

InterGlobe Aviation Limited
Condensed Interim Consolidated Balance Sheet as at 30 June 2017
(Rupees in millions, except for share data and if otherwise stated)

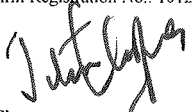
	As at 30 June 2017	As at 31 March 2017
I. ASSETS		
Non-current assets		
a. Property, plant and equipment (Refer to Note 3)	37,017.77	37,474.72
b. Capital work-in-progress	242.06	233.03
c. Other intangible assets (Refer to Note 4)	429.20	463.69
d. Intangible assets under development	36.78	18.83
e. Financial assets		
(i) Investments	0.18	0.18
(ii) Loans	5,702.17	5,440.26
(iii) Other financial assets	10,393.62	10,356.39
f. Income tax assets (net)	140.19	97.60
g. Other non-current assets	3,694.79	3,548.74
Total non-current assets	57,656.76	57,633.44
Current assets		
a. Inventories	1,623.90	1,631.50
b. Financial assets		
(i) Investments	42,831.87	37,134.10
(ii) Trade receivables	1,705.12	1,587.02
(iii) Cash and cash equivalents	1,797.29	1,531.19
(iv) Bank balances other than cash and cash equivalents, above	47,399.87	44,794.26
(v) Loans	297.73	39.76
(vi) Other financial assets	5,797.59	4,100.86
c. Other current assets	4,119.26	3,645.23
Total current assets	105,572.63	94,463.92
TOTAL ASSETS	163,229.39	152,097.36
II. EQUITY AND LIABILITIES		
EQUITY		
a. Equity share capital	3,615.99	3,614.68
b. Other equity	42,437.10	34,177.08
Equity attributable to owners of the Company	46,053.09	37,791.76
c. Non-controlling interest	-	-
Total equity	46,053.09	37,791.76
LIABILITIES		
Non-current liabilities		
a. Financial liabilities		
(i) Borrowings	23,212.08	23,957.08
(ii) Other financial liabilities	23,147.07	22,685.34
b. Provisions	1,307.90	1,223.94
c. Deferred tax liabilities (net)	2,243.12	1,618.06
d. Other non-current liabilities	88.70	75.00
e. Deferred incentives	17,706.44	16,899.90
Total non-current liabilities	67,705.31	66,459.32
Current liabilities		
a. Financial liabilities		
(i) Trade payables	7,861.60	7,746.10
(ii) Other financial liabilities	16,549.99	14,322.67
b. Provisions	793.89	667.06
c. Current tax liabilities (net)	1,647.52	446.77
d. Other current liabilities	17,590.72	19,725.85
e. Deferred incentives	5,027.27	4,937.83
Total current liabilities	49,470.99	47,846.28
TOTAL EQUITY AND LIABILITIES	163,229.39	152,097.36

Explanatory notes annexed

The explanatory notes form an integral part of these condensed interim consolidated financial statements

As per our report of even date attached


For **BSR & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W /W-100022


Jiten Chopra
Partner
Membership No. 092894

Place: Gurgaon

Date: 11 September 2017

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


Aditya Ghosh
President and Whole Time Director
DIN: 01243445


Rohit Philip
Chief Financial Officer

Place: Gurgaon

Date: 11 September 2017

InterGlobe Aviation Limited

Condensed Interim Consolidated Statement of Profit and Loss for the period ended 30 June 2017

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

	For the period ended 30 June 2017
Income	
Revenue from operations	57,529.12
Other income	2,026.35
Total income	59,555.47
Expenses	
Aircraft fuel expenses	17,591.66
Aircraft and engine rentals (net)	8,536.92
Purchase of stock-in-trade	317.67
Changes in inventories of stock-in-trade	20.04
Employee benefits expense	5,842.77
Finance costs	769.75
Depreciation and amortisation expense	983.41
Other expenses	14,249.99
Total expenses	48,312.21
Profit before tax	11,243.26
Income tax expense	
Current tax	2,808.80
Deferred tax (credit) / charge	323.09
Total tax expense	3,131.89
Profit for the period	8,111.37
Other comprehensive income	
Items that will not be reclassified to profit or loss	
- Remeasurements of defined benefit plans	5.68
- Income tax relating to above mentioned item	(1.97)
Other comprehensive income for the period, net of tax	3.71
Total comprehensive income for the period	8,115.08
Profit for the period attributable to	
- Owners of the Company	8,111.37
- Non-controlling interest	-
Other comprehensive income for the period attributable to	
- Owners of the Company	3.71
- Non-controlling interest	-
Total comprehensive income for the period attributable to	
- Owners of the Company	8,115.08
- Non-controlling interest	-
Earnings per equity share of face value of Rs. 10 each (Refer to Note 9)	
Basic (Rs.)	22.44
Diluted (Rs.)	22.39

Explanatory notes annexed


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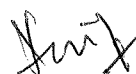
Partner

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Place: Gurgaon

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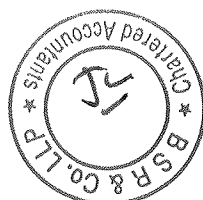
Chief Financial Officer

InterGlobe Aviation Limited

Condensed Interim Consolidated Cash Flow Statement for the period ended 30 June 2017

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

	For the period ended 30 June 2017
A. Cash flows from operating activities	
Profit before tax	11,243.26
Adjustments for:	
Depreciation and amortisation expense	983.41
Provision for redelivery and overhaul cost	186.09
Loss on sale of property, plant and equipment (net)	0.59
Non cash incentives, claims and credits (net)	(2.49)
Interest accretion on provisions and other financial liabilities measured at amortised cost	506.41
Deferred rent amortisation (included in Aircraft and engine rentals)	152.70
Property, plant and equipment written off	19.15
Unrealised foreign exchange gain (net)	(68.38)
Interest on borrowings measured at amortised cost	49.72
Finance lease charges on finance lease obligations measured at amortised cost	213.62
Employee stock option scheme expense	93.70
Interest income from bank deposits	(974.10)
Interest income from financial assets at amortised cost	(135.87)
Marked to market gain on current investments	(567.96)
Net gain on sale of current investments	(238.00)
Operating profit before working capital changes	11,461.85
Adjustments for:	
Increase in trade receivables	(125.24)
Decrease in inventories	7.60
Increase in loans, other financial assets, and other assets	(2,873.63)
Decrease in trade payables, other financial liabilities and other liabilities	(88.25)
Increase in deferred incentives	894.23
Cash generated from operating activities	9,276.56
Income tax paid	(1,350.64)
Net cash generated from operating activities	7,925.92
B. Cash flows from investing activities	
Purchase of property, plant and equipment and other intangible assets (including capital advances)	(717.49)
Proceeds from sale of property, plant and equipment	1.92
Deposits made with banks due to mature within 12 months from the reporting date (net)	(2,605.61)
Deposits made with banks due to mature after 12 months from the reporting date (net)	(115.53)
Purchase of mutual funds / shares	(27,257.00)
Proceeds from sale of mutual funds / shares	22,365.19
Interest received	1,206.92
Net cash used in investing activities	(7,121.60)
C. Cash flows from financing activities	
Repayment of secured loans (Refer to Note 3 below)	(743.95)
Interest paid	(2.15)
Finance lease charges paid	(160.51)
Proceeds from issue of shares on exercise of stock options	1.31
Proceeds from securities premium on exercise of stock options	51.24
Net cash used in financing activities	(854.06)
Net decrease in cash and cash equivalents during the period (A+B+C)	(49.74)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	46.12
D. Cash and cash equivalents at the beginning of the period	
Cash on hand	43.17
Balance with banks:	
- On current accounts	1,488.02
	1,531.19
E. Cash and cash equivalents as at the end of the period	
Cash on hand	41.98
Balance with banks:	
- On current accounts	1,730.31
- On deposit accounts (with original maturity of three months or less)	25.00
	1,797.29
Less: Book overdraft	269.72
	1,527.57



