



## INTERGLOBE AVIATION LIMITED

Our Company was incorporated on January 13, 2004 in Lucknow under the Companies Act, 1956 with the Registrar of Companies, Uttar Pradesh and Uttaranchal at Kanpur as "InterGlobe Aviation Private Limited". The name of our Company was changed to "InterGlobe Aviation Limited" on August 11, 2006. The registered office was subsequently changed from the state of Uttar Pradesh to the National Capital Territory of Delhi with effect from October 8, 2004 and such alteration was confirmed by the order of the Company Law Board dated September 1, 2004. The registered office was changed within the National Capital Territory of Delhi to its current place on October 1, 2006. For details of change in the name and registered office of our Company, please see the chapter "History and Other Corporate Matters" beginning on page 198.

**Registered Office:** Central Wing, Ground Floor, Thapar House, 124 Janpath, New Delhi – 110 001, India; **Tel:** +91 11 6500 0428; **Fax:** +91 11 4351 3200  
**Corporate Office:** Levels 1-5, Tower-C, Global Business Park, M.G. Road, Gurgaon – 122 002, Haryana, India; **Tel:** +91 124 435 2500; **Fax:** +91 124 406 8536  
**Contact Person:** Suresh Kumar Bhutani, Company Secretary and Compliance Officer; **Tel:** +91 124 485 2158; **Fax:** +91 124 426 8664  
**E-mail:** investors@goindigo.in; **Website:** www.goindigo.in; **Corporate Identity Number:** U62100DL2004PLC129768

### PROMOTERS OF OUR COMPANY: MR. RAHUL BHATIA, MR. RAKESH GANGWAL, ACQUIRE SERVICES PRIVATE LIMITED AND INTERGLOBE ENTERPRISES LIMITED

INITIAL PUBLIC OFFERING OF [●] EQUITY SHARES OF FACE VALUE ₹10 EACH ("EQUITY SHARES") OF INTERGLOBE AVIATION LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹[●] MILLION CONSISTING OF A FRESH ISSUE OF [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹1,722 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 30,146,000 EQUITY SHARES COMPRISING 3,290,419 EQUITY SHARES BY INTERGLOBE ENTERPRISES LIMITED, 3,006,000 EQUITY SHARES BY MR. RAHUL BHATIA, 3,759,638 EQUITY SHARES BY MR. RAKESH GANGWAL, 601,200 EQUITY SHARES BY MR. ANIL CHANANA, 149,900 EQUITY SHARES BY DR. ASHA MUKHERJEE, 300,600 EQUITY SHARES BY MR. KUNAL CHANANA, 6,012,000 EQUITY SHARES BY MR. NEWTON BRUCE ASHBY, 100,200 EQUITY SHARES BY MR. SANJAY KUMAR, 84,000 EQUITY SHARES BY MR. SHAKTI SWARUP LUMBA, 2,227,316 EQUITY SHARES BY MS. SHOBHA GANGWAL, 1,442,000 EQUITY SHARES BY MR. STEVEN EUGENE HARFEST, 1,503,000 EQUITY SHARES BY PAUL CARL SCHORR, IV (NOMINEE OF G5 INVESTMENTS), 3,635,727 EQUITY SHARES BY THE CHINKERPOO FAMILY TRUST (TRUSTEE: MS. SHOBHA GANGWAL & J. P. MORGAN TRUST COMPANY OF DELAWARE) AND 4,034,000 EQUITY SHARES BY IGT-INTERGLOBE TECHNOLOGIES PHILIPPINES INC. (COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS") AGGREGATING UP TO ₹[●] MILLION ("OFFER FOR SALE"). THE FRESH ISSUE AND THE OFFER FOR SALE ARE TOGETHER REFERRED TO AS THE "ISSUE".

OUR COMPANY AND THE SELLING SHAREHOLDERS MAY (IN CONSULTATION WITH THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS ("GCBRLMs") AND THE BOOK RUNNING LEAD MANAGERS ("BRLMs") OFFER A RESERVATION ON A COMPETITIVE BASIS FOR ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION") IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, (THE "ICDR REGULATIONS"), SUBJECT TO VALID BIDS BEING RECEIVED FROM THEM AT OR ABOVE THE ISSUE PRICE. THE DETAILS OF EMPLOYEE RESERVATION PORTION (IF ANY) SHALL BE DISCLOSED IN THE RED HERRING PROSPECTUS PRIOR TO FILING IT WITH THE REGISTRAR OF COMPANIES.

THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] %, RESPECTIVELY, OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES  
THE PRICE BAND, DISCOUNT, IF ANY, TO ELIGIBLE EMPLOYEES AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE GCBRLMs AND BRLMs AND WILL BE PUBLISHED AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE, IN ONE ENGLISH NATIONAL DAILY NEWSPAPER WITH WIDE CIRCULATION AND ONE HINDI NATIONAL DAILY NEWSPAPER WITH WIDE CIRCULATION WHICH SHALL ALSO SERVE AS THE REGIONAL LANGUAGE NEWSPAPER WITH WIDE CIRCULATION, WITH HINDI BEING THE REGIONAL LANGUAGE OF DELHI WHERE THE REGISTERED OFFICE IS LOCATED, AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding a total of 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the change on the websites of the GCBRLMs and BRLMs and at the terminals of the Syndicate Members and Registered Brokers and by intimation to Self-Certified Syndicate Banks ("SCSBs").

In terms of Rule 19(2)(b)(iii) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 41 of the ICDR Regulations, this Issue is being made for at least 10% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process in compliance with the provisions of Regulation 26(1) of the ICDR Regulations, wherein 50% of the Net Issue shall be available for allocation to Qualified Institutional Buyers ("QIBs"). Our Company may, in consultation with the Selling Shareholders, the GCBRLMs and the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors (the "Anchor Investor Portion") at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Category. Such number of Equity Shares representing 5% of the QIB Category (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB Category shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Investors and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors, subject to valid Bids being received from them at or above the Issue Price, such that subject to availability of Equity Shares, each Retail Individual Investor shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Investors on a proportionate basis. Further, [●] Equity Shares shall be reserved for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue price. All QIBs (other than Anchor Investors) and Non-Institutional Investors must compulsorily, and Retail Individual Investors and Eligible Employees may optionally, participate in this Issue through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. Specific attention of investors is invited to the chapter "Issue Procedure" beginning on page 463.

### RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares is ₹10 and the Floor Price and the Cap Price are [●] times and [●] times, respectively, of the face value of our Equity Shares. The Issue Price as determined and justified by our Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs and as stated in the chapter "Basis for Issue Price" beginning on page 117 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 19.

### ISSUER'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Each Selling Shareholder, severally and not jointly, accepts responsibility only for statements expressly made by such Selling Shareholder in relation to itself in this Draft Red Herring Prospectus and the Equity Shares being sold by it through the Offer for Sale. The Selling Shareholders do not assume any responsibility for any other statement in this Draft Red Herring Prospectus, including without any limitation, any and all statements made by or relating to the Company or its business.

### LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. The in-principle approvals of the Stock Exchanges for listing the Equity Shares have been received pursuant to letter no. [●] dated [●] and letter no. [●] dated [●], respectively. For the purpose of this Issue, [●] shall be the Designated Stock Exchange.

### GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS



**Citigroup Global Markets India Private Limited**  
1202, 12th Floor, First International Financial Center  
G-Block, Bandra-Kurla Complex, Bandra (East)  
Mumbai – 400 051, India  
**Tel:** +91 22 6175 9999  
**Fax:** +91 22 6175 9961  
**Email:** indigo.ipo@citi.com  
**Website:** http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm  
**Investor grievance email:** investors.cgmib@citi.com  
**Contact Person:** Mr. Keshav Tyagi  
**SEBI Registration No.:** INM000010718

**J.P. Morgan India Private Limited**  
J.P. Morgan Tower, Off CST Road  
Kalina, Santa Cruz (East)  
Mumbai – 400 098, India  
**Tel:** +91 22 6157 3000  
**Fax:** +91 22 6157 3911  
**Email:** indigo\_ipo@jpmorgan.com  
**Website:** www.jpimipl.com  
**Investor grievance email:** investors.mb.jpimipl@jpmorgan.com  
**Contact Person:** Ms. Prateeksha Runwal  
**SEBI Registration No.:** INM000002970

**Morgan Stanley India Company Private Limited**  
18F/19F, Tower 2, One Indiabulls Center  
841, Senapati Bapat Marg  
Mumbai – 400 013, India  
**Tel:** +91 22 6118 1000  
**Fax:** +91 22 6118 1040  
**Email:** indigo\_ipo@morganstanley.com  
**Website:** www.morganstanley.com  
**Investor grievance email:** investors\_india@morganstanley.com  
**Contact Person:** Mr. Shashank More  
**SEBI Registration No.:** INM000011203

### BOOK RUNNING LEAD MANAGERS



**Barclays Bank PLC**  
801/808 Ceejay House, Shivsagar Estate  
Dr. Annie Besant Road, Worli  
Mumbai – 400 018, India  
**Tel:** +91 22 6719 6001  
**Fax:** +91 22 6719 6187  
**Email:** IndigoIPO@barclays.com  
**Website:** http://www.barclays.in/investment-banking/index.html  
**Investor grievance email:** BBPLCconcerns@barclays.com  
**Contact Person:** Ms. Raahi Kapadia  
**SEBI Registration No.:** INM000002129

**Kotak Mahindra Capital Company Limited**  
1st Floor, 27BKC, Plot No. C-27  
G-Block, Bandra-Kurla Complex  
Bandra (East)  
Mumbai – 400 051, India  
**Tel:** +91 22 4336 0000  
**Fax:** +91 22 6713 2447  
**Email:** indigo.ipo@kotak.com  
**Website:** http://investmentbank.kotak.com  
**Investor grievance email:** kmccredressal@kotak.com  
**Contact Person:** Mr. Ganesh Rane  
**SEBI Registration No.:** INM000008704

**UBS Securities India Private Limited**  
2 North Avenue, Maker Maxity  
Bandra-Kurla Complex, Bandra (East)  
Mumbai – 400 051, India  
**Tel:** +91 22 6155 6000  
**Fax:** +91 22 6155 6292  
**Email:** OL-IndigoIPO@ubs.com  
**Website:** www.ubs.com/indianoffers  
**Investor grievance email:** investorcare@ubs.com  
**Contact Person:** Ms. Jasmine Kaur  
**SEBI Registration No.:** INM000010809

**Karvy Computershare Private Limited**  
Karvy Selenium Tower B  
Plot 31-32, Gachibowli, Financial District  
Nanakramguda  
Hyderabad – 500 032, India  
**Tel:** +91 40 6716 2222  
**Fax:** +91 40 2343 1551  
**Email:** einward.ris@karvy.com  
**Website:** www.karisma.karvy.com  
**Investor grievance email:** indigo.ipo@karvy.com  
**Contact Person:** Mr. M Murali Krishna  
**SEBI Registration No.:** INR000000221

### BID/ISSUE PERIOD

BID/ISSUE OPENS ON\*: [●]

BID/ISSUE CLOSES ON (FOR QIBs)\*\*: [●]

BID/ISSUE CLOSES ON (FOR NON-QIBs): [●]

\* Our Company and the Selling Shareholders, in consultation with the GCBRLMs and BRLMs, may offer a discount of up to 10% (equivalent of ₹[●]) on the Issue Price to Eligible Employees. Our Company and the Selling Shareholders may, in consultation with the GCBRLMs and the BRLMs, consider participation by Anchor Investors. The Anchor Investor shall bid on the Anchor Investor Bidding Date i.e. one Working Day prior to the Bid/Issue Opening Date.

