82	9.62	19.75

#### c. Bifurcation of provision for defined benefit plan at the end of year:

Particulars	As at 31 March 2017
Provision for defined benefit plan	
Passenger services	
- Current	72.68
- Non-current	406.82
Cargo services	
- Current	2.07
- Non-current	13.39
<b>Total</b>	<b>494.96</b>

### 34 Segment reporting

#### A. Basis for Segment reporting

##### Factors used to identify the entity's reportable segments, including the basis of organisation

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors of the Company who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

The principal activities of the Group comprises Air Transportation, in respect of which it operates in Domestic and International sectors. Accordingly, the Group has two reportable segments as follows:

- Domestic (air transportation within India)
- International (air transportation outside India)

##### Segment revenue and expenses:

Segment revenue and expenses represents revenue and expenses that are either directly attributed to individual segments or are attributed to individual segments on a reasonable basis. The remainder of the revenue and expenses are categorized as unallocated which mainly comprises finance costs and other operating expenses and certain other income since the underlying assets/liabilities/services are used interchangeably. The Group believes that it is not practical to provide segment disclosures relating to these unallocated revenue and expenses, and accordingly these are separately disclosed as "unallocated".

##### Segment assets and liabilities:

Segment assets includes all operating assets used by a segment which are directly attributed to individual segments or are attributed to individual segments on a reasonable basis. Segment liabilities include all liabilities which are directly attributed to individual segments or are attributed to individual segments on a reasonable basis. The remainder of assets and liabilities are categorized as unallocated, since the Group believes that it is not practical to allocate the same over reportable segments on a reasonable basis.

#### B. Information about reportable segments

Particulars	For the year ended 31 March 2017
<b>Segment Revenue</b>	
Domestic	170,640.87
International	15,585.79
<b>Total</b>	<b>186,226.66</b>

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 34 Segment reporting (contd...)

Particulars	For the year ended 31 March 2017
<b>Segment results</b>	
Domestic	22,672.53
International	2,851.09
<b>Total</b>	<b>25,523.62</b>
<b>Add:</b>	
Unallocable revenue	7,469.04
	7,469.04
<b>Less:</b>	
Finance costs	3,307.80
Unallocable depreciation and amortisation expense	570.14
Unallocable expenses	7,671.73
<b>Profit before tax</b>	<b>21,442.99</b>
<b>Less:</b>	
Income tax expense	4,851.52
<b>Net Profit after tax</b>	<b>16,591.47</b>
<b>Depreciation and amortisation expense</b>	
Domestic	3,671.89
International	330.50
Un-allocable depreciation and amortisation expense	570.14
<b>Total</b>	<b>4,572.53</b>
<b>Material non-cash (income) / expenses other than depreciation and amortisation expense</b>	<b>(1,408.90)</b>
<b>Other disclosures</b>	
<b>Capital expenditure</b>	
Domestic	1,504.18
International	135.39
Un-allocable capital expenditure	748.60
<b>Total</b>	<b>2,388.17</b>

Particulars	As at 31 March 2017
<b>Segment assets</b>	
Domestic	38,604.99
International	3,411.15
Unallocable assets	110,081.22
<b>Total</b>	<b>152,097.36</b>
<b>Segment liabilities</b>	
Domestic	38,800.23
International	3,509.71
Unallocable liabilities	71,995.66
<b>Total</b>	<b>114,305.60</b>

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 35 Related party disclosures

#### a. List of related parties and nature of relationship where control exists:

##### (i) Subsidiaries of the Company

Agile Airport Services Private Limited (Incorporated on 14 February 2017)

#### b. List of related parties and nature of relationship with whom transactions have taken place during the year

##### (i) Entity/ person with direct or indirect significant influence over the Company

InterGlobe Enterprises Limited

Ms. Shobha Gangwal - Wife of Mr. Rakesh Gangwal

##### (ii) Key managerial personnel of the Company or its parent and their close family members

Mr. Aditya Ghosh – President and Whole Time Director of the Company

Mr. Rahul Bhatia – Director of the Company

Mr. Kapil Bhatia – Father of Mr. Rahul Bhatia

Ms. Rohini Bhatia – Director of the Company

Mr. Rakesh Gangwal - Director of the Company

Ms. Shobha Gangwal - Wife of Mr. Rakesh Gangwal

Dr. Asha Mukherjee - Sister of Mr. Rakesh Gangwal

Mr. Devadas Mallaya Mangalore - Independent Director of the Company

Dr. Anupam Khanna - Independent Director of the Company

Mr. Alok Mehta - Brother of Ms. Rohini Bhatia

Mr. Rohit Philip - Chief Financial Officer of the Company (with effect from 18 July 2016)

Mr. Pankaj Madan - Chief Financial Officer of the Company (till 17 July 2016)

Mr. Sanjay Gupta - Company Secretary and Chief Compliance Officer of the Company (with effect from 18 August 2016)

Mr. Suresh Kumar Bhutani - Company Secretary of the Company (till 15 July 2016)

##### (iii) Other related parties - Entities which are joint ventures or subsidiaries or where control/ significant influence exists of parties as given in (a) and (b) above

InterGlobe Air Transport Limited

InterGlobe Technologies Private Limited

InterGlobe Hotels Private Limited

CAE Simulation Training Private Limited

The Chinkerpoo Family Trust (Trustee: Shobha Gangwal & J.P.Morgan Trust Company of Delaware)

Caddie Hotels Private Limited

IGE (Mauritius) Private Limited

Pegasus Buildtech Private Limited

Pegasus Utility Maintenance & Services Private Limited

#### c. Transactions with related parties during the current year:

S. No.	Particulars	For the year ended 31 March 2017
(i)	<b>Rent expense</b>	
	InterGlobe Enterprises Limited	43.05
	InterGlobe Air Transport Limited	2.08
	Pegasus Buildtech Private Limited	4.89
(ii)	<b>Commission expense</b>	
	InterGlobe Air Transport Limited	367.79
(iii)	<b>Reservation cost</b>	
	InterGlobe Technologies Private Limited	294.56



## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 35 Related party disclosures (contd...)