InterGlobe Aviation Limited

Condensed Interim Consolidated Cash Flow Statement for the period ended 30 June 2017

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

Notes:

1. The Condensed Interim 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 issued thereunder.
2. Current account balance with banks includes Rs. 339.51 held in foreign currency which are freely remissible to the Group.
3. **Changes in liabilities arising from financing activities**

	For the period ended 30 June 2017
Opening balance of secured loans	25,961.74
- Finance lease obligations (including current maturities of finance lease obligations)	21,357.74
- Foreign currency term loan - from others	4,604.00
Cash flows	
Repayment of secured loans	(743.95)
Non-cash changes	
Foreign currency exchange fluctuations	(60.43)
Changes in finance lease obligation measured at amortised cost	83.79
Closing balance of secured loans	25,241.15
- Finance lease obligations (including current maturities of finance lease obligations)	20,652.65
- Foreign currency term loan - from others	4,588.50

Explanatory notes annexed

The explanatory notes form an integral part of these condensed interim consolidated financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

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



Jiten Chopra

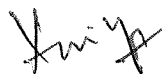
Partner

Membership No. 092894

Place: Gurgaon

Date: 11 September 2017

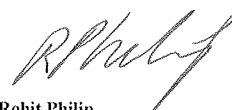
For and on behalf of the Board of Directors of
InterGlobe Aviation Limited



Aditya Ghosh

President and Whole Time Director

DIN: 01243445



Rohit Philip

Chief Financial Officer

Place: Gurgaon

Date: 11 September 2017

InterGlobe Aviation Limited
Condensed Interim Consolidated Statement of Changes in Equity for the period ended 30 June 2017
(Rupees in millions, except for share data and if otherwise stated)

a. Equity share capital

	For the period ended 30 June 2017	
	Number of shares	Amount
Balance at the beginning of the period	361,468,363	3,614.68
Changes in equity share capital during the period:		
Issued during the period pursuant to exercise of employee stock options scheme	130,952	1.31
Balance at the end of the period	361,599,315	3,615.99

b. Other equity

	Equity component of compound financial instruments*	Employee stock options outstanding account	Securities premium reserve	Reserves and surplus	Retained earnings	Other comprehensive income**	Total equity attributable to owners of the Company
				General reserve			
Balance as at 1 April 2017	58.79	549.12	12,604.58	389.07	20,609.92	(34.40)	34,177.08
Profit for the period					8,111.37		8,111.37
Other comprehensive income for the period						3.71	3.71
Total comprehensive income for the period					28,721.29	(30.69)	42,292.16
Employee stock option scheme expense	-	93.70	-	-	-	-	93.70
Premium received on issue of shares on exercise of stock options	-	-	51.24	-	-	-	51.24
Amount utilized / transfer for issue of shares on exercise of stock options	-	(72.14)	72.14	-	-	-	-
Balance as at 30 June 2017	58.79	570.68	12,727.96	389.07	28,721.29	(30.69)	42,437.10

* 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).

Explanatory notes annexed

The explanatory notes form an integral part of these condensed interim consolidated financial statements

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants

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


Jiten Chopra
Partner

Membership No. 092894


Place: Gurgaon

Date: 11 September 2017

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


Aditya Ghosh
President and Whole Time Director

DIN: 01243445


Rohit Philip

Chief Financial Officer

Place: Gurgaon

Date: 11 September 2017

InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim consolidated financial statements for the period ended 30 June 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 had 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, these Condensed Interim Consolidated Financial Statements comply with requirements of Ind AS 34, 'Interim Financial Reporting', as prescribed under section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder.

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 with effect from 14 February 2017. Accordingly, no comparative figures for Condensed Interim Consolidated Statement of Profit and Loss, Condensed Interim Consolidated Cash Flow Statement, Condensed Interim Consolidated Statement of Changes in Equity and related explanatory notes are required to be presented.

The Condensed Interim Consolidated Financial Statements were authorised for issue by Board of Directors of the Company on 11 September 2017.

(ii) Basis of measurement

The Condensed Interim Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value or amortised cost.

(iii) Critical accounting estimates and judgements

In preparing these Condensed Interim 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 Condensed Interim Consolidated Financial Statements are as follows:

Note 2.(b) (xiii) - 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.

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

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

Note 2.(b) (xiv) - 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.

Judgement required to determine grant date fair value technique.

Note 2.(b) (iii) (iv) and 5 - fair value measurement of financial instruments.

Note 2.(b) (xxi) - 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 twelve months.

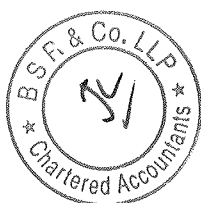
(iv) Basis of consolidation

The Company consolidates entity which it owns or controls. The Condensed Interim Consolidated Financial Statements comprise the condensed interim standalone financial statements of the Company and its subsidiary as disclosed. 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 Condensed Interim Consolidated 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 Condensed Interim 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 applied in these Condensed Interim Consolidated Financial Statements are same as those applied in the last annual consolidated financial statements. The accounting policies are reproduced below:



InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim consolidated financial statements for the period ended 30 June 2017
(Rupees in millions, except for share data and if otherwise stated)

(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 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 Condensed Interim 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 Condensed Consolidated Interim 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 Condensed Interim 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 Condensed Interim 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 Condensed Interim 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
- 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 Condensed Interim 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 5.



InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim consolidated financial statements for the period ended 30 June 2017
(Rupees in millions, except for share data and if otherwise stated)

(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 losses are recognised in the Condensed Interim Consolidated 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 Condensed Interim 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 Condensed Interim 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 Condensed Interim 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 Condensed Interim 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 Condensed Interim Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Condensed Interim Consolidated Statement of Profit and Loss.



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InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim consolidated financial statements for the period ended 30 June 2017
(Rupees in millions, except for share data and if otherwise stated)

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 Condensed Interim Consolidated Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the Condensed Interim 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 Condensed Interim 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.

For the purposes of the Condensed Interim Consolidated Cash Flow Statement, cash and cash equivalents include cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts, which are considered part of the Group's cash management.