\*\* Our Company and the Selling Shareholders may, in consultation with the GCBRLMs and the BRLMs, decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the meanings given below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto from time to time.

In this Draft Red Herring Prospectus, unless the context otherwise indicates, all references to “**IndiGo**”, “**the Issuer**”, “**our Company**”, “**the Company**”, “**we**”, “**us**”, “**our**” are to InterGlobe Aviation Limited, a public limited company incorporated under the Companies Act, 1956, and having its registered office at Central Wing, Ground Floor, Thapar House, 124 Janpath, New Delhi – 110 001, India.

#### Company and Selling Shareholders Related Terms

Term	Description
Acquire Services/ASPL	Acquire Services Private Limited (formerly known as Galileo India Private Limited)
Articles/Articles of Association/AoA	Articles of Association of our Company
Auditors/Statutory Auditors	The statutory auditors of our Company, namely, B S R & Co. LLP, Chartered Accountants
Board/Board of Directors	The board of directors of our Company, as constituted from time to time, including any duly constituted committees thereof
Caelum	Caelum Investment LLC
Compliance Officer	Mr. Suresh Kumar Bhutani
Corporate Office	The corporate office of our Company located at Levels 1-5, Tower-C, Global Business Park, M.G. Road, Gurgaon – 122 002, Haryana, India
Director(s)	The director(s) on the Board of our Company, as appointed from time to time
Equity Shares	Equity shares of our Company of face value ₹ 10 each, fully paid up
ESOS 2015 – I	InterGlobe Aviation Limited Tenured Employee Stock Option Scheme – 2015
ESOS 2015 – II	InterGlobe Aviation Limited Employee Stock Option Scheme – 2015
Group Entities	Companies, firms and ventures promoted by our Promoters, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act, 1956, and disclosed in the chapter “ <i>Our Promoters and Group Entities</i> ” beginning on page 222
IGE/InterGlobe Enterprises	InterGlobe Enterprises Limited
KMP/Key Management Personnel	The officers vested with executive powers, and the officers at the level immediately below the Board including any other person so declared by our Company, as per the ICDR Regulations and more particularly listed in the chapter “ <i>Our Management</i> ” beginning on page 206
Memorandum/Memorandum of Association/MoA	The memorandum of association of our Company, as amended
Non-executive Director	A non-executive, non-independent Director as per the Companies Act, 2013 and the Listing Agreement
Non-executive Independent Director	A non-executive, independent director as per the Companies Act, 2013 and Clause 49 of the Listing Agreement
Promoters	The promoters of our Company, namely, Mr. Rahul Bhatia, Mr. Rakesh Gangwal, Acquire Services, and InterGlobe Enterprises
Promoter Group	Means and includes such persons and entities constituting the promoter group in terms of Regulation 2(1)(zb) of the ICDR Regulations
Registered Office	The registered office of our Company located at Central Wing, Ground Floor, Thapar House, 124, Janpath, New Delhi – 110 001, India
restated financial statements	The financial information examined of our Company in accordance with the generally accepted auditing standards in India, as of and for each of the financial years ended March 31, 2010, 2011, 2012, 2013 and 2014 and the nine month period ended December 31, 2014 and restated in accordance with the requirements of the Companies Act, 2013, and the ICDR Regulations together with the schedules and notes thereto. The restated financial statements comprise summary statements of profit and losses, assets and liabilities and cash flows, and other financial information as of and for each of the financial years ended March 31, 2010, 2011, 2012, 2013 and 2014 and the nine month period ended December 31, 2014 as stated in the report of the Auditors, B S R & Co. LLP, Chartered Accountants, and

<b>Term</b>	<b>Description</b>
	included in this Draft Red Herring Prospectus
Selling Shareholders	InterGlobe Enterprises Limited, IGT-InterGlobe Technologies Philippines Inc., The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware), Paul Carl Schorr, IV (Nominee of G5 Investments), Dr. Asha Mukherjee, Mr. Anil Chanana, Mr. Kunal Chanana, Mr. Newton Bruce Ashby, Mr. Rahul Bhatia, Mr. Rakesh Gangwal, Mr. Sanjay Kumar, Mr. Shakti Swarup Lumba, Ms. Shobha Gangwal and Mr. Steven Eugene Harfst
Whole-time Director	A Director in the whole time employment of the Company as per Companies Act, 2013

### Issue Related Terms

<b>Term</b>	<b>Description</b>
Allot/Allotment/Allotted	The allotment of Equity Shares pursuant to the Fresh Issue to successful Bidders, and the transfer of Equity Shares to successful Bidders pursuant to the Offer for Sale
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the ICDR Regulations, as amended
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs on the Anchor Investor Bidding Date
Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs
Anchor Investor Pay-in Date	With respect to Anchor Investors, it shall be the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/Issue Closing Date
Anchor Investor Portion	Up to 60% of the QIB Category, which may be allocated by our Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs, to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
ASBA Bidder(s)/ Applicant(s)	Bidders, other than Anchor Investors, bidding in the Issue through ASBA in accordance with the terms of the Red Herring Prospectus and the Bid-cum-Application Form
ASBA Account	Account maintained with a SCSB and specified in the Bid-cum-Application Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the Bid-cum-Application Form
ASBA Bid(s)	A Bid made by an ASBA Bidder
ASBA Bidder(s)/ Applicant(s)	Bidders in the Issue who are required to Bid through ASBA
Banker(s) to the Issue/Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account and Public Issue Account will be opened, and as disclosed in the RHP/Prospectus and the Bid-cum-Application Forms, in this case being [●]
Barclays	Barclays Bank PLC
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the chapter “ <i>Issue Procedure</i> ” beginning on page 463
Bid(s)	An indication to make an offer during the Bid/Issue Period by a Bidder (other than Anchor Investors), or during the Anchor Investor Bidding Date by the Anchor Investors, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto permitted under applicable regulations, and the term “Bidding” shall be construed accordingly

<b>Term</b>	<b>Description</b>
Bid Amount	The highest value of optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder/blocked in the ASBA Account on submission of a Bid in the Issue less discount to Eligible Employees, if applicable
Bid-cum-Application Form	The form in terms of which the Bidder shall make a Bid and which shall be considered as the application for the Allotment of Equity Shares pursuant to the terms of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form, including an Anchor Investor unless stated or implied otherwise
Bid/Issue Closing Date	Except in relation to Bids from Anchor Investors, the date after which the Syndicate, the designated branches of the SCSBs, Designated Branches and Registered Brokers will not accept any Bids, and which shall be notified in one English national daily newspaper with wide circulation and one Hindi national daily newspaper with wide circulation which shall also serve as the regional language newspaper with wide circulation, with Hindi being the regional language of Delhi where the Registered Office is located. The extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate Members and by intimation to the SCSBs and the Registered Brokers, as required under the ICDR Regulations. Our Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs, may consider closing the Bidding by QIBs one Working Day prior to the Bid/Issue Closing Date, which shall also be notified in an advertisement in the same newspapers in which the Bid/Issue Opening Date was published
Bid/Issue Opening Date	Except in relation to Anchor Investor, the date on which the Syndicate, the SCSBs and the Registered Brokers shall start accepting Bids, and which shall be notified in one English national daily newspaper with wide circulation and one Hindi national daily newspaper with wide circulation which shall also serve as the regional language newspaper with wide circulation, with Hindi being the regional language of Delhi where the Registered Office is located
Bid/Issue Period	Except in relation to Anchor Investor, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof. The Bid/Issue Period will comprise Working Days only
Bid Lot	[●] Equity Shares
Book Building Process	The book building process as described in Part A, Schedule XI of the ICDR Regulations, in terms of which this Issue is being made
BRLMs/Book Running Lead Managers	Book Running Lead Managers to the Issue, in this case being Barclays, Kotak and UBS
Broker Centre	Broker centres notified by the Stock Exchanges, where Bidders can submit the Bid-cum-Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band above which the Offer Price and Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted, including any revisions thereof
Citi	Citigroup Global Markets India Private Limited
Citibank	Citibank N. A.
Client Id	Client identification number of the Bidder's beneficiary account
Controlling Branches	Such branches of the SCSBs which coordinate Bids with the members of the Syndicate, Registrar to the Issue and the Stock Exchanges, a list of which is available on the website of the SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognized-Intermediaries">www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognized-Intermediaries</a> and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time

<b>Term</b>	<b>Description</b>
Cut-off Price	The Issue Price, as finalised by our Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs. Only Retail Individual Investors and Eligible Employees bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding ₹ 200,000. No other category of Bidders are entitled to Bid at the Cut-off Price
Demographic Details	The address, bank account details, MICR code, name of Bidders' father/husband, investor status and occupation of a Bidder
Depository	A depository registered with SEBI under the Depositories Act
Designated Branch	Such branches of the SCSBs, which shall collect Bid-cum-Application Forms used by ASBA Bidders, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other websites as may be prescribed by SEBI from time to time
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Escrow Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus, following which the board of directors may Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholder may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	[●]
DP/Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identity Number
Draft Red Herring Prospectus/DRHP	This draft red herring prospectus dated June 30, 2015 issued in accordance with the Companies Act and ICDR Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares would be issued and the size of the Issue
Eligible Employees	<p>All or any of the following:</p> <p>(a) a permanent and full time employee of our Company (excluding such employees who are not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines and our individual Promoters and their immediate relatives) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be an employee of our Company until Allotment and is based, working and present in India as on the date of Allotment; and</p> <p>(b) a Director of our Company, whether a whole time Director or otherwise, (excluding such Directors not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines and our individual Promoters and their immediate relatives) as of the date of filing the Red Herring Prospectus with the RoC and who continues to be a Director of our Company until Allotment and is based and present in India as on the date of Allotment.</p> <p>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 200,000</p> <p>Eligible Employees may be given a discount, at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs in accordance with Regulation 29 of the SEBI ICDR Regulations.</p>
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus or Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
Employee Reservation Portion	Portion of the Issue being [●] Equity Shares aggregating up to ₹ [●] million available for allocation to Eligible Employees, on a proportionate basis
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (except ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agent	Escrow agent appointed pursuant to the Escrow Agreement namely [●]
Escrow Agreement	Agreement to be entered into by our Company, the Selling Shareholders, the Registrar to the Issue, GCBRLMs, BRLMs, the Syndicate Members, and the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and, where applicable, remitting refunds of the amounts (excluding ASBA Bidders) collected to the Bidders on the terms and conditions thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Escrow Account(s) will be opened, being [●].