#### c. Transactions with related parties during the current / previous year:

S. No.	Particulars	For the year ended 31 March 2017
(iv)	<b>Legal and professional expense</b>	
	InterGlobe Enterprises Limited	161.78
(v)	<b>Crew accommodation and transportation expense</b>	
	InterGlobe Hotels Private Limited	79.34
	Caddie Hotels Private Limited	94.22
(vi)	<b>Training expense</b>	
	CAE Simulation Training Private Limited	635.72
(vii)	<b>Operating cost of software</b>	
	InterGlobe Enterprises Limited	319.61
	InterGlobe Technologies Private Limited	23.54
(viii)	<b>Repairs and maintenance</b>	
	InterGlobe Enterprises Limited	23.46
	InterGlobe Air Transport Limited	1.58
	Pegasus Utility Maintenance & Services Private Limited	1.16
(ix)	<b>Miscellaneous income</b>	
	InterGlobe Hotels Private Limited	0.20
(x)	<b>Miscellaneous expenses</b>	
	InterGlobe Hotels Private Limited	0.47
	Caddie Hotels Private Limited	5.78
	InterGlobe Enterprises Limited	12.90
	InterGlobe Air Transport Limited	0.35
	Pegasus Buildtech Private Limited	0.07
	Pegasus Utility Maintenance & Services Private Limited	0.77
(xi)	<b>Purchase of Property, plant and equipment</b>	
	InterGlobe Air Transport Limited	3.88
(xii)	<b>Vehicle security received</b>	
	Mr. Rohit Philip	2.37
	Mr. Sanjay Gupta	0.31
(xiii)	<b>Compensation to key managerial personnel</b>	
	Short-term employee benefits	189.82
	Post-employment benefits	3.49
	Share-based payment	221.57
	Other long-term benefits	60.17

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 35 Related party disclosures (contd...)

#### c. Transactions with related parties during the current / previous year:

S. No.	Particulars	For the year ended 31 March 2017
(xiv)	<b>Sitting fees*</b>	
	Mr. Rahul Bhatia	0.15
	Ms. Rohini Bhatia	0.35
	Mr. Rakesh Gangwal	0.20
	Mr. Devadas Mallya Mangalore	0.65
	Dr. Anupam Khanna	0.60
	* Excludes service tax	
(xv)	<b>Final dividend (Refer to Note 14 b.)</b>	
	InterGlobe Enterprises Limited	2,304.74
	Mr. Kapil Bhatia	0.75
	Mr. Rahul Bhatia	0.60
	Ms. Rohini Bhatia	0.15
	Mr. Rakesh Gangwal	912.91
	Ms. Shobha Gangwal	522.79
	Dr. Asha Mukherjee	20.24
	The Chinkerpoo Family Trust (Trustee: Shobha Gangwal & J.P.Morgan Trust Company of Delaware)	845.64
	IGE (Mauritius) Private Limited	48.60
	Mr. Alok Mehta	0.00

#### d. Outstanding balances

S. No.	Particulars	As at 31 March 2017
(i)	<b>Payables</b>	
	InterGlobe Enterprises Limited	55.35
	InterGlobe Air Transport Limited	1.15
	InterGlobe Technologies Private Limited	103.15
	InterGlobe Hotels Private Limited	7.25
	Caddie Hotels Private Limited	16.84
	CAE Simulation Training Private Limited	21.32
	Pegasus Buildtech Private Limited	0.45
	Pegasus Utility Maintenance & Services Private Limited	0.31
	Key managerial personnel	92.47

#### e. Terms and Conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash. Transactions relating to dividend, subscriptions for new equity shares are on the same terms and conditions that are offered to other shareholders.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 36 Earnings per share (EPS)

#### a. Profit attributable to equity share holders

Particulars	For the year ended 31 March 2017
Profit attributable to equity share holders:	
Profit attributable to equity share holders for basic earnings	16,591.47
Profit attributable to equity share holders adjusted for the effect of dilution	16,591.47

#### b. Weighted average number of equity shares

Particulars	For the year ended 31 March 2017
Weighted average number of equity shares	361,156,673
- For basic earnings per share	706,140
Dilutive effect of stock options and convertible preference shares *	361,862,813
Basic earnings per share (Rs.)	45.94
Diluted earnings per share (Rs.)	45.85
Nominal value per share (Rs.)	10

\* Includes 706,140 of stock options granted to employees under the employee stock option schemes are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

307,411 of the stock options granted to employees under the existing employee share option schemes have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the current and previous year presented.

Convertible preference shares are considered to be potential equity shares and have been included in the determination of diluted earnings per share from their date of issue.

Note: Earnings per share calculations are done in accordance with Ind AS 33 'Earnings Per Share' as notified under section 133 of the Companies Act 2013.

### 37 Corporate social responsibility

Under Section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, atleast 2% of the average net profits of the Company made during the three immediately preceding financial years on Corporate Social Responsibility (CSR), pursuant to its policy in this regard.

Particulars	For the year ended 31 March 2017
a) Gross amount required to be spent by the Company during the year	312.60
b) Amount spent and paid during the year	215.81
Particulars of amount spent and paid during the year:	
(i) Construction/acquisition of any asset	-
(ii) On purpose other than (i) above	215.81
	215.81

The subsidiary of the Company, i.e. Agile has been incorporated on 14 February 2017 and the operations of Agile has not yet commenced. Therefore, there is no requirement towards contribution to CSR during the year.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 38 Share-based payment arrangements:

#### a. Description of share-based payment arrangements

##### (i) InterGlobe Aviation Limited Tenured Employees Stock Option Scheme - 2015 (ESOS 2015 - I)

On 23 June 2015, the Board of Directors approved the InterGlobe Aviation Limited Tenured Employees Stock Option Scheme - 2015 (the "ESOS 2015 - I"), which was subsequently approved in the Extraordinary General Meeting held on 25 June 2015. ESOS 2015 - I comprises 1,111,819 options, granted to eligible employees determined by Compensation Committee, which are convertible into equivalent number of equity shares of Rs. 10 each as per the terms of the scheme. Upon vesting, the employees can acquire one common equity share of the Company for every option granted. The options were granted on 25 June 2015.