(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 Condensed Interim Consolidated 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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Condensed Interim 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 Condensed Interim 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 life of the aircraft, whichever is lower.



InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim consolidated financial statements for the period ended 30 June 2017

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

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

Depreciation is calculated on a pro-rata basis for assets purchased/sold during the period.

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.

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 Condensed Interim 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 Condensed Interim 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 period.

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 Condensed Interim 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.



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InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim consolidated financial statements for the period ended 30 June 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 Condensed Interim Consolidated Statement of Profit and Loss. Where the sale price is below fair value, any losses are immediately recognised in the Condensed Interim 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 Condensed Interim 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 Condensed Interim 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 Condensed Interim 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.

(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 Condensed Interim 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.



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

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 Condensed Interim 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 Condensed Interim 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 Condensed Interim Consolidated Statement of Changes in Equity and in the Condensed Interim Consolidated Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from settlement or curtailments are recognised immediately in Condensed Interim Consolidated Statement of Profit and Loss as past service cost.

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 Condensed Interim 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 Condensed Interim 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

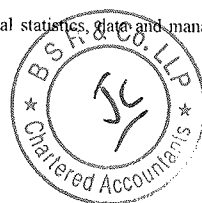
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of discounts. Revenue is recorded provided the recovery of consideration is probable and determinable.

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.



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

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 Condensed Interim 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 Condensed Interim 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 Condensed Interim Consolidated 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 Condensed Interim 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 Condensed Interim 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 Condensed Interim 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 Condensed Interim 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 reporting period 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.



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InterGlobe Aviation Limited

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

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 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 Condensed Interim Consolidated Balance Sheet. Significant 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.

(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 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 who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments. Refer Note 8 for the change in management's approach towards evaluation and assessing performance of the Group.

(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.

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InterGlobe Aviation Limited

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

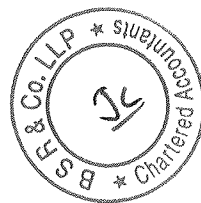
3. Property, plant and equipment

As at 30 June 2017

Particulars	Owned aircraft and spare engines	Leased aircraft	Furniture and fixtures	Computer	Office equipment	Ground support equipment	Vehicles (including ground support vehicles)	Leaschold improvements - aircraft	Rotables and non-aircraft equipment	Total
Gross value										
Balance at the beginning of the period	7,698.99	33,176.04	194.53	435.94	101.45	1,213.69	813.70	631.59	960.43	45,968.21
Additions during the period	237.12	-	1.73	20.95	3.64	95.98	16.54	9.98	5.58	555.42
Disposals during the period	43.60	-	-	0.12	-	1.80	2.46	-	-	70.54
Adjustments during the period **	-	(44.94)	-	-	-	-	-	-	-	(44.94)
Balance at the end of the period	7,892.51	33,131.10	196.26	456.77	105.09	1,307.87	827.78	641.57	966.01	46,388.35
Accumulated depreciation										
Balance at the beginning of the period	2,049.83	4,637.70	65.41	266.66	46.25	346.69	295.80	289.23	427.64	8,493.49
Depreciation for the period	123.07	557.72	8.74	24.16	5.37	43.37	40.18	49.09	62.78	925.77
Depreciation on disposals	43.60	-	-	0.06	-	0.64	1.17	-	-	3.21
Balance at the end of the period	2,129.30	5,195.42	74.15	290.76	51.62	389.42	334.81	338.32	490.42	9,370.58
Net carrying value as at 30 June 2017	5,763.21	27,935.68	122.11	166.01	53.47	918.45	492.97	303.25	475.59	37,017.77

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)	Leaschold improvements - aircraft	Rotables and non-aircraft equipment	Total
Gross value										
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	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	2,017.57
Disposals during the year #	7,741.62	38.85	0.03	1.85	0.22	-	8.11	-	-	7,836.55
Adjustments during the year **	5,718.07	(6,981.99)	-	-	-	-	-	-	-	(1,263.92)
Balance at the end of the year	7,698.99	33,176.04	194.53	435.94	101.45	1,213.69	813.70	631.59	960.43	45,968.21
Accumulated depreciation										
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	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	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	477.64	8,493.49
Net carrying value as at 31 March 2017	5,649.16	28,538.34	129.12	169.28	55.20	867.00	517.90	342.36	532.79	37,474.72



InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim consolidated financial statements for the period ended 30 June 2017
(Rupees in millions, except for share data and if otherwise stated)

3. Property, plant and equipment (continued)

*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 Condensed Interim Consolidated 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 Group has opted for the optional exemption and accordingly, the Group had adjusted foreign currency gain amounting to Rs. 44.94 (31 March 2017: Rs. 309.17) during the period ended 30 June 2017, arising on re-statement of long-term foreign currency monetary loans used for acquisition of a depreciable capital asset.

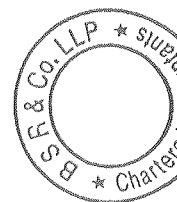
**The Group has utilized its Initial Public Offer proceeds towards retirement of certain outstanding finance lease liabilities in foreign currency and consequent acquisition of aircraft. The adjustment in the Gross value of owned aircraft of Rs. Nil (31 March 2017: Rs. 5,718.07) represents the cost of the acquired finance leased aircraft as reduced by the outstanding deferred incentives amounting to Rs. Nil (31 March 2017: 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. Nil (31 March 2017: Rs. 524.29) represents the accumulated depreciation of the acquired finance leased aircraft as on the date of acquisition.

Consequently, the adjustment in the Gross value of finance leased aircraft of Rs. Nil (31 March 2017: 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. Nil (31 March 2017: Rs. 524.29) represents the accumulated depreciation of the transferred finance leased aircraft to owned aircraft as on the date of acquisition.

‡ During the 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 Condensed Interim Consolidated Statement of Profit and Loss under other income as the transaction has been established at fair value.

4. Other intangible assets

As at 30 June 2017	Computer software	Total
Gross value		
Balance at the beginning of the period	755.11	755.11
Additions during the period	23.15	23.15
Disposals during the period	-	-
Balance at the end of the period	778.26	778.26
Accumulated amortisation		
Balance at the beginning of the period	291.42	291.42
Amortisation for the period	57.64	57.64
Amortisation on disposals	-	-
Balance at the end of the period	349.06	349.06
Net carrying value as at 30 June 2017	429.20	429.20
As at 31 March 2017		
Gross value		
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
Accumulated amortisation		
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
Net carrying value as at 31 March 2017	463.69	463.69



InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim consolidated financial statements for the period ended 30 June 2017

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

5. Fair value measurement and financial instruments
Financial instruments – by category and fair values hierarchy

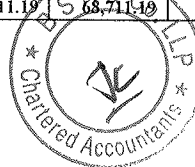
The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As on 30 June 2017