<b>Term</b>	<b>Description</b>
FCNR Account	Foreign Currency Non-Resident Account
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
First/ Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids will be accepted, including any revisions thereto
Fresh Issue	The issue of [●] Equity Shares aggregating up to ₹ 12,722 million by our Company offered for subscription pursuant to the terms of the Red Herring Prospectus
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
GCBRLMs/Global Co-ordinators and Book Running Lead Managers	Global Co-ordinators and Book Running Lead Managers to the Issue, in this case being Citi, J. P. Morgan and Morgan Stanley
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and included in the chapter “ <i>Issue Procedure</i> ” beginning on page 463
Issue	This public issue of [●] Equity Shares for cash at the Issue Price aggregating to [●] million and comprising of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 12,722 million and an Offer for Sale of up to 30,146,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders
Issue Agreement	The agreement dated June 30, 2015 entered into among our Company, the Selling Shareholders and the GCBRLMs and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	<p>The final price, as determined by our Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs on the Pricing Date, at which the Equity Shares will be issued and Allotted/transferred in terms of the Red Herring Prospectus.</p> <p>A discount of up to 10% (equivalent to ₹ [●]) on the Issue Price may be offered to Eligible Employees. The Rupee amount of the such discount, if any, will be decided by our Company and the Selling Shareholders, in consultation with the GCBRLMs and BRLMs, and published at least five Working Days prior to the Bid / Issue Opening Date in one English national daily newspaper with wide circulation and one Hindi national daily newspaper with wide circulation which shall also serve as the regional language newspaper with wide circulation, with Hindi being the regional language of Delhi where the Registered Office is located, and shall be made available to the Stock Exchanges for the purpose of uploading on their website.</p> <p>Unless otherwise stated or the context otherwise implies, the term Issue Price refers to the Issue Price applicable to investors other than Anchor Investors</p>
Issue Proceeds	The proceeds of the Issue that would be available to our Company and the Selling Shareholders after the final listing and trading approvals are received
J.P. Morgan/JPM	J.P. Morgan India Private Limited
Kotak	Kotak Mahindra Capital Company Limited
Listing Agreement(s)	The listing agreement(s) to be entered into by our Company with the Stock Exchanges
Morgan Stanley/MS	Morgan Stanley India Company Private Limited
Mutual Fund Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, and as disclosed in the Draft Red Herring Prospectus and Bid-cum-Application form
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
Net Issue	Issue less the Employee Reservation Portion
Net Proceeds	The proceeds of the Fresh Issue less our Company’s share of the Issue related expenses. For further information about use of the Issue Proceeds and the Issue expenses, please see the chapter “ <i>Objects of the Issue</i> ” beginning on page 110

<b>Term</b>	<b>Description</b>
Non-Institutional Investors	All Bidders, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs (including Anchor Investors) or Retail Individual Investors, and who have Bid for Equity Shares for a cumulative amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Net Issue being not less than 15% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Offer for Sale	The offer for sale of up to 30,146,000 Equity Shares aggregating up to ₹ [●] million comprising of 3,290,419 Equity Shares by InterGlobe Enterprises Limited, 4,034,000 Equity Shares By IGT-InterGlobe Technologies Philippines Inc., 3,635,727 Equity Shares by the Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware), 1,503,000 Equity Shares by Paul Carl Schorr, IV (Nominee of G5 Investments), 149,900 Equity Shares by Dr. Asha Mukherjee, 601,200 Equity Shares by Mr. Anil Chanana, 300,600 Equity Shares by Mr. Kunal Chanana, 6,012,000 Equity Shares by Mr. Newton Bruce Ashby, 3,006,000 Equity Shares by Mr. Rahul Bhatia, 3,759,638 Equity Shares by Mr. Rakesh Gangwal, 100,200 Equity Shares by Mr. Sanjay Kumar, 84,000 Equity Shares by Mr. Shakti Swarup Lumba, 2,227,316 Equity Shares by Ms. Shobha Gangwal and 1,442,000 Equity Shares by Mr. Steven Eugene Harfst
Price Band	Price band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] including revisions thereof by our Company and the Selling Shareholders in consultation with the GCBRLMs. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholder in consultation with the GCBRLMs and the BRLMs and will be advertised at least five Working Days prior to the Bid/ Offer Opening Date in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●], each with wide circulation and such advertisement shall be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company and the Selling Shareholders, in consultation with the GCBRLMs and the BRLMs, finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue, and certain other information, including any addenda or corrigenda thereto
Public Issue Account(s)	The bank account(s) opened with the Bankers to the Issue by our Company and the Selling Shareholders under Section 40 of the Companies Act, 2013 to receive money from the Escrow Accounts on the Designated Date, and into which the funds shall be transferred by the SCSBs from the ASBA Accounts
Public Issue Account Bank(s)	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Issue Account(s) will be opened, being [●]
QIB Category	The portion of the Issue amounting to 50% of the Issue being [●] Equity Shares, which shall be available for allocation to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholders, in consultation with the GCBRLMs and the BRLMs), subject to valid Bids being received at or above the Issue Price
Qualified Institutional Buyers/QIBs	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the ICDR Regulations
Red Herring Prospectus/RHP	The red herring prospectus, including any addenda or corrigenda thereto, issued in accordance with Section 32 of the Companies Act, 2013 and ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds (excluding to the ASBA Bidders), if any, of the whole or part of the Bid Amount shall be made
Refund Bank(s)	The bank(s) which are clearing members and registered with SEBI under the SEBI Bankers to an Issue) Regulations, 1994 with whom the Refund Account(s) will be opened, in this case being [●]



<b>Term</b>	<b>Description</b>
Refunds through electronic transfer of funds	Refunds through direct credit, NECS, NEFT or RTGS, as applicable
Registered Broker	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate
Registrar/Registrar to the Issue	Registrar to this Issue, in this case being Karvy Computershare Private Limited
Retail Category	The portion of the Issue being not less than 35% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Retail Individual Investors, which shall not be less than minimum Bid Lot, subject to availability in Retail Category and the remaining Equity Shares to be Allotted on a proportionate basis
Retail Individual Investors	Bidders (including HUFs and Eligible NRIs) whose Bid Amount for Equity Shares in the Issue is not more than ₹ 200,000
Revision Form	The form used by the Bidders, including ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s)  QIB Bidders and Non-Institutional Bidders are not allowed to lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage
Self-Certified Syndicate Banks or SCSBs	The banks registered with SEBI, which offer the facility of ASBA, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Selling Shareholder Escrow Agreement	Agreement dated [●] to be entered into between the Selling Shareholders, our Company and the Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Location(s)	Bidding centres where the Syndicate shall accept Bid-cum-Application Forms from ASBA Bidders, a list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> ) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Stock Exchanges	BSE and NSE, as the context may refer to
Syndicate Agreement	The agreement to be entered into between the GCBRLMs, BRLMs, the Selling Shareholders, the Syndicate Members, our Company and the Registrar to the Issue in relation to the collection of Bids in this Issue (other than Bids directly submitted to the SCSBs under the ASBA process or to Registered Brokers at the Broker Centres)
Syndicate ASBA Centres	Bidding centres where an ASBA Bidder can submit his Bid-cum-Application Form to the Syndicate Members and prescribed by SEBI from time to time
Syndicate Members	Intermediaries registered with the SEBI to act as syndicate members and who are permitted to carry on the activity as underwriters, in this case being [●], [●] and [●]
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
UBS	UBS Securities India Private Limited
Underwriters	The GCBRLMs, BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters, the Selling Shareholders and our Company to be entered into on or after the Pricing Date
Working Day	Any day, other than a Saturday or a Sunday, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Bid/Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

#### **Technical/Industry Related Terms/Abbreviations**

<b>Term</b>	<b>Description</b>
AAI	Airports Authority of India
ACARS	Airborne Communications, Addressing and Reporting System
AERA	Airports Economic Regulatory Authority of India
AERA Act	Airports Economic Regulatory Authority of India Act, 2008
AERA Guidelines	AERA (Terms and Conditions for Determination of Tariff) Guidelines, 2011

<b>Term</b>	<b>Description</b>
AERAAT	Airports Economic Regulatory Authority Appellate Tribunal
AIC	Aeronautical Information Circulars
Aircraft Act	Aircraft Act, 1934
Aircraft Rules	Aircraft Rules, 1937
AME	Aircraft Maintenance Engineers
ANS	Air Navigation Services
ASK	Available Seat-Kilometer
ATAC	Air Transport Advisory Circulars
ATC	Air Traffic Control
ATF	Aviation Turbine Fuel
BCAS	Bureau of Civil Aviation Security
BIAL	Bangalore International Airport Limited
BPCL	Bharat Petroleum Corporation Limited
CAPA	Center for Asia Pacific Aviation India Private Limited
CAR	Civil Aviation Requirements
CAR-145	Civil Aviation Requirements Series 145
CAR-M	Civil Aviation Requirements Series M
CASK	Cost per Available Seat-Kilometer
Chicago Convention	Convention on International Civil Aviation, 1944
CIAL	Cochin International Airports Limited
CSI Airport, Mumbai	Chhatrapati Shivaji International Airport, Mumbai
DF	Development Fee
DGCA	Directorate General of Civil Aviation
DIAL	Delhi International Airport Limited
FATA	Foreign Aircrew Temporary Authorisation
FIA	Federation of Indian Airlines
GoAir/Go Air	Go Airlines (India) Limited
Hague Convention	Convention for the Suppression of Unlawful Seizure of Aircraft, 1970
HPCL	Hindustan Petroleum Corporation Limited
IAE	International Aero Engines
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
ICBC	Industrial and Commercial Bank of China Limited
IGI Airport, New Delhi	Indira Gandhi International Airport, New Delhi
IOC	Indian Oil Corporation Limited
IOSA	IATA Operational Safety Audit
LCC	Low Cost Carrier
LOSA	Line Operations Safety Audit
MoCA	Ministry of Civil Aviation, Government of India
Montreal Convention	Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, 1971
MRO	Maintenance Repair and Overhaul
RASK	Revenue per Available Seat-Kilometer
RPK	Revenue Passenger Kilometer
SAP	S-A-P Group LLC
Tokyo Convention	Convention on Offences and Certain Other Acts Committed on Board Aircraft, 1963
UDF	User Development Fee
Warsaw Convention	Convention for the Unification of Certain Rules Relating to International Carriage by Air, 1929
Yield	Passenger Revenue per RPK

### Conventional and General Terms/Abbreviations

<b>Term</b>	<b>Description</b>
₹/Rs.	Indian Rupees
€/Euro	The official currency of European Union's member states
AAR	Authority for Advance Ruling
AGM	Annual General Meeting
AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012