Vesting of the Options granted under the ESOS 2015 - I shall be one year from the Grant Date or completion of the listing of the shares of the Company on a recognized stock exchange in India in an initial public offering, whichever is later. In case the listing is not completed within two years from the date of Grant, the Options shall automatically lapse on the expiry of such two year period.

S No.	Grant Date	Number of Options	Exercise Price (Rs.)	Vesting Conditions	Vesting Period	Contractual period
a.	25-Jun-15	1,111,819	10	1 year from the Grant Date or completion of listing, whichever is later. If listing is not completed for a period of 2 years from grant date, the options shall lapse on expiry of 2 years.	1 year from the Grant Date or completion of listing, whichever is later.	2 years

During the year ended 31 March 2017, all the options granted under ESOS 2015 - I were exercised and consequently equity share capital has been increased by Rs. 11.11.

##### (ii) InterGlobe Aviation Limited Employees Stock Option Scheme - 2015 (ESOS 2015 - II)

On 23 June 2015, the Board of Directors approved the InterGlobe Aviation Limited Employees Stock Option Scheme - 2015 (the "ESOS 2015 - II"), which was subsequently approved in the Extraordinary General Meeting held on 25 June 2015. ESOS 2015 - II, comprises 3,107,674 options, which are granted to eligible employees of the Company determined by Compensation Committee, which are convertible into equivalent number of equity shares of Rs. 10 each as per the terms of the scheme. Upon vesting, the employees can acquire one common equity share of the Company for every option. The options were granted on the dates as mentioned in table below.

S No.	Grant Date	Number of Options	Exercise Price (Rs.)	Vesting Conditions	Vesting Period	Contractual period
(i)	30-Oct-15	420,530	10	Graded vesting to President and Whole Time Director of the Company, can be exercised within 1 year from the respective vesting dates	4 years	2 years to 5 years
(ii)	30-Oct-15	1,514,587	765	Graded vesting to other employees of the Company, can be exercised within 4 years from the respective vesting dates	4 years	5 years to 8 years
(iii)	30-Oct-15	332,026	765	Subject to market condition being met, the options granted to President and Whole Time Director of the Company, can be exercised within 4 years of vesting.	After 4.5 years	8.5 years
(iv)	16-Sep-16	353,299	10	Graded vesting to other employees of the Company, can be exercised within 15 March of the calendar year following the calendar year in which the applicable vesting occurs, but in any event no Option will be Exercised later than 7 (seven) years after the Date of Grant or 3 (three) months after termination of employment of the Optionee.	4 years	1.5 years to 7 years

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 38 Share-based payment arrangements: (contd...)

#### b. Measurement of fair values

The weighted average fair value of stock options as on grant date

Particulars	Method of Valuation	Weighted average fair value as on the grant date (Rs.)
ESOS 2015 - I	Black Scholes option pricing model	569
ESOS 2015 - II		
- Employees other than President and whole time director covered in (ii) above	Black Scholes option pricing model	360-488
- President and whole time director covered in (i) above	Black Scholes option pricing model and Monte Carlo Stimulation	756-758
- President and whole time director covered in (iii) above	Black Scholes option pricing model	620
- Employees other than president and whole time director covered in (iv) above	Black Scholes option pricing model	737-820

The inputs used in the measurement of grant date fair value are as follows:

Particulars	Share Price (Rs.)	Exercise Price (Rs.)	Expected Volatility	Expected Life (in years)	Expected Dividend	Risk free Interest Rate
ESOS 2015 - I	578	10	57.0%	1	0.0%	7.5%
ESOS 2015 - II						
- Employees other than President and whole time director covered in (ii) above	765	765	60.0% - 61.1%	3 - 6	0.0%	7.5%
- President and whole time director covered in (i) above	765	10	60.5% - 66.7%	1.5 - 4.5	0.0%	7.5%
- President and whole time director covered in (iii) above	765	765	62.4%	2	0.0%	7.5%
- Employees other than President and whole time director covered in (iv) above	868	10	52.7%	1.25 - 4.25	3.62%	7.5%

The risk-free interest rates are determined based on current yield to maturity of Government Bonds with 10 years residual maturity. Expected volatility calculation is based on historical daily closing stock prices of competitors / Company using standard deviation of daily change in stock price. The minimum life of stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised. The expected life has been considered based on average sum of maximum life and minimum life and may not necessarily indicative of exercise patterns that may occur. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date. For the measurement of grant date fair value certain market conditions were considered in the method of valuation.

#### c. Effect of employee stock option scheme on the Statement of Profit and Loss:

Particulars	For the year ended 31 March 2017
Employee stock option scheme expense	504.89
<b>Total</b>	<b>504.89</b>

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 38 Share-based payment arrangements: (contd...)

#### d. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows:

Particulars	For the year ended 31 March 2017	
	Number of options	Weighted average exercise price (Rs.)
Options outstanding as at the beginning of the year	3,378,962	422.61
Add: Options granted during the year	353,299	10
Less: Options forfeited and expired during the year	307,970	765
Less: Options exercised during the year*	1,111,819	10
<b>Options outstanding as at the year end</b>	<b>2,312,472</b>	<b>512.35</b>
Exercisable at the end of the period	247,432	572.52

Particulars	Rs at 31 March 2017
Weighted average remaining life of options outstanding at the end of the year	5.28

\*The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2017 was Rs. 944.10.

### 39 Disclosure on specified bank notes

During the year, the Group had Specified Bank Notes ("SBN") or other denomination note as defined in the MCA notification G.S.R. 308(€) dated 30 March 2017 on the details of Specified Bank Notes held and transacted during the period from 8 November 2016 to 30 December 2016, the details of SBNs and other denomination notes as per the notification is given below: (In Indian Rupees)

Particulars	Specified Bank Notes*	Other denomination Notes**	Total
Closing cash on hand as on 8 November 2016	7,162,000	5,640,505	12,802,505
Add: Permitted receipts	373,032,500	603,690,917	976,723,417
Less: Permitted payments	–	4,654,537	4,654,537
Less: Amount deposited in Banks	380,194,500	594,454,425	974,648,925
<b>Closing cash on hand as on 30 December 2016</b>	<b>–</b>	<b>10,222,460</b>	<b>10,222,460</b>

\* For the purposes of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(€), dated the 8 November 2016.