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Investments	0.18	-	-	0.18	-	-	0.18
Loans	-	-	5,702.17	5,702.17	-	-	5,962.63
Other financial assets*	-	-	10,393.62	10,393.62			
Current							
Investments	42,831.87	-	-	42,831.87	-	42,831.87	-
Trade receivables*	-	-	1,705.12	1,705.12			
Cash and cash equivalents*	-	-	1,797.29	1,797.29			
Bank balances other than cash and cash equivalents*	-	-	47,399.87	47,399.87			
Loans	-	-	297.73	297.73	-	-	297.73
Other financial assets*	-	-	5,797.59	5,797.59			
TOTAL	42,832.05	-	73,093.39	115,925.44			
Financial liabilities							
Non-current							
Borrowings#	-	-	23,212.08	23,212.08	-	-	23,212.08
Other financial liabilities							
Supplementary rentals	-	-	23,146.03	23,146.03	-	-	23,399.09
Others	-	-	1.04	1.04	-	-	1.04
Current							
Trade payables*	-	-	7,861.60	7,861.60			
Other financial liabilities							
Interest accrued but not due on borrowings#	-	-	124.97	124.97	-	-	124.97
Current maturities of finance lease obligations#	-	-	2,029.07	2,029.07	-	-	2,029.07
Supplementary rentals	-	-	11,203.15	11,203.15	-	-	11,223.11
Book overdraft*	-	-	269.72	269.72			
Maintenance advance*	-	-	2,923.08	2,923.08			
TOTAL	-	-	70,770.74	70,770.74			

(ii) As on 31 March 2017

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Investments	0.18	-	-	0.18	-	-	0.18
Loans	-	-	5,440.26	5,440.26	-	-	5,305.46
Other financial assets*	-	-	10,356.39	10,356.39			
Current							
Investments	37,134.10	-	-	37,134.10	-	37,134.10	-
Trade receivables*	-	-	1,587.02	1,587.02			
Cash and cash equivalents*	-	-	1,531.19	1,531.19			
Bank balances other than cash and cash equivalents*	-	-	44,794.26	44,794.26			
Loans	-	-	39.76	39.76	-	-	39.76
Other financial assets*	-	-	4,100.86	4,100.86			
TOTAL	37,134.28	-	67,849.74	104,984.02			
Financial liabilities							
Non-current							
Borrowings#	-	-	23,957.08	23,957.08	-	-	23,957.08
Other financial liabilities							
Supplementary rentals	-	-	22,685.34	22,685.34	-	-	22,504.72
Current							
Trade payables*	-	-	7,746.10	7,746.10			
Other financial liabilities							
Interest accrued but not due on borrowings#	-	-	112.57	112.57	-	-	112.57
Current maturities of finance lease obligations#	-	-	2,004.66	2,004.66	-	-	2,004.66
Supplementary rentals	-	-	9,248.51	9,248.51	-	-	9,300.67
Maintenance advance*	-	-	2,956.93	2,956.93			
TOTAL	-	-	68,711.19	68,711.19			



InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim consolidated financial statements for the period ended 30 June 2017

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

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, book overdraft 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 and other non-current financial liabilities-others 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 period ended 30 June 2017 and 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 quarter in line with the Group's quarterly reporting periods.

6. 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 Hon'ble 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 30 June 2017 (31 March 2017 : Rs. 4,177.82). This exposure is net of Rs. 1,017.21 (31 March 2017 : Rs. 1,017.21) which represents minimum alternate tax recoverable written off in the earlier years.

(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 (31 March 2017: Rs. 145.68),
- (2) Value Added Tax - Rs. 7.85 (31 March 2017: Rs. 7.85) and
- (3) Octroi - Rs. 74.39 (31 March 2017: 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

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 reporting period, 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.

(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.

7. Commitments

Particulars	As at 30 June 2017	As at 31 March
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. 250.95 (31 March 2017: Rs. 119.65)]	1,428,646.52	1,430,211.59
	1,428,646.52	1,430,211.59

8. Segment reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, with effect from 1 April 2017, the Chief Operating Decision Maker ('CODM') has realigned the evaluation of the Company's performance at an overall company level as one segment i.e. 'air transportation services'. Till the previous year, CODM evaluated the Company performance based on geographical segments. However, after considering the nature of operations, the risks and rewards and the nature of the regulatory environment across the Company's network and the interchangeability of use of assets across the network routes of the Company, the CODM has started evaluating the Company's performance based on air transportation services. Further, the operations of Agile has not yet commenced.



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InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim consolidated financial statements for the period ended 30 June 2017

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

8. Segment reporting (continued)

Segment wise information for the period ended 30 June 2017 is as follows:

Information about services - Income

Particulars	For the period ended 30 June 2017
a. Air transportation services	57,529.12
b. Others income	2,026.35
Total	59,555.47

Information about geographical areas - Income

Particulars	For the period ended 30 June 2017
a. Air transportation services	
I. Domestic	51,737.20
II. International	5,791.92
b. Other income	2,026.35
Total	59,555.47

The major revenue earning asset is the aircraft fleet, which is registered in India. Since, the aircraft fleet is deployed flexibly across the Company's route network, providing information on non-current assets by geographical areas, as required by Ind AS 108, is not considered meaningful. No single external customer contributes 10% or more of the Company's revenue.

9. Earnings per share (EPS)
a. Profit attributable to equity share holders

Particulars	For the period ended 30 June 2017
Profit attributable to equity share holders:	
Profit attributable to equity share holders for basic earnings	8,111.37
Profit attributable to equity share holders adjusted for the effect of dilution	8,111.37

b. Weighted average number of equity shares

Particulars	For the period ended 30 June 2017
Weighted average number of equity shares	
- For basic earnings per share	361,514,412
Dilutive effect of stock options	693,322
	362,207,734
Basic earnings per share (Rs.)	22.44
Diluted earnings per share (Rs.)	22.39
Nominal value per share (Rs.)	10

Nil 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 period presented.

10. During the period ended 30 June 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. Subsequently, the Company has also entered into an agreement with ATR for the purchase of certain ATR 72-600 aircraft.

11. Subsequent to the period ended 30 June 2017, the Company has approved issuance of fresh equity shares and offer for sale under the proposed Institutional Placement Programme, in accordance with the requirements of Chapter VIII-A of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

As per our report of even date attached

For BSR & 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

Aditya Ghosh

President and Whole Time Director

DIN: 01243445

Rohit Philip

Chief Financial Officer

Place: Gurgaon

Date: 11 September 2017

Place: Gurgaon

Date: 11 September 2017

InterGlobe Aviation Limited
Condensed Interim Standalone Balance Sheet as at 30 June 2017
(Rupees in millions, except for share data and if otherwise stated)