Term	Description
AIF(s)	Alternative Investment Funds, as defined in, and registered with SEBI under, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AOP	Association of Persons
AS/Accounting Standard	Accounting Standards issued by the ICAI, as notified by the Companies (Accounting Standards) Rules, 2006
Assessing Officer	Income Tax Officer, New Delhi
AY	Assessment Year
Basic EPS	Net Profit available to Equity Shareholders <i>divided</i> by weighted average number of Equity Shares outstanding during the year.
BG	Bank Guarantee
BSE	BSE Limited
BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
C.C.	Cash Credit
CAGR	Compounded Annual Growth Rate
Category III FPIs	FPIs registered as category III FPIs under the FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CESTAT	Custom Excise and Service Tax Appellate Tribunal
CIN	Corporate Identity Number
CIT (A), New Delhi	The Commissioner of Income Tax (Appeals), New Delhi
CIT, New Delhi	The Commissioner of Income Tax, New Delhi
Civil Procedure Code	Code of Civil Procedure, 1908
CLRA Act	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act	The Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
CPS	Convertible Preference Shares
Companies Act, 1956	The Companies Act, 1956
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	Consolidated FDI Policy dated May 12, 2015 issued by the Government of India, Ministry of Commerce and Industry
Customs Act	Customs Act, 1956
DCDRF	District Consumer Disputes Redressal Forum
DCIT, New Delhi	The Deputy Commissioner of Income Tax, New Delhi
DDT	Dividend Distribution Tax
Delhi VAT Act	Delhi Value Added Tax Act, 2004
Depositories Act	Depositories Act, 1996
Diluted EPS	Net Profit available to Equity Shareholders <i>divided</i> by weighted average number of Equity Shares outstanding during the year <i>plus</i> Potentially Dilutive Shares
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DTA	Domestic Tariff Area
DTAA	Double Taxation Avoidance Agreement
EBITDA	Earnings before finance income and cost, tax, depreciation and amortization
EBITDAR	Earnings before finance income and cost, tax, depreciation, amortization and aircraft and engine rentals
ECB	External Commercial Borrowing
ECB Policy	India's policy on ECB, as notified by the RBI
EGM	Extraordinary General Meeting
EPS	Earnings per share
ERP	Enterprise resource planning
ESOS Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
EU	European Union

<b>Term</b>	<b>Description</b>
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 together with rules and regulations thereunder
Financial Year/FY/fiscal year	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIPB	Foreign Investment Promotion Board
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GoI/Government	Government of India
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
IT	Information Technology
I.T. Act	Income Tax Act, 1961
ICAI	Institute of Chartered Accountants of India
ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
ICDS	Income Computation and Disclosure Standards
IDA	Industrial Disputes Act, 1947
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards as per the Companies (Indian Accounting Standard) Rules, 2015 notified by the MCA on February 16, 2015
LC	Letter of Credit
LIBOR	London Interbank Offered Rate
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition-nine digits code as appearing on a cheque leaf
Mn/mn	Million
MOU	Memorandum of Understanding
NA	Not Applicable
NAV/Net Asset Value Per Share	Net Asset Value being paid up equity share capital plus reserves and surplus (excluding reserves created out of revaluation) less deferred expenses not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued Equity Shares
NCR	National Capital Region
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs
Non-Resident Indian/NRI	A person resident outside India, as defined in the FEMA (Deposit) Regulations, 2000
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the I.T. Act
PAT	Profit after tax
PBT	Profit before tax
PIO	Persons of Indian Origin
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana

<b>Term</b>	<b>Description</b>
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
Securities Act	U.S. Securities Act of 1933, as amended
SEZ Act	Special Economic Zones Act, 2005
SEZs	Special Economic Zones
SPV	Special Purpose Vehicle
State Government	The government of a state of the Union of India
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
UIN	Unique Identification Number
US/USA	United States of America
USD/US\$/U.S.\$	United States Dollars
US¢	United States Cents
US GAAP	Generally Accepted Accounting Principles in the United States of America
US QIBs	Qualified Institutional Buyers, as defined in Rule 144A under the Securities Act
VAT	Value Added Tax
VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
VCFs	Venture Capital Funds as defined and registered with SEBI under the VCF Regulations

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the SCRA, the SEBI Regulations, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, including any terms and abbreviations used in the chapters “*Statement of Tax Benefits*”, “*Financial Statements*”, “*Outstanding Litigations and Material Developments*” and “*Industry Overview*” and the section “*Main Provisions of the Articles of Association*” beginning on pages 120, 253, 356, 134 and 517, respectively, shall have the meanings given to such terms in these respective chapters or section, as the case may be.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Financial Data

Unless indicated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Company's restated financial statements as of and for the years ended March 31, 2010, 2011, 2012, 2013 and 2014 and for the nine months ended December 31, 2014 (the "*restated financial statements*"), prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with ICDR Regulations, as stated in the report of the Auditors, B S R & Co. LLP, Chartered Accountants, and included in this Draft Red Herring Prospectus.

In this Draft Red Herring Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular Financial Year are to the 12 month period ended March 31 of that year, unless otherwise specified.

All financial and statistical information in this Draft Red Herring Prospectus have been presented in million or in whole numbers where the numbers have been too small to present in million, unless stated otherwise.

There are significant differences between Indian GAAP, IFRS and US GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, the Indian GAAP and the ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Our Company has not attempted to quantify the impact of IFRS or US GAAP on the financial data included in this Draft Red Herring Prospectus, nor does our Company provide reconciliation of our financial statements to those under US GAAP or IFRS, and therefore urges you to consult your own advisors regarding such differences and their impact on our financial data. Also, please see the section "*Risk Factors*" beginning on page 19.

Any percentage amounts, as set forth in the section "*Risk Factors*", and chapters "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 19, 160 and 325, respectively, of this Draft Red Herring Prospectus and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements.

### Certain Conventions

Unless otherwise specified, all references to "India" in this Draft Red Herring Prospectus are to the Republic of India, together with its territories and possessions and all references to the "US", the "USA", the "United States" or the "U.S." are to the United States of America, together with its territories and possessions.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

### Currency of Presentation

All references to "Rupees" or "Rs." or "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "USD", "\$", "U.S. \$" and "U.S. Dollars" are to United States Dollars, the official currency of the United States of America. All references to "€" and the "Euro" are to Euro, the official currency of European Monetary Union's member states.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

## Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The exchange rates of the respective foreign currencies are provided below:

Currency	Exchange rate into ₹			
	as on March 31, 2013**	as on March 31, 2014***	as on March 31, 2015	as on June 1, 2015
1 EURO*	69.54	82.58	67.51	69.63
1 USD*	54.39	60.10	62.59	63.61

\*Source: [www.rbi.org.in](http://www.rbi.org.in)

\*\* Exchange rate as of March 28, 2013 as RBI Reference Rate not available for March 31, 2013 on account of March 29, 2013 till March 31, 2013 being holidays.

\*\*\* Exchange rate as of March 28, 2014 as RBI Reference Rate not available for March 31, 2014 on account of it being a holiday.

## Market and Industry Data

Unless stated otherwise, industry data used throughout this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that the industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by the Company, the Selling Shareholders, the Syndicate or any of their affiliates or advisors.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All decimals have been rounded off to one decimal point.

Information has been included in this Draft Red Herring Prospectus from the following two reports commissioned in connection with the Issue by the Company for the purposes of confirming its understanding of the industry.

1. Report titled “CAPA Report” prepared by Centre for Asia Pacific Aviation India Private Limited (“CAPA”) which includes the following disclaimer:

*The information and analysis contained in this document has been prepared by Centre for Asia Pacific Aviation India Private Limited. Whilst every effort has been made to ensure high quality and accuracy of content in the preparation of this document, CAPA assumes no responsibility for errors and omissions related to the data, calculations or the analysis contained therein and in no event will CAPA, its associates or subsidiaries, directors or employees be liable for direct, special, incidental or consequential damages (including, without limitation, damages for loss of business profits, business interruption, loss of business information) arising directly or indirectly from the use of (or failure to use) this document.*

2. Report titled “SAP Report” prepared by S-A-P Group LLC (“SAP”) which includes the following disclaimer:

*This report contains information supplied by and analysis based on public and private sources, including carriers’ annual reports and investor relations publications. While we believe that the information is correct, we cannot guarantee its validity and SAP assumes no liabilities for the correctness of the data in this report. Some amounts in this report are rounded. Financial and operating data for some carriers may include cargo and other activities.*

Further, the extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section "*Risk Factors*" beginning on page 19. Accordingly, investment decisions should not be based on such information.



## **NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES**

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision investors must rely on their own examination of our Company and the terms of the offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”). For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

## **NOTICE TO NEW HAMPSHIRE RESIDENTS**

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“RSA”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

## **NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA**

This Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area (“EEA”), from the requirement to produce a prospectus for offers of Equity Shares. The expression “Prospectus Directive” means Directive 2003/71/EC of the European Parliament and Council EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State (as defined below)) and includes any relevant implementing measure in each Relevant Member State. Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company or any of the Underwriters to produce a prospectus for such offer. None of our Company and the Underwriters have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Underwriters which constitute the final placement of Equity Shares contemplated in this Draft Red Herring Prospectus.

## FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions.

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, plans, objectives, strategies, goals and prospects are forward-looking statements.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further, the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the aviation industry in India in which our Company operates and our ability to respond to them.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- how effectively we apply the low-cost air carrier model to the markets in which we operate or plan to operate and how successful we are in implementing our growth strategy;
- inability to profitably expand to new routes;
- any production delays for the Airbus A320neo aircraft and its engines;
- any real or perceived problem with the Airbus A320 aircraft or IAE engines;
- ability to fulfil our commitments under our aircraft purchase agreements with Airbus;
- inability to continue to negotiate reduced prices in future aircraft purchases;
- our ability to successfully replicate our financing strategy and profitably market the A320neo to lessors;
- significant amount of debt that we have taken and which we may take in the future to finance the acquisition of aircraft and our expansion plans;
- failure to comply with covenants contained in our aircraft and engine lease agreements or our financing agreements;
- availability of fuel and internationally prevailing fuel price including taxes;
- depreciation of the Rupee against the U.S. Dollar;
- event of an emergency, accident or incident involving our aircraft or personnel; and
- inability to obtain regulatory approvals in the future or maintain or renew our existing regulatory approvals.

Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Selling Shareholders in this Draft Red Herring Prospectus shall be deemed to be “statements and undertakings made by the Selling Shareholders”.

All other statements and/or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, the Directors, the Selling Shareholders, the Syndicate, nor any of their respective affiliates or associates, have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not realize. In accordance with the ICDR Regulations, our Company and the GCBRLMs

and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of final listing and trading permissions by the Stock Exchanges for the Equity Shares allotted pursuant to the Issue.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement. For further discussion of factors that could cause our actual results to differ from our expectations, please see the section “*Risk Factors*” and the chapters “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” beginning on pages 19, 160 and 325, respectively.