\*\* excluding foreign currency notes.

The subsidiary of the Company, i.e. Agile has been incorporated on 14 February 2017 (after the period from 8 November 2016 to 30 December 2016). Therefore, there is no requirement to disclose details of SBN during the year.

40 The respective company of the Group has established a comprehensive system of maintenance of information and documents that are required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the respective company of the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its international transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 41 Scheme of arrangement:

#### Amalgamation of the Company with Caelum Investment, LLC

A scheme of amalgamation between Caelum Investment LLC ("Transferor Company") and InterGlobe Aviation Limited (the "Company" or "Transferee Company") and their respective shareholders/members and creditors ("Scheme") was sanctioned by the High Court of Delhi vide its order dated 22 December 2014 ("Order") under Sections 391 to 394 and all other applicable provisions of the Companies Act, 1956 in Company Petition No. 599/2014 connected with Company Application (M) No. 107/2014 and in respect of which the certified copy of the formal Order was obtained on 27 March 2015 and was subsequently filed with the Registrar of Companies on 24 April 2015. Further, in relation to the Scheme, the Company has received a certificate of merger dated 24 April 2015 from the Secretary of State, Division of Corporations, State of Delaware, United States of America giving effect to the merger of the Transferor Company with the Company. Accordingly, in terms of the Scheme, the Scheme came into effect from 24 April 2015 ("Effective Date"). The applicable date and the effective date of the scheme is 24 April 2015.

#### Transferor Company was an investment Company.

In relation to the Scheme, the Foreign Investment Promotion Board vide its letter (No. 69(2014)/90(2014) dated 10 September 2014 had granted its approval to the Company to issue and allot upto 147,000 equity shares having face value of Rs. 1,000 each constituting 47.88% of the issued, paid-up equity share capital to the members of the Transferor Company in the proportion of the voting units held by such members in the Transferor Company pursuant to the Scheme. Further, the Competition Commission of India vide its order dated 30 July 2014 stated that the proposed combination is not likely to have an appreciable adverse effect on competition in India and therefore, approved the same under Section 31(1) of the Competition Act, 2002.

As on the Effective Date, the only assets of the Transferor Company represents 147,000 equity shares having face value of Rs. 1,000 ("Equity Shares") in the Transferee Company.

In accordance with the terms of the Scheme, the Company at its board meeting held on 25 April 2015, cancelled the equity shares held by the Transferor Company in the Company and issued and allotted 147,000 fresh fully paid-up equity shares of Rs. 1,000 each to the members of Transferor Company in the manner mentioned below, constituting 47.88% of the post issue paid-up equity share capital of the Company on the date of issue of the aforesaid 147,000 equity shares. In terms of the Scheme, the 147,000 fresh equity shares were issued to the members of the Transferor Company in the proportion to the voting units held by the members of the Transferor Company in the Transferor Company and whose names appear in the books and records of the Transferor Company as on 23 April 2015 i.e. the 'Record Date', as defined in the Scheme:

S No.	Name of Shareholder	Number of equity shares
1	Mr. Rakesh Gangwal	58,800
2	Ms. Shobha Gangwal	29,400
3	The Chinkerpoo Family Trust (Trustee: Shobha Gangwal & J.P Morgan Trust Company of Delaware)	58,800
	<b>Total</b>	<b>147,000</b>

As per the scheme, 147,000 equity shares of Rs. 1,000 each held by the Transferor Company in the Transferee Company were extinguished and proportionate number of fresh fully paid-up equity shares of Rs. 1,000 each of the Transferee Company were issued to the members of the Transferor Company.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2017

(Rupees in millions, except for share data and if otherwise stated)

### 42 Additional information required by Schedule III

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit / (loss) for the year		Share in other comprehensive income (net of tax)		Share in total comprehensive income for the year	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
InterGlobe Aviation Limited	100.00%	37,792.17	100.00%	16,591.88	100.00%	(21.72)	100.00%	16,570.16
<b>Subsidiary</b>								
<b>Indian</b>								
Agile Airport Services Private Limited	0.00%	(0.41)	0.00%	(0.41)	0.00%	–	0.00%	(0.41)
Non-controlling interests	0.00%	–	0.00%	–	0.00%	–	0.00%	–
<b>Total</b>	<b>100%</b>	<b>37,791.76</b>	<b>100%</b>	<b>16,591.47</b>	<b>100%</b>	<b>(21.72)</b>	<b>100%</b>	<b>16,569.75</b>

**43** Subsequent to year ended 31 March 2017, the Company has signed a term sheet with Avions de Transport Regional G.I.E. (ATR) for the purchase of 50 ATR 72-600 aircraft with the flexibility to reduce the number of aircraft deliveries based on certain conditions. This term sheet is subject to reaching a mutually satisfactory final purchase agreement with ATR and the engine manufacturer.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W /W-100022

Jiten Chopra

Partner

Membership No. 092894

Place: Gurgaon

Date: 9 May 2017

For and on behalf of the Board of Directors of  
InterGlobe Aviation Limited

Rohini Bhatia

Director

DIN: 01583219

Rohit Philip

Chief Financial Officer

Place: Gurgaon

Date: 9 May 2017

Aditya Ghosh

President and Whole Time Director

DIN: 01243445

Sanjay Gupta

Company Secretary and Chief Compliance Officer



# Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

## Part-A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

S.No.	Particulars	Information
1	Name of the subsidiary	Agile Airport Services Private Limited
2	The date since when subsidiary was acquired	14 February 2017 (incorporated as wholly owned subsidiary of the Company)
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	14 February 2017 to 31 March 2017
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not Applicable
5	Share capital	Authorised Capital : 10,000,000 Paid-up Capital: 100,000
6	Reserves and surplus	Retained earnings : [412,116]
7	Total assets	100,000
8	Total Liabilities	412,116 (excluding share capital & Reserves and surplus)
9	Investments	Nil
10	Turnover	Nil
11	Profit before taxation	[412,116]
12	Provision for taxation	Nil
13	Profit after taxation	[412,116]
14	Proposed Dividend	Nil
15	Extent of shareholding (in percentage)	100

- Note: 1. The subsidiary is yet to commence its operations.  
2. The Company do not have any associate companies and joint venture hence PART B is not applicable  
3. Figures in [ ] represents negative balances.