	As at 30 June 2017	As at 31 March 2017
I. ASSETS		
Non-current assets		
a. Property, plant and equipment (Refer to Note 3)	37,017.77	37,474.72
b. Capital work-in-progress	242.06	233.03
c. Other intangible assets (Refer to Note 4)	429.20	463.69
d. Intangible assets under development	36.78	18.83
e. Financial assets		
(i) Investments	0.28	0.28
(ii) Loans	5,702.17	5,440.26
(iii) Other financial assets	10,393.62	10,356.39
f. Income tax assets (net)	140.19	97.60
g. Other non-current assets	3,694.79	3,548.74
Total non-current assets	57,656.86	57,633.54
Current assets		
a. Inventories	1,623.90	1,631.50
b. Financial assets		
(i) Investments	42,831.87	37,134.10
(ii) Trade receivables	1,705.12	1,587.02
(iii) Cash and cash equivalents	1,797.21	1,531.09
(iv) Bank balances other than cash and cash equivalents, above	47,399.87	44,794.26
(v) Loans	297.73	39.76
(vi) Other financial assets	5,797.83	4,101.10
c. Other current assets	4,119.26	3,645.23
Total current assets	105,572.79	94,464.06
TOTAL ASSETS	163,229.65	152,097.60
II. EQUITY AND LIABILITIES		
EQUITY		
a. Equity share capital	3,615.99	3,614.68
b. Other equity	42,437.60	34,177.49
Total equity	46,053.59	37,792.17
LIABILITIES		
Non-current liabilities		
a. Financial liabilities		
(i) Borrowings	23,212.08	23,957.08
(ii) Other financial liabilities	23,147.07	22,685.34
b. Provisions	1,307.90	1,223.94
c. Deferred tax liabilities (net)	2,243.12	1,618.06
d. Other non-current liabilities	88.70	75.00
e. Deferred incentives	17,706.44	16,899.90
Total non-current liabilities	67,705.31	66,459.32
Current liabilities		
a. Financial liabilities		
(i) Trade payables	7,861.36	7,745.94
(ii) Other financial liabilities	16,549.99	14,322.67
b. Provisions	793.89	667.06
c. Current tax liabilities (net)	1,647.52	446.77
d. Other current liabilities	17,590.72	19,725.84
e. Deferred incentives	5,027.27	4,937.83
Total current liabilities	49,470.75	47,846.11
TOTAL EQUITY AND LIABILITIES	163,229.65	152,097.60

Explanatory notes annexed

The explanatory notes form an integral part of these condensed interim standalone financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

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

Jiten Chopra

Partner

Membership No. 092894

Place: Gurgaon

Date: 11 September 2017

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

Aditya Ghosh

President and Whole Time Director

DIN: 01243445

Place: Gurgaon

Date: 11 September 2017

Rohit Philip

Chief Financial Officer

InterGlobe Aviation Limited**Condensed Interim Standalone Statement of Profit and Loss for the period ended 30 June 2017**

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

	For the period ended 30 June 2017	For the period ended 30 June 2016
Income		
Revenue from operations	57,529.12	45,788.52
Other income	2,026.35	1,626.06
Total income	59,555.47	47,414.58
Expenses		
Aircraft fuel expenses	17,591.66	13,674.11
Aircraft and engine rentals (net)	8,536.92	7,126.96
Purchase of stock-in-trade	317.67	347.41
Changes in inventories of stock-in-trade	20.04	(3.20)
Employee benefits expense	5,842.77	4,789.48
Finance costs	769.75	1,163.10
Depreciation and amortisation expense	983.41	1,148.23
Other expenses	14,249.90	11,701.53
Total expenses	48,312.12	39,947.62
Profit before tax	11,243.35	7,466.96
Income tax expense		
Current tax	2,808.80	1,843.28
Deferred tax (credit) / charge	323.09	(294.05)
Total tax expense	3,131.89	1,549.23
Profit for the period	8,111.46	5,917.73
Other comprehensive income		
Items that will not be reclassified to profit or loss		
- Remeasurements of defined benefit plans	5.68	2.66
- Income tax relating to above mentioned item	(1.97)	(0.92)
Other comprehensive income for the period, net of tax	3.71	1.74
Total comprehensive income for the period	8,115.17	5,919.47
Earnings per equity share of face value of Rs. 10 each (Refer to Note 9)		
Basic (Rs.)	22.44	16.42
Diluted (Rs.)	22.39	16.36

Explanatory notes annexed

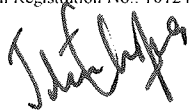
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For BSR & Co. LLP

Chartered Accountants

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


Jiten Chopra

Partner

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

Aditya Ghosh

President and Whole Time Director

DIN: 01243445

Place: Gurgaon

Date: 11 September 2017


Rohit Philip

Chief Financial Officer

InterGlobe Aviation Limited
Condensed Interim Standalone Cash Flow Statement for the period ended 30 June 2017
(Rupees in millions, except for share data and if otherwise stated)

	For the period ended 30 June 2017	For the period ended 30 June 2016
A. Cash flows from operating activities		
Profit before tax	11,243.35	7,466.96
Adjustments for:		
Depreciation and amortisation expense	983.41	1,148.23
Provision for redelivery and overhaul cost	186.09	19.94
Liabilities no longer required written back	-	(116.01)
Loss on sale of property, plant and equipment (net)	0.59	0.06
Non cash incentives, claims and credits (net)	(2.49)	15.30
Interest accretion on provisions and other financial liabilities measured at amortised cost	506.41	381.23
Deferred rent amortisation (included in Aircraft and engine rentals)	152.70	117.59
Property, plant and equipment written off	19.15	-
Advance write off	-	0.29
Unrealised foreign exchange (gain) / loss (net)	(68.38)	608.52
Interest on borrowings measured at amortised cost	49.72	39.01
Finance lease charges on finance lease obligations measured at amortised cost	213.62	672.93
Employee stock option scheme expense	93.70	215.81
Interest income from bank deposits	(974.10)	(939.74)
Interest income from financial assets at amortised cost	(135.87)	(107.21)
Marked to market gain on current investments	(567.96)	(252.76)
Net gain on sale of current investments	(238.00)	(67.93)
Operating profit before working capital changes	11,461.94	9,202.22
Adjustments for:		
Increase in trade receivables	(125.24)	(112.46)
Decrease/(increase) in inventories	7.60	(495.66)
Increase in loans, other financial assets, and other assets	(2,873.63)	(404.76)
Decrease in trade payables, other financial liabilities and other liabilities	(88.32)	(394.99)
Increase/(decrease) in deferred incentives	894.23	(365.32)
Cash generated from operating activities	9,276.58	7,429.03
Income tax paid	(1,350.64)	(903.82)
Net cash generated from operating activities	7,925.94	6,525.21
B. Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets (including capital advances)	(717.49)	(211.65)
Proceeds from sale of property, plant and equipment	1.92	0.33
Deposits made with banks due to mature within 12 months from the reporting date (net)	(2,605.61)	(2,932.18)
Deposits made with banks due to mature after 12 months from the reporting date (net)	(115.53)	2,302.16
Purchase of mutual funds / shares	(27,257.00)	(24,818.50)
Proceeds from sale of mutual funds / shares	22,365.19	18,801.62
Interest received	1,206.92	786.04
Net cash used in investing activities	(7,121.60)	(6,072.18)
C. Cash flows from financing activities		
Repayment of secured loans (Refer to Note 3 below)	(743.95)	(5,727.26)
Interest paid	(2.15)	(2.05)
Finance lease charges paid	(160.51)	(129.50)
Proceeds from issue of shares on exercise of stock options	1.31	8.47
Proceeds from securities premium on exercise of stock options	51.24	-
Net cash used in financing activities	(854.06)	(5,850.34)
Net decrease in cash and cash equivalents during the period (A+B+C)	(49.72)	(5,397.31)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	46.12	60.61
D. Cash and cash equivalents at the beginning of the period		
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
E. Cash and cash equivalents as at the end of the period		
Cash on hand	41.98	42.07
Balance with banks:		
- On current accounts	1,730.23	2,599.91
- On deposit accounts (with original maturity of three months or less)	25.00	75.00
	1,797.21	2,716.98
Less: Book overdraft	269.72	-
	1,527.49	2,716.98



InterGlobe Aviation Limited**Condensed Interim Standalone Cash Flow Statement for the period ended 30 June 2017**

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

Notes:

1. The Condensed Interim Standalone 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 issued thereunder.
2. Current account balance with banks includes Rs. 339.51 (30 June 2016: Rs. 239.62) held in foreign currency which are freely remissible to the Company.