## SECTION II: RISK FACTORS

*An investment in our Equity Shares involves a high degree of risk. You should carefully consider the risks described below as well as other information in this Draft Red Herring Prospectus before making an investment in our Equity Shares. You should read this section in conjunction with the chapters “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 160 and 325, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. The risks described in this section are those that we consider to be the most significant to our business, results of operations and financial condition. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. If any or a combination of the following events occur, our business, financial condition, results of operations and prospects could materially suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks mentioned herein.*

*Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.*

*Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements.*

*This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Please see the chapter “Forward Looking Statements” beginning on page 17.*

### **Risks Relating to Our Company**

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

The airline industry is characterized by low profit margins and high fixed costs, including lease and other aircraft acquisition charges, engineering and maintenance charges, financing commitments, staff costs and IT costs. Significant operating expenses, such as airport charges, do not vary according to passenger load factors. In order for us to profitably operate our business, we must continue to achieve, on a regular basis, high utilization of our aircraft, low levels of operating and other costs, careful management of passenger load factors and revenue yields, acceptable service levels and a high degree of safety, such that we continue to generate high revenues and grow profitably. As some of the factors affecting these tasks are not totally under our control, there can be no assurance that we will be able to achieve any one or more of these aims to a sufficient degree for our business and growth plans to succeed at all or for us to be able to cover the fixed costs of our operations or achieve acceptable operating or net profit margins. For example, high utilization may be difficult to achieve as a result of internal factors such as operational problems or procedures or external factors such as increased competition or delays caused by inadequate airport facilities or air traffic control services (please see “—Lack of airport infrastructure and facilities in India could adversely affect our business”). As we rely on maintaining high utilization of our aircraft, if an aircraft becomes unavailable, we may suffer greater damage to our service, reputation and profitability.

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

Further, our growth strategy involves increasing the frequency of our flights in markets that we currently serve and expanding into new underpenetrated tier II and tier III cities in India and potentially to select new destinations in Southeast Asia, South Asia and the Middle East. Our success in implementing our growth strategy may be adversely affected by:

- our inability to grow domestic networks and frequencies in a profitable manner;
- our inability to acquire additional licenses and traffic rights to our targeted geographical markets;
- delay in procuring, or our inability to procure, flight slots on terms that are financially viable;
- changes to our cost structure;
- inability to replicate the LCC model in our proposed international operations;
- factors affecting demand in international travel to and from India, including the general condition of the global economy;
- operational, financial, marketing and legal challenges (including compliance with foreign laws) that are different from those that we currently encounter;
- our inability to operate and manage a larger operation in a cost effective manner;
- our inability to maintain or grow our ancillary revenues;
- greater exposure to exchange rate volatility;
- our inability to hire, train and retain sufficient numbers of pilots, flight crew and engineers with relevant experience;
- our inability to secure the necessary parking bays and departure slots at our targeted airports; and
- delays in fulfilment of our aircraft orders by the aircraft manufacturer or our inability to finance such aircraft on acceptable terms.

Many of these factors are beyond our control. While we intend to replicate our LCC business model to expand our operations to new markets, we may have limited operating experience in such markets, where the operating, financial, marketing and legal challenges presented could be significantly different from those that we currently face in our existing markets. There can be no assurance that we will succeed in implementing our strategy of expanding into these new markets.

## **2. We may be unable to fulfil our commitments under our 2011 aircraft purchase agreement with Airbus.**

Our June 2011 firm order with Airbus has secured a series of scheduled deliveries from November 2015 to November 2023, subject to any delivery advancements or deferrals which may be negotiated with Airbus. We expect these deliveries to increase our operating fleet to approximately 111 aircraft, net of retirements, by the end of fiscal 2016. In the event that we are unable to successfully implement our growth strategy or if we are unable to arrange financing for such deliveries, we may have to delay or cancel the scheduled deliveries of aircraft under our 2011 firm order with Airbus and could incur significant damages as a result of any potential delay. The damages imposed under the 2011 aircraft purchase agreement with Airbus may have an adverse effect on our business, results of operations and financial condition (please see the chapter “*Our Business—Our Fleet*” beginning on page 174).

## **3. We may not be able to successfully implement our growth strategy of expanding our route network due to factors beyond our control.**

We intend to develop a portfolio of routes which have the potential to deliver high passenger load factors at yields that are attractive to us. The number of markets we serve and our flight frequencies depend on our ability to identify appropriate geographic markets upon which to focus and to gain suitable airport access and route approval in these markets. When selecting a potential route, we typically choose a destination that has a population in excess of one million people and has the potential to service other key cities, where the route is a good fit with our existing network, the attractiveness of alternative modes of transport for the route (such as rail) and whether the route has proven to be successful for our competitors. We also consider economic indicators to identify the growth opportunities in a particular market. Please see the chapter “*Our Business—Our Route Network—Domestic Route Selection and Development Strategy*” beginning on page 169.

Factors that may affect our ability to identify appropriate new routes to which we can expand include but are not limited to the following:

- economic, political and business conditions;
- general population trends in India;
- conditions in the Indian domestic ground transportation industry;
- national, regional and local governmental laws, regulations, policies or actions, including those related to taxation and tax restrictions;
- regulatory limitations such as on flight capacity or the ability of carriers to process more passengers;
- slot availability at potential new destination; and
- the business and operations of our competitors.

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

The expansion of our business will also require additional skilled personnel, equipment and facilities. The inability to hire and retain skilled pilots and other personnel or secure the required equipment and facilities efficiently and cost-effectively may adversely affect our ability to execute our growth strategy. Expansion of our markets and flight frequencies may also strain our existing management resources and operational, financial and management information systems to the point where they may no longer be adequate to support our operations, requiring us to make significant expenditures in these areas. In light of these factors, we cannot assure you that we will be able to successfully establish new markets or expand our existing markets, and our failure to do so could have an adverse impact on our business, financial condition and results of operations.

**4. There is no assurance that the new routes which we expand into will be profitable or become profitable over time.**

There can be no assurance that the new markets we enter into will provide passenger traffic that is sufficient to make our operations in those new markets profitable. The expansion of our route portfolio and commencement of our flight service to new routes that we successfully identify for expansion will also involve start-up costs as well as additional administrative and staff costs associated with complying with local regulations and operating requirements. Furthermore, on our newly commenced routes, our load factors and fares initially tend to be lower than those on our established routes, which may result in initial losses. We may also periodically run special promotional fare campaigns and conduct road shows and sales meets for travel agents, in particular, in connection with the opening of new routes. Promotional fares and incentives may have the effect of increasing load factors but tend to reduce our yield and passenger revenues on such routes during the periods that they are in effect. We also generally increase our marketing efforts in connection with the opening of new routes, such as putting up billboards in strategic locations and advertising in regional languages to reach out to more people, which increases our costs associated with expansion. These costs are likely to lead to initial losses that could have an adverse impact on our results. The failure of new routes to be profitable or become profitable over time may adversely affect our business, financial condition, results of operations and cash flows.

**5. We and certain of our Directors, Promoters and Group Entities are involved in certain legal proceedings which, if determined adversely, may adversely affect our business and financial condition.**

Our Company, Directors, Promoters and Group Entities are involved in certain legal proceedings at different levels of adjudication before various courts, tribunals and appellate authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties by other statutory authorities, our Company, Promoters or Group Entities may need to make payments or provisions for future payments, which may increase expenses and current or contingent liabilities and also adversely affect our reputation.

For more information regarding the above, please see the chapter “*Outstanding Litigation and Material Developments*” beginning on page 356.

A summary of the proceedings involving our Company, Directors, Promoters and Group Entities as of the date of this Draft Red Herring Prospectus is provided below:

## **I. Company**

### ***Litigation against the Company***

(in ₹ million)

S. No.	Nature of litigation	Number of cases	Approximate amount involved
1.	Customs	8	803.30
2.	Value Added Tax	17	125.42
3.	Service Tax	6	1,684.90
4.	Income Tax	8	1,569.85
5.	TDS	4	186.28
6.	TDS CPC	29	15.92
7.	Civil	13	1,151
8.	Regulatory	6	Unascertainable
9.	Consumer	142	78.13
10.	Notices	335	5,526

### ***Litigation by the Company***

(in ₹ million)

S. No.	Nature of litigation	Number of cases	Approximate amount involved
1.	Regulatory	6	Unascertainable
2.	Criminal Matters	5	74
3.	Consumer	15	1.15

## **II. Directors**

### ***Litigation against Directors***

(in ₹ million)

S. No.	Name of Director	Nature of litigation	Number of cases	Approximate amount involved
1.	Mr. Rahul Bhatia	Civil	1	Unascertainable
		Customs	1	7.62
		Consumer	2	3.6
2.	Mr. Aditya Ghosh	Consumer	1	1.2
		Notices	1	24
3.	Mr. Rakesh Gangwal	Civil	1	Unascertainable

### ***Litigation by Directors***

(in ₹ million)

S. No.	Name of Director	Nature of litigation	Number of cases	Approximate amount involved
1.	Mr. Rahul Bhatia	Civil	1	Unascertainable

## **III. Promoters**

### ***Litigation against the Promoters***

(in ₹ million)

S. No.	Name of Promoter	Nature of litigation	Number of cases	Approximate amount involved
1.	Mr. Rahul Bhatia	Civil	1	Unascertainable
		Customs	1	7.62
		Consumer	2	3.6
2.	Mr. Rakesh Gangwal	Civil	1	Unascertainable

S. No.	Name of Promoter	Nature of litigation	Number of cases	Approximate amount involved
3.	InterGlobe Enterprises	Income Tax	3	4.54
		Service Tax	1	Unascertainable
		Customs	1	7.62
		Arbitration	1	100
		Civil	1	3.36
		Consumer	3	1.76
		Notices	4	Unascertainable
4.	Acquire Services	Income Tax	5	72.42
		Service Tax	1	328.88
		Arbitration	1	100

***Litigation by the Promoters***

(in ₹ million)

S. No.	Name of Promoter	Nature of litigation	Number of cases	Approximate amount involved
1.	Rahul Bhatia	Civil	1	Unascertainable
2.	InterGlobe Enterprises	Civil	1	Unascertainable
3.	Acquire Services	Civil	2	0.4

**IV. Group Entities**

***Litigation against the Group Entities***

(in ₹ million)

S. No.	Name of Group Entity	Nature of litigation	Number of cases	Approximate amount involved
1.	InterGlobe Hotels Private Limited	Income Tax	2	12.5
		VAT	4	3
		Property Tax	3	5.07
		Civil	4	5.1
		Environment	2	0.15
		Notices	3	Unascertainable
2.	Ashford Properties Private Limited	Income Tax	3	0.11
3.	Air France Ground Handling India Private Limited	Notices	1	Unascertainable
4.	Pegasus Buildtech Private Limited	Civil	1	0.1
		Environment	1	0.15
		Notices	1	Unascertainable
5.	InterGlobe Technology Quotient Private Limited	Income Tax	6	1,884.27
		TDS	2	
		VAT	1	0.52
		Civil	1	1.5
6.	Calleo Distribution Technologies Private Limited	Income Tax	1	Unascertainable
		Service Tax	3	117.33
7.	ITQ Lanka Private Limited	VAT	1	14.71
8.	IGT Lanka Private Limited	Notices	1	0.11 <sup>#</sup>
9.	InterGlobe Technologies International Private Limited	Notices	2	Unascertainable
10.	InterGlobe Air Transport Limited	Income tax	1	110.58
		Notices	3	Unascertainable
		Consumer	4	1.87
		Civil	1	0.75
11.	InterGlobe Technologies Private Limited	TDS	1	0.43
		Notices	2	Unascertainable
12.	IGT Solutions Private Limited	Notices	1	Unascertainable
13.	CAE Simulation Training Private Limited	Income Tax	1	0.16
		VAT	1	1.52