For and on behalf of the Board of Directors of  
InterGlobe Aviation Limited

Rohini Bhatia  
Director  
DIN: 01583219

Aditya Ghosh  
President and Whole Time Director  
DIN: 01243445

Rohit Philip  
Chief Financial Officer  
Place: Gurgaon  
Date: 9 May 2017

Sanjay Gupta  
Company Secretary and Chief Compliance Officer

## Notice

Notice is hereby given that the Fourteenth Annual General Meeting ("AGM") of the Members of InterGlobe Aviation Limited (the "Company") will be held on Monday, August 28, 2017 at 10:30 a.m. Indian Standard Time at Zoravar Auditorium, Manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi -110010, India to transact the following business:

### Ordinary Business:

1. To consider and adopt:
  - (a) the audited financial statements of the Company for the financial year ended March 31, 2017 alongwith the reports of the Board of Directors and the Auditors thereon; and
  - (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2017 alongwith the report of the Auditors thereon.
2. To declare Final Dividend of Rs. 34 per equity share for the financial year ended March 31, 2017.
3. To appoint a Director in place of Mrs. Rohini Bhatia (DIN 01583219), who retires by rotation and being eligible, offers herself for re-appointment.
4. To ratify the appointment of the Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder, the appointment of B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/ W-100022) as Statutory Auditors of the Company, approved at the Eleventh Annual General Meeting ("AGM") of the Company held on September 08, 2014 for five consecutive years i.e. until the conclusion of the sixteenth AGM of the Company, be and is hereby ratified from the conclusion of this AGM until the conclusion of the fifteenth AGM and the Board of Directors of the Company be and are hereby authorised to fix their remuneration as recommended by the Audit Committee, for the financial year ending on March 31, 2018."

### Special Business

5. Further Issue of Securities  
To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
 

**"RESOLVED THAT** pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and any rules formulated thereunder (including any amendments thereto) ("Companies Act"), the Securities

and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("ICDR Regulations"), the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations"), Foreign Exchange Management Act, 1999, as amended ("FEMA") and regulations and rules issued thereunder, as amended and clarifications issued thereon from time to time and subject to other applicable statutes, rules, regulations, notifications, directions, guidelines and circulars issued by the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), the Government of India ("GOI"), the Registrar of Companies ("ROC"), the stock exchanges where the equity shares of the Company are listed ("Stock Exchanges"), and/or any other competent authorities from time to time to the extent applicable, the Memorandum of Association and Articles of Association of the Company and subject to such approvals, permissions, consents and sanctions as may be necessary from SEBI, Stock Exchanges, RBI, ROC, GOI and/or any other concerned statutory or other relevant authorities, as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions and consents which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), the consent of the shareholders of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranches, equity shares, fully or partly convertible debentures, preference shares convertible into equity shares or any other security convertible into equity shares with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to equity shares ("Securities") or any combination of Securities in the course of domestic and/or international offerings in one or more foreign markets by way of a public issue (including but not limited to an Institutional Placement Program under Chapter VIII-A of the ICDR Regulations which may include an offer for sale by the promoter(s)/promoter group and/or a fresh issue of equity shares), rights issue, private placement (including but not limited to a Qualified Institutions Placement ("QIP") under Chapter VIII of the ICDR Regulations subject to the necessary compliances with the eligibility conditions for QIP as stipulated under the

ICDR Regulations) or a combination thereof to any person including but not limited to eligible foreign or resident investors (whether institutions, incorporated bodies, mutual funds, or individuals), Qualified Institutional Buyers as defined under Regulation 2(zd) of the ICDR Regulations, foreign portfolio/foreign institutional investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, employees of the Company, existing shareholders as on a record date on rights basis and/or any other categories of investors whether they are holders of equity shares of the Company or not (including with provision for reservation on firm and/or competitive basis and for such categories of investors as may be permitted) ("Investors"), at such time and at such prices, at a discount or premium to the market price as may be determined in accordance with applicable law (and in consultation with any selling shareholder, if applicable), and in such manner and on such terms and conditions including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors considering the prevailing market conditions and other relevant factors wherever necessary as may be decided by the Board in its absolute discretion at the time of such offer, issue and allotment of the Securities such that the total number of equity shares of the Company held by the 'public' (as defined in the SCRR) on the completion of such offering(s) does not exceed 30 percent of the total number of outstanding equity shares of the Company as on the date of allotment of such equity shares ("Issue").

**RESOLVED FURTHER THAT** the equity shares to be created, issued, allotted and offered by the Company in terms of the aforementioned Resolution:

- (a) shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- (b) shall rank pari passu with the existing equity shares of the Company in all respects; and
- (c) equity shares to be issued on conversion of Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, consolidation of stock, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate reorganisation or restructuring, if applicable.

**RESOLVED FURTHER THAT** if any issue of Securities is made by way of a QIP under Chapter VIII of the ICDR Regulations, the allotment of the Securities, or any combination of Securities as may be decided by the Board shall be completed within

twelve months from the date of this Resolution or such other time as may be prescribed under the ICDR Regulations from time to time and the relevant date for the pricing of Securities shall be the date of the meeting in which the Board decides to open the proposed issue of such Securities and in case the Securities are convertible Securities, then either the date of the meeting in which the Board decides to open the proposed issue or the date on which holders of such convertible Securities become eligible to apply for equity shares, as may be determined by the Board.