3. Changes in liabilities arising from financing activities

	For the period ended 30 June 2017	For the period ended 30 June 2016
Opening balance of secured loans	25,961.74	32,446.29
- Finance lease obligations (including current maturities of finance lease obligations)	21,357.74	28,410.83
- Foreign currency term loan - from others	4,604.00	4,035.46
Cash flows		
Repayment of secured loans	(743.95)	(5,727.26)
Non-cash changes		
Foreign currency exchange fluctuations	(60.43)	582.00
Changes in finance lease obligation measured at amortised cost	83.79	555.72
Closing balance of secured loans	25,241.15	27,856.75
- Finance lease obligations (including current maturities of finance lease obligations)	20,652.65	23,738.03
- Foreign currency term loan - from others	4,588.50	4,118.72

Explanatory notes annexed

The explanatory notes form an integral part of these condensed interim standalone financial statements

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

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



Jiten Chopra

Partner

Membership No. 092894

Place: Gurgaon


Date: 11 September 2017

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


Aditya Ghosh

President and Whole Time Director

DIN: 01243445



Rohit Philip

Chief Financial Officer

Place: Gurgaon

Date: 11 September 2017

InterGlobe Aviation Limited
Condensed Interim Standalone Statement of Changes in Equity for the period ended 30 June 2017
(Rupees in millions, except for share data and if otherwise stated)

a. Equity share capital

	For the period ended 30 June 2017		For the period ended 30 June 2016	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the period	361,468,363	3,614.68	360,356,544	3,603.57
Changes in equity share capital during the period:				
Issued during the period pursuant to exercise of employee stock options scheme	130,952	1.31	847,262	8.47
Balance at the end of the period	361,599,315	3,615.99	361,203,806	3,612.04

b. Other equity

	Equity component of compound financial instruments*		Reserves and surplus			Other comprehensive income**	Total
	Employee stock options outstanding account	Securities premium reserve	General reserve	Retained earnings			
Balance as at 1 April 2017	58.79	12,604.58	389.07	20,610.33	(34.40)		34,177.49
Profit for the period				8,111.46			8,111.46
Other comprehensive income for the period					3.71		3.71
Total comprehensive income for the period				28,721.79	(30.69)		42,292.66
Employee stock option scheme expense	93.70	-	-	-	-		93.70
Premium received on issue of shares on exercise of stock options	-	51.24	-	-	-		51.24
Amount utilized / transfer for issue of shares on exercise of stock options	(72.14)	72.14	-	-	-		-
Balance as at 30 June 2017	58.79	12,727.96	389.07	28,721.79	(30.69)		42,437.60

* 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).



InterGlobe Aviation Limited
Condensed Interim Standalone Statement of Changes in Equity for the period ended 30 June 2017
(Rupees in millions, except for share data and if otherwise stated)

b. Other equity (continued)

	Equity component of compound financial instruments*	Employee stock options outstanding account	Reserves and surplus		Other comprehensive income**	Total
			Securities premium reserve	General reserve		
Balance as at 1 April 2016	58.79	677.07	11,971.74	389.07	(12.68)	23,628.27
Profit for the period						5,917.73
Other comprehensive income for the period					1.74	1.74
Total comprehensive income for the period					(10.94)	29,547.74
Employee stock option scheme expense	-	215.81	-	-	-	215.81
Amount utilized / transfer for issue of shares on exercise of stock options	-	(482.26)	482.26	-	-	-
Balance as at 30 June 2016	58.79	410.62	12,454.00	389.07	(10.94)	29,763.55

* 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).

Explanatory notes annexed

The explanatory notes form an integral part of these condensed interim standalone financial statements


As per our report of even date attached


For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W /W-100022


Jiten Chopra
Partner
Membership No. 092894

Place: Gurgaon
Date: 11 September 2017

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


Aditya Ghosh
President and Whole Time Director
DIN: 01243445


Rohit Philip
Chief Financial Officer

Place: Gurgaon
Date: 11 September 2017

InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim standalone financial statements for the period ended 30 June 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 had 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, these condensed interim standalone financial statements comply with requirements of Ind AS 34, 'Interim Financial Reporting', as prescribed under section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder.

The condensed interim standalone financial statements were authorised for issue by the Board of Directors of the Company on 11 September 2017.

(ii) Basis of measurement

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

(iii) Critical accounting estimates and judgements

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

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

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

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

Note 2.(b) (xv) - 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.

Judgement required to determine grant date fair value technique.

Note 2.(b) (iii) (v) and 5 - fair value measurement of financial instruments.

Note 2.(b) (xxii) - 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 twelve months.

2.b Significant accounting policies

The accounting policies applied in these condensed interim standalone financial statements are same as those applied in the last annual standalone financial statements. The accounting policies are reproduced below:

(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.



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InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim standalone financial statements for the period ended 30 June 2017

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

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 condensed interim standalone 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 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 Condensed Interim Standalone 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 Condensed Interim Standalone 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 Condensed Interim Standalone 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 condensed interim standalone 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 condensed interim standalone 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 5.

(iv) Investment in subsidiaries

Investment in subsidiaries is carried at cost, less any impairment in the value of investment, in these separate condensed interim standalone 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 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.



InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim standalone financial statements for the period ended 30 June 2017
(Rupees in millions, except for share data and if otherwise stated)

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 losses are recognised in the Condensed Interim Standalone 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 Condensed Interim Standalone 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 Condensed Interim Standalone 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 Condensed Interim Standalone 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 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 Condensed Interim Standalone 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 Condensed Interim Standalone Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Condensed Interim Standalone 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 Condensed Interim Standalone Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the Condensed Interim Standalone 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.

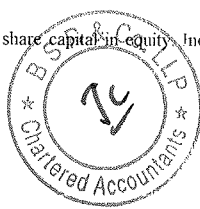
Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of convertible preference shares is not remeasured subsequently.

Interest related to the liability component is recognised in Condensed Interim Standalone Statement of Profit and Loss. On conversion, the liability component is reclassified to equity and no gain or loss is recognised.