S. No.	Name of Group Entity	Nature of litigation	Number of cases	Approximate amount involved
14.	Navigator Travel Services Private Limited	Income Tax	1	4.20
15.	Isha Steel Treatment Private Limited	Income Tax	3	4.62
		TDS-CPC	1	Negligible
		Notices	2	0.13
16.	ARA Hospitality Private Limited	Civil	1	Unascertainable
17.	ARC Hospitality Private Limited	Notices	1	Unascertainable
18.	InterGlobe Established Private Limited	Notices	1	Unascertainable
19.	InterGlobe Technologies Solutions International Private Limited	TDS	1	Nil
20.	InterGlobe Technologies Philippines Inc.	Civil	4	0.69*
21.	Srilanand Mansions Private Limited	VAT	1	30.20
		Commercial Tax	1	30.60
22.	Techpark Hotels Private limited	Income Tax	3	6.34
		Service Tax	1	0.24
		Customs	1	0.34
		Civil	1	3.60
		Notices	1	12.36
23.	Accent Hotels Private Limited	Taxation	1	0.01
24.	Caddie Hotels Private Limited	Income Tax	1	Unascertainable
		Excise	1	Unascertainable
		Civil	2	Unascertainable
		Notices	1	Unascertainable
25.	Accent Hotels Private Limited	Notices	2	Unascertainable
26.	AAPC India Hotel Management Private Limited	Income Tax	1	Unascertainable
27.	AAPC India Hotel Management Private Limited	Income Tax	1	Unascertainable
		TDS-CPC	5	0.46

# Sri Lankan Rupees

\* Philippine Peso

#### **Litigation by the Group Entities**

(in ₹ million)

S. No.	Name of Group Entity	Nature of litigation	Number of cases	Approximate amount involved
1.	InterGlobe Hotels Private Limited	Civil	1	1.29
		Criminal	1	Unascertainable
2.	Techpark Hotels Private limited	Civil	1	0.83
3.	InterGlobe Technologies Private Limited	Civil	1	6.02
		Criminal	1	Not ascertainable
4.	InterGlobe Technology Quotient Private Limited	Civil	7	214.94

#### **6. We have in the past entered into related party transactions and may continue to do so in the future.**

We have entered into transactions with our Promoters and with certain Group Entities. Services performed by related parties, most notably include the operation of our call centre by InterGlobe Technologies Private Limited, the operation of our sales function supported by InterGlobe Air Transport Limited, the lease of certain office space from InterGlobe Enterprises, our Promoter, and the lease of our corporate office from Acquire Services, our Promoter. The total expenses incurred towards the aforementioned related parties amounted to ₹ 1,193.83 million or 1.09% of our total expenses and ₹ 1,039.05 million or 1.11% of our total expenses, in fiscal 2014 and the nine months ended December 31, 2014, respectively. Please see the chapter “Financial Statements— Statement of Related Parties and Related Party Transactions” beginning on page 314. While all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions

not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

**7. Our levels of indebtedness could adversely affect our business. Further, we may incur a significant amount of debt in the future to finance the acquisition of aircraft and our expansion plans.**

We have agreed to purchase 180 Airbus A320neo aircraft as per a fixed aircraft delivery schedule under our 2011 purchase agreement with Airbus. We generally assign our right to purchase each aircraft under our purchase agreement with Airbus to a third-party lessor and lease the aircraft from the lessor following delivery of the aircraft under a sale-and-leaseback agreement. Under the terms of our assignment, third-party lessors are typically required to pay the agreed purchase price between the lessor and us for each delivered aircraft directly to Airbus. If we are unable to assign our right to purchase under our purchase agreement with Airbus to a third-party lessor or if such third-party lessor defaults in purchasing the aircraft from Airbus, we may have to incur a significant amount of debt to finance the acquisition of the aircraft. As expanding our fleet size is crucial for implementing our growth strategy, any failure to obtain acquisition financing may adversely impact our business. There is no assurance that we will be able to raise such financing in time, on acceptable terms or at all. If we are unable to obtain financing for new aircraft on acceptable terms, this may increase the cost of financing, affect our profitability and cash flow, delay our fleet expansion plans and result in a breach of our purchase agreement and penalties for any delay or cancellation of aircraft under our purchase agreement. For further details, please see the chapter “*Our Business—Our Fleet*” beginning on page 174.

We are subject to interest rate fluctuations on our floating-rate lease arrangements and our floating-rate indebtedness. Of the 96 aircraft we have under lease as of April 30, 2015, 69 are under fixed-rate leases while the lease payments for the remaining 27 are on a floating-rate basis, based on LIBOR. For further details, please see the chapter “*Our Business—Our Fleet—Financing of Fleet*” beginning on page 174. As a result, while our current exposure to interest rate fluctuations is relatively contained with respect to the fixed-rate leases, significant increases in interest rates will increase our obligations under our floating-rate leases and may adversely impact our results of operations. Furthermore, we may increase our exposure to interest rate fluctuations through new leases or financing arrangements.

The degree to which we are indebted could adversely affect our business operations, including (i) increasing our vulnerability to adverse general economic and industry conditions, (ii) affecting our ability to obtain additional financing to fund future acquisitions of aircraft or for other general corporate purposes, (iii) requiring the dedication of a substantial portion of our cash flow from operations to the payment of principal and interest on indebtedness, thereby reducing funds available for operations and future business opportunities and (iv) causing us to be vulnerable to increases in interest rates as certain of our borrowings may be at variable rates of interest. In addition, certain agreements governing our future indebtedness may contain covenants that require the creation of security interests over our assets and limit our operating and financial flexibility. Our ability to meet our payment obligations will depend on the success of our business strategy and our ability to generate sufficient revenue to satisfy our obligations which are subject to many uncertainties and contingencies beyond our control.

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

We have entered into aircraft and engine lease agreements with various lessors. These agreements contain customary termination events and also require us to comply with certain covenants during the term of each agreement, including regulatory compliance. Failure to comply with such covenants could result in a default under the relevant agreement, and ultimately in a re-possession of the relevant aircraft or engine. Certain of these agreements also contain cross-default clauses, as a result of which default under any one of the lease agreements may be treated as a default under other lease agreements. As such, a failure to comply with the covenants in our aircraft and engine lease agreements could have an adverse effect on our business, financial condition and result of operations.

Our financing arrangements contain restrictive covenants regarding, among other things, restrictions on dividends, reorganization, amalgamation or merger, incurrence of additional indebtedness, the disposition of assets and the expansion of our business.

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

financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell our assets if we do not have sufficient cash or credit facilities to make repayments. Additionally, if our borrowings are secured against all or a portion of our assets, lenders may be able to sell those assets to enforce their claims for repayment.

**9. Our implied valuation based on our implied price / earnings multiple at the Issue Price may be higher than that of other international LCCs.**

Among the international carriers that follow the LCC business model, we believe that AirAsia, Cebu Pacific, Ryanair, Southwest Airlines, Spirit Airlines and Wizz Air are our closest comparable peers. Our implied valuation based on the implied price/earnings multiples of the Issue Price could be higher than that of comparable international LCCs and other airlines. Other LCCs may operate in different markets or follow a different business model than ours which may impact their profitability. In addition, many international LCCs follow different accounting practices and prepare their financials in accordance with accounting principles that may be significantly different from Indian GAAP in accordance with which we prepare our financial statements. You may therefore not be able to accurately assess and measure the value of our business by comparing our implied price/earnings multiples with those of other international LCCs. Please see the chapter “*Basis for Issue*” beginning on page 117.

**10. Our financial statements have yet to reflect interim dividends paid after December 31, 2014.**

On June 19, 2015, our Company declared an interim dividend (excluding dividend distribution tax) of ₹ 997.38 million for fiscal 2015 and an interim dividend of ₹ 10,029.10 million for fiscal 2016, each for 307,000 Equity Shares. Please see the chapter “*Dividend Policy*” beginning on page 252. On January 12, 2015 and March 23, 2015, our Company declared an interim dividend of ₹ 5,932.37 million and ₹ 2,260.23 million for fiscal 2015, each for 307,000 Equity Shares, respectively. The restated financial statements provided in this Draft Red Herring Prospectus do not reflect these interim dividends. Any reliance by persons on the financial disclosures presented in this Draft Red Herring Prospectus without considering these interim dividend payments should accordingly be limited.

**11. Our entire current and projected fleet comprises Airbus A320 family aircraft, and any real or perceived problem with the Airbus A320 aircraft or our IAE engines could adversely affect our operations.**

We operate a fleet of 96 aircraft as of April 30, 2015, all of which are Airbus A320 aircraft which utilize engines from International Aero Engines AG (“IAE”). Our dependence on Airbus, its A320 family of aircraft and IAE engines makes us particularly vulnerable to any problems that might be associated with such aircraft or engines. The Airbus A320 family of aircraft has been in service for over 25 years. Because our entire fleet comprises Airbus A320 family aircraft, including the new aircraft which we expect to receive delivery in the future, any defect or problem discovered in an Airbus A320 family aircraft may result in Airbus recalling or issuing maintenance advisories applicable to all such aircraft, and our fleet may have to be grounded while such a defect or problem is corrected, assuming it can be corrected at all. Any such defect or problem may also result in aviation authorities in India or elsewhere implementing certain airworthiness directives which may require substantial cost to comply with. Further, our operations could be adversely affected if passengers avoid flying with us as a result of a negative perception of the Airbus A320 aircraft due to real or perceived safety concerns or other problems.

Currently, all of our aircraft carry V-2527-A5 engines manufactured by IAE, and, upon delivery, all of our A320neo aircraft under our 2011 order will utilize a new type of Pratt & Whitney engine. A change in engine suppliers or contractual terms with existing engine suppliers, including a change in fuel saving terms, may lead to less favorable terms in our future engine orders, which may increase our fixed and variable costs.

**12. Any production delays for or issues with the Airbus A320neo aircraft and its engines would affect our expansion plans.**

We ordered 180 Airbus A320neo aircraft in 2011 which will utilize Pratt & Whitney engines. The A320neo aircraft and its engines are currently under commercial production and none have been delivered to date. Any delays in entering these aircraft into service would adversely affect the implementation of our expansion plans and our financial condition. Once delivered, the adverse effect of any real or perceived problem for the Airbus A320neo as a newly operational aircraft or with the new Pratt & Whitney engines in such aircraft could be greater than if faced by an aircraft with a longer operational history.

In addition, our anticipated aircraft fuel expenses may be adversely affected if the new A320neo aircraft and Pratt & Whitney engines ordered in 2011 do not achieve the projected levels of fuel efficiency.