**RESOLVED FURTHER THAT** any issue of Securities made by way of a QIP under Chapter VIII of the ICDR Regulations shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations ("QIP Floor Price"), subject however that the Company may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under the ICDR Regulations on the QIP Floor Price.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Securities or equity shares of the Company on conversion of Securities, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities or equity shares of the Company as the case may be, on one or more Stock Exchanges.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to appoint or ratify appointment of lead manager(s), underwriter(s), depository(ies), custodian(s), registrar(s), banker(s), legal counsels, advisor(s), debenture trustee(s), guarantors, escrow/public issue banks, advertising/media agencies, intermediaries and all such agencies as are or may be required to be appointed, involved or concerned in the Issue and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the Issue, including the finalization and approval of the draft as well as final offer document(s), determining the form and manner of the Issue, the nature and number of

Securities to be offered, issued and allotted, timing of the Issue, listing on one or more stock exchanges in India, and all other terms and conditions of the Securities, offer and allotment of Securities, execution of various transaction documents, signing of declarations, creation of mortgage/charge, utilization of the issue proceeds, and to take such steps and to do all such other acts, deeds, matters and things as the Board may deem fit and proper for the purposes of the Issue (including making applications for obtaining necessary approvals from relevant authorities in relation to the Issue) and resolve and settle all questions or difficulties that may arise in regard to such Issue without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors or any director(s) or officer(s) of the Company in such manner as the Board

may deem fit, in its absolute discretion, with the power to take such steps and to do all such acts, deeds, matters and things as such committee of directors or director(s) or officer(s) as the case may be, may deem fit and proper for the purposes of the Issue and settle any questions or difficulties that may arise in this regard to the Issue."

By order of the Board of Directors  
For InterGlobe Aviation Limited

Sanjay Gupta

Company Secretary and Chief Compliance Officer

July 31, 2017

FCS 7729

InterGlobe Aviation Limited

CIN: L62100DL2004PLC129768

Registered Office: Central Wing,

Ground Floor, Thapar House,

124 Janpath, New Delhi-110 001

Tel: 011 - 6500 0428; Fax: 011 - 4351 3200

Email: [investors@goindigo.in](mailto:investors@goindigo.in);

Website: [www.goindigo.in](http://www.goindigo.in)

## Notes

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote on his / her behalf. A proxy need not be a member of the Company. Pursuant to Section 105 of the Companies Act, 2013 (the "Act"), a person can act as a Proxy on behalf of not more than fifty members holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. Corporate Members intending to send their authorised representatives to attend the AGM, pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signature(s) of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, August 22, 2017 to Monday, August 28, 2017 (both days inclusive).
4. Members/Proxies are requested to bring duly filled attendance slip attached herewith for attending the meeting and copy of the Annual Report.
5. Members holding shares in electronic / dematerialised form are requested to direct changes relating to address, bank mandate and Electronic Clearing Service (ECS) details to their respective Depository participants.
6. Members are requested to quote their Registered Folio Number or Demat Account Number & Depository Participant (DP) ID number in all correspondence with the Company.
7. The Final Dividend for the financial year ended March 31, 2017, as recommended by the Board, if approved at the AGM, will be paid on or after August 29, 2017 to those Members whose names appear in the Register of Members as on Monday, August 21, 2017 i.e. the record date for payment of dividend. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of business hours on Monday, August 21, 2017 as per the details furnished by the Depositories, viz. National Securities

Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL).

8. Members holding shares in electronic form are advised to send the requests for change of address, bank particulars, bank mandate, residential status or requests for transmission of shares etc. to their Depository Participants immediately. The Company or its Registrar & Share Transfer Agent (RTA) i.e. Karvy Computershare Private Limited, cannot act on any such requests received directly from the members holding shares in electronic form.
9. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to Company's RTA immediately.
10. Members are requested to send to the Company their queries, if any, on accounts and operations of the Company at least ten days before the AGM so that the same could be suitably answered at the AGM.
11. The information about the Director, proposed to be appointed / reappointed, as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by The Institute of Company Secretaries of India, is given in the Annexure to this Notice.
12. Pursuant to Section 101 and Section 136 of the Act read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address is registered with the Company, its RTA or the Depository participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company, its RTA or depository participant(s). Members who have received the Notice of AGM, Annual Report and Attendance slip in electronic mode are requested to print the Attendance slip and submit a duly filled in Attendance slip at the Registration Counter at the AGM.
13. Members may also note that the Notice of AGM, Attendance Slip, Proxy Form and Annual Report for the financial year 2016-17 will also be available on the Company's website [https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations\\_footer](https://www.goindigo.in/content/indigo/airlines/en/information/investor-relations.html?linkNav=investor-relations_footer) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office, for inspection during normal business hours on working days.
14. Even after registering for e-communication, Members are entitled to receive such communication(s) in physical form, upon making a request for the same, by post free of cost. For any communication, the Members may also send requests to the Company's investor email id: investors@goindigo.in.
15. For convenience of members, route map for reaching the venue of the AGM is attached.
16. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office and copies thereof shall also be made available for inspection at the Corporate Office of the Company during normal business hours (9.30 am to 5.30 pm) on all working days except Saturdays, up to and including the date of the AGM of the Company.
17. In terms of Section 72 of the Companies Act, 2013 and related rules thereunder, a Member of the Company may nominate a person on whom the Shares held by him/her shall vest in the event of his/her death. Member(s) desirous of availing this facility may submit nomination in the prescribed Form SH-13 to the Company or its RTA in case shares are held in Physical form, and to their respective depository participant, if held in electronic form.
18. Members who are holding shares in physical form in identical names in more than one folio are requested to write to RTA enclosing their Share Certificate(s) to enable the Company to consolidate their holding into one folio.
19. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, August 21, 2017 being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting) (a person who is not a Member as on the cut-off date should treat this Notice for information purposes only). The remote e-voting period will commence

at 10:00 a.m. on Wednesday, August 23, 2017 and will end at 05:00 p.m. on Sunday, August 27, 2017 and at the end of remote e-voting period, the facility shall forthwith be blocked.

20. Contact details of the official responsible to address the grievances connected with voting by electronic means are set out below;

**Mr. I L Murthy,**

Manager-Corporate Registry

Karvy Computershare Private Limited,

Unit : InterGlobe Aviation Limited

Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

Tel. No.: +91 40 6716 1500; Toll Free No.: 1800-345-4001

Fax No.: +91 40 2300 1153.