(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.



InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim standalone financial statements for the period ended 30 June 2017

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

(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.

For the purposes of the Condensed Interim Standalone Cash Flow Statement, cash and cash equivalents include cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, net of outstanding book overdrafts, which are considered part of the Company's cash management.

(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 Condensed Interim Standalone 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 Condensed Interim Standalone 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 Condensed Interim Standalone 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 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

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 period.

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.

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.



InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim standalone financial statements for the period ended 30 June 2017

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

(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 proceeds and the carrying amount of the other intangible asset and are recognised in the Condensed Interim Standalone 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 Condensed Interim Standalone 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 period.

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 Condensed Interim Standalone 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 Condensed Interim Standalone Statement of Profit and Loss. Where the sale price is below fair value, any losses are immediately recognised in the Condensed Interim Standalone 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.

(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 Condensed Interim Standalone 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 Condensed Interim Standalone 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 Condensed Interim Standalone 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.



InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim standalone financial statements for the period ended 30 June 2017

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

(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).

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 Condensed Interim Standalone 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 Condensed Interim Standalone 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 Condensed Interim Standalone 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 Condensed Interim Standalone Statement of Changes in Equity and in the Condensed Interim Standalone Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from settlement or curtailments are recognised immediately in Condensed Interim Standalone Statement of Profit and Loss as past service cost.

Other long-term employee benefits

i. Compensated absences

The 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 Condensed Interim Standalone 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 Condensed Interim Standalone Statement of Profit and Loss in the period in which they arise.



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InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim standalone financial statements for the period ended 30 June 2017
(Rupees in millions, except for share data and if otherwise stated)

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 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 pertains. 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 Condensed Interim Standalone 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 Condensed Interim Standalone 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.



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InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim standalone financial statements for the period ended 30 June 2017

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

(xx) Aircraft repair, maintenance and redelivery cost

The Company recognises aircraft repair and maintenance cost in the Condensed Interim Standalone 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 Condensed Interim Standalone 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 condensed interim standalone 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 Condensed Interim Standalone 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 Condensed Interim Standalone 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 reporting period 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 Condensed Interim Standalone Balance Sheet. Significant 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 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. Refer Note 8 for the change in management's approach towards evaluation and assessing performance of the Company.

(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.



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InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim standalone financial statements for the period ended 30 June 2017
(Rupees in millions, except for share data and if otherwise stated)

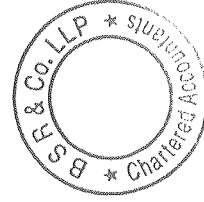
3. Property, plant and equipment

As at 30 June 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
Gross value											
Balance at the beginning of the period	7,698.99	33,176.04	194.53	435.94	101.45	1,213.69	813.70	631.59	960.43	741.85	45,968.21
Additions during the period	237.12	-	1.73	20.95	3.64	95.98	16.54	9.98	5.58	143.90	555.42
Disposals during the period	43.60	-	-	0.12	-	1.80	2.46	-	-	22.36	70.34
Adjustments during the period **	-	(44.94)	-	-	-	-	-	-	-	-	(44.94)
Balance at the end of the period	7,892.51	33,131.10	196.26	456.77	105.09	1,307.87	827.78	641.57	966.01	863.39	46,388.35
Accumulated depreciation											
Balance at the beginning of the period	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
Depreciation for the period	123.07	557.72	8.74	24.16	5.37	43.37	40.18	49.09	62.78	11.29	925.77
Depreciation on disposals	43.60	-	-	0.06	-	0.64	1.17	-	-	3.21	48.68
Balance at the end of the period	2,129.30	5,195.42	74.15	290.76	51.62	389.42	334.81	338.32	490.42	76.36	9,370.58
Net carrying value as at 30 June 2017	5,763.21	27,935.68	122.11	166.01	53.47	918.45	492.97	303.25	475.59	787.03	37,017.77

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
Gross value											
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	528.28	55,051.11
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)
Balance at the end of the year	7,698.99	33,176.04	194.53	435.94	101.45	1,213.69	813.70	631.59	960.43	741.85	45,968.21
Accumulated depreciation											
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	93.141	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
Net carrying value as at 31 March 2017	5,649.16	28,538.34	129.12	169.28	55.20	867.00	517.90	342.36	532.79	673.57	37,474.72



3. Property, plant and equipment (continued)

*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 Condensed Interim Standalone 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. 44.94 (31 March 2017: Rs. 369.17) during the period ended 30 June 2017, arising on re-statement of long-term foreign currency monetary loans used for acquisition of a depreciable capital asset.

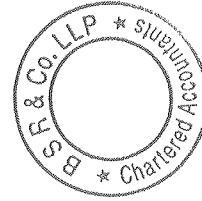
**The Company has utilized its Initial Public Offer proceeds towards retirement of certain outstanding finance lease liabilities in foreign currency and consequent acquisition of aircraft. The adjustment in the Gross value of owned aircraft of Rs. Nil (31 March 2017: Rs. 5,718.07) represents the cost of the acquired finance leased aircraft as reduced by the outstanding deferred incentives amounting to Rs. Nil (31 March 2017: 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. Nil (31 March 2017: Rs. 524.29) represents the accumulated depreciation of the acquired finance leased aircraft as on the date of acquisition. Consequently, the adjustment in the Gross value of finance leased aircraft of Rs. Nil (31 March 2017: 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. Nil (31 March 2017: Rs. 524.29) represents the accumulated depreciation of the transferred finance leased aircraft to owned aircraft as on the date of acquisition.

During the 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 Condensed Interim Standalone Statement of Profit and Loss under other income as the transaction has been established at fair value.

4. Other intangible assets

Particulars	Computer software	Total
As at 30 June 2017		
Gross value		
Balance at the beginning of the period	755.11	755.11
Additions during the period	23.15	23.15
Disposals during the period	-	-
Balance at the end of the period	778.26	778.26
Accumulated amortisation		
Balance at the beginning of the period	291.42	291.42
Amortisation for the period	57.64	57.64
Amortisation on disposals	-	-
Balance at the end of the period	349.06	349.06
Net carrying value as at 30 June 2017	429.20	429.20

Particulars	Computer software	Total
As at 31 March 2017		
Gross value		
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
Accumulated amortisation		
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
Net carrying value as at 31 March 2017	463.69	463.69



InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim standalone financial statements for the period ended 30 June 2017

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

5. Fair value measurement and financial instruments
Financial instruments – by category and fair values hierarchy

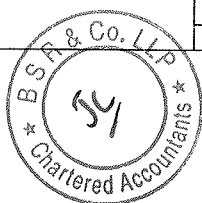
The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As on 30 June 2017