**13. Depreciation of the Rupee against the U.S. Dollar may have an adverse effect on our results of operations.**

While substantially all of our revenues are denominated in Rupees, we are exposed to foreign exchange rate risk as a substantial portion of our expenses are denominated in U.S. Dollars, including our aircraft orders with Airbus, all of our aircraft and engine leases and financing payments, our aircraft fuel and a significant portion of our aircraft maintenance expenses. In addition, the cost of aircraft fuel sourced domestically could be adversely impacted by the depreciation of the Rupee against the U.S. Dollar as domestic aircraft fuel prices are derived from international fuel prices which are denominated in U.S. Dollars. Accordingly, any depreciation of the Rupee against the U.S. Dollar will significantly increase the Rupee cost of our operations. We may or may not be able to pass increased costs to our customers by increasing our passenger ticket prices without a decrease in our load factors. Please see the chapter “*Presentation of Financial, Industry and Market Data—Exchange Rates*” beginning on page 14.

In April 2014, we started importing aircraft fuel. Imported aircraft fuel must be paid for in advance at a U.S. Dollar price determined two months prior to delivery, which further exposes us to fluctuations in the exchange rate between the U.S. Dollar and the Rupee.

**14. We may not be able to negotiate favourable terms in future aircraft purchases, which may adversely affect our financial results.**

We receive non-refundable incentives from manufacturers. The application of these credits to our operating leases results in a net reduction in our aircraft rental payments which is amortized over the initial terms of the operating leases. As of December 31, 2014 we had unamortized deferred incentives of ₹ 18,585.92 million as a result of these credits. We would not receive such credits in the event that the market price of the A320neos were to decrease below the price under our 2011 order. There is also no guarantee that we will be able to negotiate favourable terms in our future aircraft purchases, which may adversely affect our financial results.

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

We are exposed to potential significant losses in the event that any of our aircraft is subject to an emergency, accident, terrorist incident or other disaster and, consequently, significant costs and harm to our reputation arising from passenger claims, repairs or replacement of a damaged aircraft and its temporary or permanent loss from service. There have been instances where pilots who were certified by the MoCA and the DGCA have been subsequently found to have fraudulently obtained credentials, including two instances involving our airline. There can be no assurance that we will not be affected by such events or that the amount of our insurance coverage will be adequate in the event such circumstances arise (see “*We are exposed to certain risks against which we do not insure and may have difficulty obtaining insurance on commercially acceptable terms or at all on risks that we insure against today*”) and any such event could cause a substantial increase in our insurance premiums. In addition, any future aircraft accidents or incidents, even if fully insured, may create a public perception that we are less reliable or safe than other airlines, which could have an adverse impact on our reputation and business.

**16. We depend on our key personnel, especially our executive officers and key management, and some of our Promoters for the continued success of our business and operate in a highly competitive labor market.**

Our success depends to a significant extent upon the continued services of our executive officers and other Key Management Personnel, along with support of our Promoters, Mr. Rahul Bhatia and Mr. Rakesh Gangwal. The loss of any of our Promoters, executive officers and other Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. Please see the chapter “*Our Management—Key Management Personnel*” beginning on page 218.

Our business also requires us to have highly-skilled, dedicated and efficient pilots, cabin crew and other personnel. Our growth plans will require us to hire, train and retain a significant number of new employees in the future. From time to time, the airline industry has experienced a shortage of skilled personnel, especially pilots. We compete against all other airlines, including major full-service airlines, for highly skilled personnel. Our average attrition rate for pilots is 7.1% per year from Fiscal 2010 to Fiscal 2015. Large scale attrition could add to our costs since we may have to invest in the hiring and training of new pilots, cabin crew, engineers and other personnel. We have in the

past been investigated by the DGCA concerning the hiring of unqualified pilots. We may have to increase wages and benefits to attract and retain qualified personnel or risk considerable employee turnover. As we are based in India, the market rates for wages are lower as compared to other Asian countries due to the lower cost of living and qualified candidates may choose to work in regions where wages are higher. If we are unable to hire, train and retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy.

**17. Our international routes expose us to risks associated with international activities.**

Having commenced international operations in September 2011, we have limited experience operating in international sectors, which involve risks that are not generally encountered when doing business only in India. These risks include, but are not limited to:

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

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

**18. Based on certain qualifications noted by our auditors, there are deficiencies in certain aspects of our internal controls over financial reporting.**

In connection with the audits of our financial statements, our Auditor has noted that there were delays in the deduction/accrual and deposit of certain statutory dues as a qualification with respect to matters specified in the Companies (Auditors Report) Order, 2003, as amended, in the annexures to their audit reports for each of fiscal 2013 and 2014. Although these qualifications did not require any corrective adjustments in our financial statements, the reports were nonetheless qualified in accordance with the requirements of the Companies (Auditors Report) Order, 2003, as amended. Such qualifications may be repeated in future years.

The audit report for our financial statements for fiscal 2010 includes a qualification concerning a related party transaction which did not require any corrective adjustments in our financial statements. During fiscal 2010, we entered into certain transactions for the purchase of services from InterGlobe Hotels Private Limited (“IGHPL”) and InterGlobe Technologies Private Limited (“IGTPL”) which were covered under Section 297 of the Companies Act, 1956 concerning related party transactions. We did not obtain prior Government of India approval for these transactions as required by Section 297 of the Companies Act, 1956. We failed to comply with Section 297 of the Companies Act, 2013 when we subsequently applied for and obtained approval of the Government for these transactions as our application inadvertently failed to report transactions aggregating to ₹ 55.1 million with IGHPL and IGTPPL. We have received an order dated December 24, 2010 from the Company Law Board condoning our non-compliance and have not entered into any transactions in violation of Section 297 in any fiscal year since fiscal 2010.

The existence of any deficiencies in our internal controls over financial reporting in the future could require significant costs and resources to remedy such deficiencies. The existence of such deficiencies could cause the

investors to lose confidence in our reported financial information and the market price of our Equity Shares could decline significantly. If we are unable to obtain additional financing to operate and expand our business as a result, our business and financial condition could be adversely affected.

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

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

**20. We rely on third-party service providers to perform functions integral to our operations.**

We have entered into agreements with third-party service providers to furnish certain facilities and services required for our operations, including aircraft maintenance services and some aspects of ground handling services (excluding airports in Srinagar, Jammu), which include (i) loading and unloading of baggage, (ii) movement of passengers, crew and towable ground support equipment at the airport, (iii) cleaning of aircraft and (iv) fumigation of aircraft (done only at New Delhi, Mumbai, Kolkata, Bangalore, Hyderabad, Chennai, Jaipur and Ahmedabad airports). We outsource our call centre and our sales operations as well as IT support services. Please see the chapter “*Our Business— Our Operations*” beginning on page 171. For example, our call centre operations are outsourced to InterGlobe Technologies Private Limited, our sales operations are supported by InterGlobe Air Transport Limited, certain aspects of our aircraft maintenance is outsourced to a maintenance, repair and operations facility approved by European Aviation Safety Agency, and aspects of our ground handling operations are outsourced to several parties. While we believe that we will be able to renew our contracts with third-party service providers or negotiate replacement contracts with other service providers on the expiration or termination of such contracts, there can be no assurance that we will be able to renew or negotiate new contracts. Our inability to renew contracts with third-party service providers or negotiate replacement contracts with other service providers at comparable or acceptable rates, or at all, upon the termination or expiration of such contracts may adversely affect our business and results of operations. We are likely to enter into similar service agreements in new markets we decide to enter and there can be no assurance that we will be able to obtain the necessary services at acceptable rates or at all.

Although we seek to monitor the performance of third parties that provide us with ramp and baggage handling and aircraft maintenance services, the efficiency, timeliness and quality of contract performance by third-party service providers are often beyond our control, and any failure by our service providers to perform their contracts may have an adverse impact on our business and operations. We expect to be dependent on such third-party arrangements for the foreseeable future. If the third party that is currently providing aircraft maintenance services to us is unable to provide its services to us for any reason during the course of our contract with it, our business and results of operations may be adversely affected.

**21. We cannot ensure that our intellectual property is protected from copy or use by others, including our competitors, and intellectual property infringement actions may be brought against us.**

We have made applications for the registration of various trademarks associated with our business and operations. For further details of our pending approvals, please see the chapter “*Government and Other Approvals—VII. Intellectual Property*” beginning on page 424.

Our name and trademarks are significant to our business and operations. We cannot assure that we will be able to register all of the trademarks applied for in our name, and such failure may materially and adversely affect our business prospects, reputation and goodwill. Pending completion of registration proceedings, any third-party claim on any of our brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly, and a favorable outcome cannot be assured. Even if our trademarks are registered, we may not be able to detect any unauthorised use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorised use or infringement will not cause material damage to our business prospects, reputation and goodwill.

Tata Motors Limited had issued notices in 2005 claiming that our use of the name ‘IndiGo’ is an infringement of their trademark ‘indigo’. However, the mark has subsequently been registered by our Company under a separate application.

GoAir issued notices in December 2013 claiming that our use of ‘goindigo’ as our internet website domain name constitutes infringement and passing off of their trademark ‘goair.’ We have disputed this claim and proceedings are ongoing.

We may be subject to claims that we have breached our licensed use of software or otherwise infringed on the intellectual property of third parties, including infringement by service providers who use such licences to provide services to us.

**22. We may be exposed to penalties pursuant to errors made in our regulatory filings and statutory records in the past.**

One of our Selling Shareholders, Mr. Paul Carl Schorr, IV (nominee of G5 Investments), a partnership firm constituted under the laws of the State of New York, had made a remittance of USD 250,000 to our Company on September 27, 2006 for subscribing to 1,503 convertible preference shares of ₹ 1,000 each of the Company. These Convertible Preference Shares were subsequently allotted to G5 Investments on September 29, 2006. However, in various subsequent correspondences and filings with the Reserve Bank of India (“RBI”) regarding the above investment, the Company had inadvertently recorded the name of G5 Investments wrongly. Consequently, the ‘Unique Identification Number’ issued by the RBI on June 3, 2014 relating to the above investment noted the investor erroneously as ‘G5 Investments LLC’. Further, our Company in its register of members and in the relevant share certificate has inadvertently noted the name of the partnership firm as a member instead of recording the name of a partner in G5 Investments, as required under the Companies Act.

Pursuant to a request by G5 Investments, our Company has corrected its register of members for recording Mr. Paul Carl Schorr IV, one of the partners of G5 Investments, as the shareholder of our Company as a nominee of G5 Investments and making the necessary corrections in the relevant records. The beneficial interest continues to be held by G5 Investments. Furthermore, our Company has approached the RBI for rectification of records and allotment of the ‘Unique Identification Number’ in the name of Mr. Paul Carl Schorr, IV (nominee of G5 Investments) for the investment made in 2006.

We cannot assure you that that the RBI will not impose a fine or penalties in this regard.