E-mail: lakshmana.murthy@karvy.com or evoting@karvy.com

21. The facility for voting through ballot paper shall be made available at the venue of the AGM and the members attending the meeting who had not cast their vote by remote e-voting shall be able to exercise their right of voting at the meeting through ballot paper. The Members who had cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

22. The Company has appointed Ms. Amrita D.C. Nautiyal, Company Secretary in whole time practice (email: scrutinizerindigo@gmail.com), to act as the Scrutinizer for conducting the remote electronic voting process and voting at the AGM in a fair and transparent manner.

23. Members may please note that no gifts / gift coupons shall be distributed at the venue of the AGM.

24. Procedure for Remote E-Voting

I. The Company has entered into an arrangement with Karvy Computershare Private Limited for facilitating remote e-voting for the AGM. The instructions for remote e-voting are as under:

(a) In case of Members receiving an e-mail from Karvy Computershare Private Limited:

(i) Launch an internet browser and open <https://evoting.karvy.com>

(ii) Shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cutoff date i.e. closing hours of

Monday, August 21, 2017 may cast their vote electronically.

(iii) Enter the login credentials i.e. User ID and password, provided in the email received from Karvy Computershare Private Limited ("Karvy"). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

(iv) After entering the above details click on - Login :

(v) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. After changing the password, you need to login again with the new credentials.

(vi) On successful login, the system will prompt you to select the E-voting Event.

(vii) Select 'EVENT' of InterGlobe Aviation Limited - AGM and click on – Submit.

(viii) Now you are ready for e-voting as 'Ballot Form' page opens.

(ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.

(x) Upon confirmation, the message 'Vote cast successfully' will be displayed.

(xi) Once you have confirmed your vote on the resolution, you cannot modify your vote.

(xii) The Portal will remain open for voting from: 10:00 A.M. on Wednesday, August 23, 2017 to 5:00 P.M. on Sunday, August 27, 2017.

(xiii) Institutional shareholders (i.e. other than



individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorized to vote, to the Scrutinizer by an e-mail at [scrutinizerindigo@gmail.com](mailto:scrutinizerindigo@gmail.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name EVENT NO."

(b) In case of Members receiving physical copy of the Notice of AGM and Attendance slip

- (i) Initial Password is provided at the bottom of the Attendance Slip and Proxy form in the following format:

User Id	Password

- (ii) Please follow all steps from Sr. No. (a)(i) to Sr. No. (a)(xi) mentioned above, to cast vote.

- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of the e-voting website of Karvy Computershare Private Limited <https://evoting.karvy.com>.
- III. The voting rights shall be as per the number of equity shares held by the Member(s) as on Monday, August 21, 2017, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- IV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a Director authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- V. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. [www.goindigo.in](http://www.goindigo.in) immediately after the declaration of

result by the Chairman or a director authorised by him in writing and at the website of e-voting agency viz. Karvy Computershare Private Limited at <https://evoting.karvy.com> and shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

- VI. In case a person has become a Member of the Company after dispatch of Notice of AGM but on or before the cut-off date for e-voting i.e., Monday, August 21, 2017, he or she may obtain the User ID and Password in the manner as mentioned below;

- i. If mobile number of the Member is registered against Folio No. / DP ID. Client ID, the member may send SMS: MYEPWD <space> E-voting EVEN Number + Folio No. or DP ID Client ID to +91 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Alternatively, Members may also obtain the User Id and Password by sending a request at [evoting@karvy.com](mailto:evoting@karvy.com). However, if you are already registered with Karvy Computershare Private Limited for remote e-voting, then you can use your existing User Id and Password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot Password" option available on <https://evoting.karvy.com> or contact Karvy Computershare Private Limited at toll free no. 1800-345-4001 or email at [evoting@karvy.com](mailto:evoting@karvy.com). In case of any other queries/grievances connected with voting by electronic means, you may also contact Mr. I L Murthy, Manager – Corporate Registry of Karvy Computershare Private Limited, at telephone no +91 40 6716 1500.

25. In case of joint holders attending the meeting, only such joint

- holder who is higher in the order of names, will be entitled to vote at the meeting.
26. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Act and the Certificate from Statutory Auditors of the Company certifying that the InterGlobe Aviation Limited Tenured Employee Stock Option Scheme - 2015 and InterGlobe Aviation Limited Employee Stock Option Scheme - 2015 are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, will be available for inspection at the AGM.
27. Members are requested to note that as per Section 124 of the Act, dividends not encashed / claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF).
28. Members may utilize the facility extended by the RTA for redressal of queries. Members may visit <http://karisma.karvy.com> and click on Members option for query registration through free identity registration process.
29. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with this Annual Report.

Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.

30. Members are requested to carry their Original Government Photo ID proof such as PAN CARD, Aadhar Card, Voter ID, Driving License or Passport. Please note that the entry to AGM venue will not be allowed without Original Government Photo ID proof as mentioned above.

By order of the Board of Directors  
For InterGlobe Aviation Limited

Sanjay Gupta

Company Secretary and Chief Compliance Officer

July 31, 2017

FCS 7729

InterGlobe Aviation Limited

CIN: L62100DL2004PLC129768

Registered Office: Central Wing,

Ground Floor, Thapar House,

124 Janpath, New Delhi-110 001

Tel: 011 - 6500 0428; Fax: 011 - 4351 3200

Email: [investors@goindigo.in](mailto:investors@goindigo.in);

Website: [www.goindigo.in](http://www.goindigo.in)

## Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

### Item no. 5

The Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") and Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations") provide that every listed company shall maintain a minimum public shareholding of at least 25 percent. Listed companies that have public shareholding of less than 25 percent are required to increase their public shareholding to 25 percent in the manner prescribed by the Securities and Exchange Board of India ("SEBI"). The public shareholding of the Company as on July 31, 2017 was 14.17% of the issued and paid-up equity share capital of the Company and the promoters and promoter group held the balance 85.83%.