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Investments**	0.18	-	-	0.18	-	-	0.18
Loans	-	-	5,702.17	5,702.17	-	-	5,962.63
Other financial assets*	-	-	10,393.62	10,393.62			
Current							
Investments	42,831.87	-	-	42,831.87	-	42,831.87	-
Trade receivables*	-	-	1,705.12	1,705.12			
Cash and cash equivalents*	-	-	1,797.21	1,797.21			
Bank balances other than cash and cash equivalents*	-	-	47,399.87	47,399.87			
Loans	-	-	297.73	297.73	-	-	297.73
Other financial assets*	-	-	5,797.83	5,797.83			
TOTAL	42,832.05	-	73,093.55	115,925.60			
Financial liabilities							
Non-current							
Borrowings#	-	-	23,212.08	23,212.08	-	-	23,212.08
Other financial liabilities							
Supplementary rentals	-	-	23,146.03	23,146.03	-	-	23,399.09
Others	-	-	1.04	1.04	-	-	1.04
Current							
Trade payables*	-	-	7,861.36	7,861.36			
Other current financial liabilities							
Interest accrued but not due on borrowings#	-	-	124.97	124.97	-	-	124.97
Current maturities of finance lease obligations#	-	-	2,029.07	2,029.07	-	-	2,029.07
Supplementary rentals	-	-	11,203.15	11,203.15	-	-	11,223.11
Book overdraft*	-	-	269.72	269.72			
Maintenance advance*	-	-	2,923.08	2,923.08			
TOTAL	-	-	70,770.50	70,770.50			

(ii) As on 31 March 2017

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Investments**	0.18	-	-	0.18	-	-	0.18
Loans	-	-	5,440.26	5,440.26	-	-	5,305.46
Other financial assets*	-	-	10,356.39	10,356.39			
Current							
Investments	37,134.10	-	-	37,134.10	-	37,134.10	-
Trade receivables*	-	-	1,587.02	1,587.02			
Cash and cash equivalents*	-	-	1,531.09	1,531.09			
Bank balances other than cash and cash equivalents*	-	-	44,794.26	44,794.26			
Loans	-	-	39.76	39.76	-	-	39.76
Other financial assets*	-	-	4,101.10	4,101.10			
TOTAL	37,134.28	-	67,849.88	104,984.16			
Financial liabilities							
Non-current							
Borrowings#	-	-	23,957.08	23,957.08	-	-	23,957.08
Other financial liabilities							
Supplementary rentals	-	-	22,685.34	22,685.34	-	-	22,932.78
Current							
Trade payables*	-	-	7,745.94	7,745.94			
Other current financial liabilities							
Interest accrued but not due on borrowings#	-	-	112.57	112.57	-	-	112.57
Current maturities of finance lease obligations#	-	-	2,004.66	2,004.66	-	-	2,004.66
Supplementary rentals	-	-	9,248.51	9,248.51	-	-	9,300.67
Maintenance advance*	-	-	2,956.93	2,956.93			
TOTAL	-	-	68,711.03	68,711.03			



InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim standalone financial statements for the period ended 30 June 2017
(Rupees in millions, except for share data and if otherwise stated)

5. Fair value measurement and financial instruments (continued)

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, book overdraft 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.

** Non-current investments excludes investment in subsidiary which is carried at cost.

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 and other non-current financial liabilities-others 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 period ended 30 June 2017 and 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 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 atleast once every quarter in line with the Company's quarterly reporting periods.

6. 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 Hon'ble High Court against the order of 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 (excluding interest and penalty) estimated by the Company pertaining to these cases amounts to Rs. 4,177.82 as at 30 June 2017 (31 March 2017 : Rs. 4,177.82). This exposure is net of Rs. 1,017.21 (31 March 2017 : Rs. 1,017.21) 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) Service Tax- Rs. 145.68 (31 March 2017: Rs. 145.68),
- (2) Value Added Tax - Rs. 7.85 (31 March 2017: Rs. 7.85) and
- (3) Octroi - Rs. 74.39 (31 March 2017: Rs. 74.45).

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.

(iii) Other legal cases

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 reporting period, 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.

(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.

7. Commitments**Particulars**

	As at 30 June 2017	As at 31 March
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. 250.95 (31 March 2017: Rs. 119.65)]	1,428,646.52	1,430,211.59
	1,428,646.52	1,430,211.59

8. Segment reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, with effect from 1 April 2017, the Chief Operating Decision Maker ('CODM') has realigned the evaluation of the Company's performance at an overall company level as one segment i.e. 'air transportation services'. Till the previous year, CODM evaluated the Company performance based on geographical segments. However, after considering the nature of operations, the risks and rewards and the nature of the regulatory environment across the Company's network and the interchangeability of use of assets across the network routes of the Company, the CODM has started evaluating the Company's performance based on air transportation services.



InterGlobe Aviation Limited

Explanatory notes forming part of the condensed interim standalone financial statements for the period ended 30 June 2017

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

8. Segment reporting (continued)

Segment wise information for the period ended 30 June 2017 is as follows:

Information about services - Income

Particulars	For the period ended 30 June 2017	For the period ended 30 June 2016
a. Air transportation services	57,529.12	45,788.52
b. Other income	2,026.35	1,626.06
Total	59,555.47	47,414.58

Information about geographical areas - Income

Particulars	For the period ended 30 June 2017	For the period ended 30 June 2016
a. Air transportation services		
I. Domestic	51,737.20	42,046.60
II. International	5,791.92	3,741.92
b. Other income	2,026.35	1,626.06
Total	59,555.47	47,414.58

The major revenue earning asset is the aircraft fleet, which is registered in India. Since, the aircraft fleet is deployed flexibly across the Company's route network, providing information on non-current assets by geographical areas, as required by Ind AS 108, is not considered meaningful. No single external customer contributes 10% or more of the Company's revenue.

9. Earnings per share (EPS)

a. Profit attributable to equity share holders

Particulars	For the period ended 30 June 2017	For the period ended 30 June 2016
Profit attributable to equity share holders:		
Profit attributable to equity share holders for basic earnings	8,111.46	5,917.73
Profit attributable to equity share holders adjusted for the effect of dilution	8,111.46	5,917.73

b. Weighted average number of equity shares

Particulars	For the period ended 30 June 2017	For the period ended 30 June 2016
Weighted average number of equity shares		
- For basic earnings per share	361,514,412	360,375,166
Dilutive effect of stock options	693,322	1,317,504
	362,207,734	361,692,670
Basic earnings per share (Rs.)	22.44	16.42
Diluted earnings per share (Rs.)	22.39	16.36
Nominal value per share (Rs.)	10	10

Nil (30 June 2016: 167,778) 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 period presented.

10. During the period ended 30 June 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. Subsequently, the Company has also entered into an agreement with ATR for the purchase of certain ATR 72-600 aircraft.

11. The public shareholding as at 30 June 2017 is 14.15% 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.

Subsequent to the period ended 30 June 2017, the Company has approved issuance of fresh equity shares and offer for sale under the proposed Institutional Placement Programme, in accordance with the requirements of Chapter VIII-A of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

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

Jiten Chopra

Partner

Membership No. 092894

Place: Gurgaon

Date: 11 September 2017

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

Aditya Ghosh

President and Whole Time Director

DIN: 01243445

Place: Gurgaon

Date: 11 September 2017

Rohit Philip

Chief Financial Officer