In view of the above stated requirements of the SCRR and the Listing Regulations, it is proposed to give authority to the

Board of Directors of the Company ("Board") or any Committee of Directors duly authorised by the Board to decide such means of achieving the minimum public shareholding in the Company as prescribed by SEBI including but not limited to offering equity shares of the Company or any other security (ies) convertible into equity shares of the Company to any category of investors (who are not promoters or promoters' group) through a public offer including an Institutional Placement Program ("IPP") under Chapter VIII – A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("ICDR Regulations") which may include an offer for sale component by the promoters and promoter group ("Issue"). The detailed terms and conditions relating to the Issue will be determined in consultation with lead managers, advisors, underwriters and such other authorities and agencies as may be required to be



consulted by the Company in due consideration of prevailing market conditions and other relevant factors. The Company proposes to issue such number of equity shares and/or the promoters and the promoter group may sell such number of equity shares, as may be required to increase the minimum public shareholding in the Company not exceeding 30 percent. The Company can undertake this through a combination of methods prescribed by SEBI. In addition, the promoters and promoter group may divest any part of its shareholding in the Company pursuant to an offer for sale through the stock exchange mechanism or through any other route permitted by law.

Any funds raised by the Company through any of the modes permitted by SEBI including a public offer/IPP will be utilised for one or more of the following: acquisition of aircraft, repayment or prepayment of debt including finance leases for aircraft, purchase of ground support equipment and general corporate purposes.

In terms of Section 62 of the Companies Act, 2013, and the applicable rules thereunder, the approval of the shareholders of the Company is being sought to permit the Board to issue any security of the Company at such price to such person(s) including but not limited to eligible foreign or resident investors (whether institutions, incorporated bodies or individuals), Qualified Institutional Buyers as defined under ICDR Regulations, foreign portfolio/foreign institutional investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, employees of the Company, existing shareholders as on a record date on rights basis and/or any other categories of investors whether they are holders of shares of the Company or not as the Board at its absolute discretion deems fit ("Investors").

As the Issue may result in the issue of equity shares of the Company to Investors who may or may not be members of the Company, consent of the members is being sought pursuant to Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the ICDR Regulations and any other law for the time being in force and being applicable and in terms of the provisions of the Listing Regulations.

The Board recommends the resolution set out in this Notice for approval by the shareholders of the Company by a special resolution.

Mr. Rahul Bhatia, Mrs. Rohini Bhatia and Mr. Rakesh Gangwal, being the Promoter Directors on the Board of the Company, may be deemed to be concerned or interested in the proposed resolution.

By order of the Board of Directors  
For InterGlobe Aviation Limited

Sanjay Gupta

Company Secretary and Chief Compliance Officer

July 31, 2017

FCS 7729

InterGlobe Aviation Limited

CIN: L62100DL2004PLC129768

Registered Office: Central Wing,

Ground Floor, Thapar House,

124 Janpath, New Delhi-110 001

Tel: 011 - 6500 0428; Fax: 011 - 4351 3200

Email: [investors@goindigo.in](mailto:investors@goindigo.in);

Website: [www.goindigo.in](http://www.goindigo.in)

## Annexure to this Notice

Mrs. Rohini Bhatia (DIN 01583219), 52 years, holds a diploma in Textile Designing from the South Delhi Polytechnic, New Delhi, in 1985. She has a diversified experience of serving on the Boards of various companies in the travel and hospitality industry and is currently Director on the Boards of ARC Hospitality Private Limited, Shree Nath Shares Private Limited, Navigator Travel Services Private Limited, Pegasus Utility Maintenance & Services Private Limited, InterGlobe Real Estate Ventures Private Limited, InterGlobe Business Solutions Private Limited and InterGlobe Foundation.

She was appointed as a Director w.e.f. March 27, 2015 on the Board of Directors of the Company. She is Chairperson of the Corporate Social Responsibility Committee and Stakeholders Relationship Committee and a member of the Nomination and Remuneration Committee of the Board of Directors of the Company. She had attended 2 Board Meetings during the Financial Year 2016-17.

Mrs. Rohini Bhatia holds 10,000 equity shares in the Company. She is wife of Mr. Rahul Bhatia, Director of the Company and not related to any other Director of the Company.

## Corporate Information

### Board of Directors

Mr. Devadas Malliya Mangalore  
Chairman

Dr. Anupam Khanna  
Director

Mr. Aditya Ghosh  
President and Whole Time Director

Mr. Rahul Bhatia  
Director

Mr. Rakesh Gangwal  
Director

Mrs. Rohini Bhatia  
Director

### Company Secretary and Chief Compliance Officer

Mr. Sanjay Gupta

### Statutory Auditors

B S R & Co. LLP, Chartered Accountants

### Internal Auditors

Price Waterhouse & Co.  
Bangalore LLP, Chartered Accountants

### Registered Office

Central Wing, Ground Floor,  
Thapar House, 124 Janpath,  
New Delhi – 110 001, India  
Tel: +91 11 6500 0428;  
Fax: +91 11 4351 3200

### Corporate Office

Levels 1-5, Tower-C,  
Global Business Park,  
M.G. Road, Gurgaon – 122 002,  
Haryana, India  
Tel: +91 124 435 2500;  
Fax: +91 124 406 8536

### Registrar & Share Transfer Agent

Karvy Computershare Private Limited  
Karvy Selenium Tower B  
Plot 31-32, Gachibowli,  
Financial District, Nanakramguda  
Hyderabad – 500 032, India  
Tel: +91 40 6716 2222  
Fax: +91 40 2343 1551  
Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

### Bankers of the Company

Bank of Baroda  
Yes Bank  
HDFC Bank  
Oriental Bank of Commerce  
Union Bank of India  
Bank of Maharashtra  
Canara Bank  
Citi Bank NA  
Corporation Bank  
Standard Chartered Bank  
BNP Paribas  
JPMorgan Chase Bank  
Axis Bank  
IDFC Bank  
Kotak Mahindra Bank  
ICICI Bank  
Bank of America  
Industrial and Commercial Bank of  
China Limited  
State Bank of India  
Indian Overseas Bank  
HSBC Bank  
J & K Bank





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