**23. Certain of our Group Entities have incurred losses in the preceding Financial Year and may incur losses in the future.**

Certain of our Group Entities incurred losses in Fiscal 2012, 2013 and 2014, details of which are set forth below:

Name of Company	Losses incurred in the fiscal years ended		
	( ₹n million)		
	2012	2013	2014
InterGlobe Enterprises Limited			(279.57)

Name of Company	Losses incurred in the fiscal years ended		
	( ₹ in million)		
	2012	2013	2014
InterGlobe Hotels Private Limited		(198.65)	(243.85)
Caddie Hotels Private Limited	(91.40)		(224.93)
Techpark Hotels Private Limited	(133.47)	(396.78)	(198.91)
CAE Simulation Training Private Limited		(1.90)	(33.25)
InterGlobe Education Foundation	(7.18)	(7.38)	(10.24)
ARC Hospitality Private Limited			(5.71)
InterGlobe Education Services Limited	(4.71)	(4.61)	(3.55)
Triguna Hospitality Ventures (India) Private Limited	(128.49)	(14.06)	(1.88)
Ashford Properties Private Limited		(0.08)	(1.70)
InterGlobe Services and Technologies FZ-LLC		(74.81)	(26.53)
Sarv Estate Private Limited	(0.01)	(3.89)	(1.15)
Isha Steel Treatment Private Limited	(12.95)	(3.95)	(0.89)
IGT Solutions International Private Limited	(23.12)	(2.13)	(0.40)
Accent Hotels Private Limited			(0.39)
IGT Solutions Pte. Limited			(18.54)
Acquire Buildcon Private Limited		(0.90)	(0.38)
Uniworld Insurance Agency Private Limited		(0.03)	(0.26)
InterGlobe Luxury Products Private Limited			(0.19)
IGE (Mauritius) Private Limited		(13.14)	(5.07)
InterGlobe Foundation	(1.02)	(3.01)	(0.07)
Acquire Propbuild Private Limited		(0.06)	(0.02)
Progress Corporation Singapore Pte. Limited			(0.39)
InterGlobe Air Transport (Singapore) Private Limited	(0.43)	(0.31)	(0.32)
InterGlobe Information Technologies (Dalian) Company Limited	(16.59)	(167.40)	(134.72)
ARA Hospitality Private Limited	(1.02)		
IQC Consultancy Private Limited	(0.00)		
InterGlobe Air Transport Limited (Canada)	(0.24)	(0.37)	
InterGlobe Technologies Inc.	(13.05)		
InterGlobe Air Transport South Africa (Pty) Limited	(0.01)		
InterGlobe Established Private Limited	(24.59)	(32.72)	
IGT (Lanka) Private Limited		(0.39)	
Acquire Infracon Private Limited		(1.17)	
Srilanand Mansions Private Limited	(1.67)	(0.39)	
Calleo Distribution Technologies Private Limited	(2.12)		
Pegasus Buildtech Private Limited		(3.41)	
InterGlobe Technologies Private Limited	(92.70)	(26.60)	



Name of Company	Losses incurred in the fiscal years ended		
	( ₹ in million)		
	2012	2013	2014
IGT Solutions Private Limited	(8.02)		
The Navigator Tourism & Travel LLC			(18.64)

For foreign entities, conversion of foreign currency to INR has been done using the following exchange rates for all fiscal years:

- i. RBI Reference Rate for USD as of March 31, 2014
- ii. Oanda closing rate for other currencies is as on March 31, 2014

Additionally, there can be no assurance that our Group Entities will not incur losses in the future.

For details regarding our Group Entities, please see the chapter “*Our Promoters and Group Entities*” beginning on page 222.

**24. We will continue to be controlled by our Promoters and Promoter Group after the listing of the Equity Shares in the Issue.**

Upon successful completion of the Issue, our Promoters and Promoter Group will collectively control, directly or indirectly, approximately [●] % of our outstanding Equity Shares (assuming full subscription to the Issue). As a result, our Promoters and Promoter Group will continue to have the ability to exercise significant control over our Company and all matters requiring shareholder approval, including election of directors, our business strategy and policies, and approval of significant corporate transactions such as mergers and business combinations. The extent of their shareholding in our Company may also have the effect of delaying, preventing or deterring a change in control of our Company, even if such a transaction may be beneficial to the other shareholders. The interests of our Promoters and Promoter Group as controlling shareholders of our Company could be in conflict with the interests of our other shareholders. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in favor of our Company or the other shareholders.

**25. If our Promoter Group entities and/or Group Entities breach their obligations under agreements entered into with us, it may adversely affect our business.**

Our Promoter Group entities and Group Entities have entered into agreements with us, including agreements relating to the following:

- our call centre operations and certain IT services are outsourced to InterGlobe Technologies Private Limited, sales operations are supported by InterGlobe Air Transport Limited and certain IT shared services have been procured from InterGlobe Enterprises;
- our registered office is leased from InterGlobe Enterprises; and
- our corporate office is leased from Acquire Services.

There can be no assurance that our Promoter Group entities and Group Entities will not breach of any of their obligations thereunder. Also, if these entities are for whatever reason unable to provide any of these services to us, we will need to find alternate service providers, which we may not be able to either in a timely manner or on similar economic terms. For further details, please see the chapters “*Our Management*” and “*Financial Statements—Statement of Related Parties and Related Party Transactions*” on pages 206 and 314, respectively.

**26. Our Promoters and Directors have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.**

Our Promoters are interested in our Company to the extent of any transactions entered into between them and their shareholding and dividend entitlement in our Company. Some of our Directors are also directors of our Promoter, InterGlobe Enterprises and Acquire Services. For further details, see the chapters “*Our Management*” and “*Financial Statements— Statement of Related Parties and Related Party Transactions*” beginning on pages 206 and 314, respectively.

Additionally, our Directors are also interested in our Company to the extent of remuneration paid to them for services rendered as Directors of our Company and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. Additionally, our Directors may be interested in the Equity Shares held by them or entities with which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to this Issue. Two of our Promoters, namely, Mr. Rahul Bhatia and Mr. Rakesh Gangwal, are also interested in our Company to the extent of the travel benefits made available to them by us. For further details, see the chapters “*Our Management*” and “*Financial Statements— Statement of Related Parties and Related Party Transactions*” beginning on pages 206 and 314, respectively.

**27. The premises used in our operations, including our registered and corporate office, are leased.**

We operate entirely out of leased properties. Our registered office is leased from InterGlobe Enterprises, our Promoter, and our corporate office is leased from Acquire Services, our Promoter. The lessors under the various leases are entitled to terminate their respective leases without cause. There can be no assurance that should such a cause arise, the lessor will not terminate the relevant lease. In case of such termination, we may not be able to find suitable alternative premises in time or at all. Due to the nature of our business, continuity of operations and access to facilities and systems is of critical importance. As a result, the termination or the threat of termination of any of our leases could have a substantial disruptive effect on our ongoing business, distract our management and employees and increase our expenses.

**28. The requirements of being a listed company may strain our resources and distract management.**

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur additional legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges which would require us to file audited annual and unaudited semi-annual and limited review quarterly reports with respect to our business and financial condition. If we delay making such filings, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management’s attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

**29. Our operating results may fluctuate due to seasonality.**

Seasonal variations in traffic affect our results of operations. We generally experience higher load factors during the first quarter of each fiscal year (that is, April to June), as this quarter coincides with the summer holiday season in India, and during the third quarter of each fiscal year (that is, October to December), as this quarter coincides with

the festival season in India as well as the Indian winter holiday season. In addition, some of our areas of operations in north and east India experience adverse weather conditions in winter, resulting in additional expenses caused by delayed and cancelled flights. Given our high proportion of fixed cost obligations, these seasonal factors are likely to cause our results of operations to vary from quarter to quarter during a particular fiscal year.

**30. We are subject to incidences of credit card fraud.**

A significant portion of our airline passenger ticket and ancillary service sales are made through our website, in which our customers can pay for such tickets or services using their credit or debit cards. We have in the past experienced, and expect to continue to experience in the future, fraudulent bookings of our airline tickets and services using credit cards. While we have established systems and procedures to reduce incidences of credit card fraud, there can be no assurance that we will not experience increased fraud levels in the future. Any such increase in fraud levels could adversely affect our future financial condition and results of operations.

**31. Contingent liabilities could adversely affect our financial condition.**

As of December 31, 2014, our contingent liabilities were as below:

- a. An income tax assessment of ₹ 100.21 million related to disallowance of certain expenses, provisions, depreciation and/or adjustments for incentives received due to acquisition of aircraft and engines. Based on the views from our counsels, we believe that such tax assessment are not sustainable at higher levels. Thus, no provision has been recorded in our books of account. Our liability as of December 31, 2014 is net of ₹ 1,602.03 million, which represents minimum alternate tax recoverable written off.
- b. During the current and previous years, we have received certain show cause notices and demand orders from the Office of the Commissioner of Service tax, Commissioner of Customs and Commissioner of Central Excise (Adjudication), alleging non-payment of custom duty on imported goods in the amount of ₹ 24.05 million, non-payment of service tax on foreign currency expenditure in the amount of ₹ 0.97 million and excess availment of cenvat credit on cargo services in the amount of ₹ 55.07 million. We have disputed these claims. As we believe these claims will be dismissed, no provision has been recorded in our books of account.
- c. Claims by a supplier related to disputed matters and not acknowledged as debt in the amount of ₹ 188.37 million.

For further details regarding contingent liabilities, please see the chapter “*Financial Statements*” beginning on page 253.

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities materialize, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

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

We use automated systems in the operation of our business, including our website and our online booking and revenue management systems, some of which are provided by third parties and online travel agencies. Any inability of such third parties to deliver such services could significantly disrupt our operations and harm our business. Our website and online reservation system must be able to accommodate a high volume of traffic, deliver important flight information and have adequate protection from security breaches. Hence, we may incur significant costs on our website and online reservation systems. Although, we have not experienced any significant system failures or security breaches, there can be no assurance that system failures or security breaches will not occur in the future. Any disruption in our automated systems may result in the loss of important data, increase our expenses and materially and adversely affect our reputation and ticket sales and, consequently, our business. Please see the chapter “*Our Business—Information Technology*” beginning on page 186.

We retain personal information received from customers and have put in place security measures to protect against unauthorized access to such information. Personal information held both offline and online is highly sensitive and, if third parties were to access such information without the customers’ prior consent or misappropriate that information, it could deter people from transacting on our website, our reputation could be adversely affected and

customers could possibly bring legal claims against us, any of which could adversely affect our business, financial condition and results of operations. In addition, we may be liable to credit card companies should any credit card information be accessed and misused as a result of lack of sufficient security systems implemented by us.

**33. This Draft Red Herring Prospectus contains information from the CAPA Report and the SAP Report which we have commissioned.**

The information in the section entitled “*Industry Overview*” beginning on page 134 includes information that is derived from the CAPA Report and the SAP Report. We commissioned these reports for the purpose of confirming our understanding of the industry in connection with the Issue. Neither we, nor any of the GCBRLMs or BRLMs, nor any other person connected with the Issue has verified the information in the CAPA Report or the SAP Report. CAPA and SAP have advised that while they have taken due care and caution in preparing their reports based on the information they obtained from sources which they consider reliable, neither guarantees the accuracy, adequacy or completeness of the CAPA Report or the SAP Report or the data therein and neither is responsible for any errors or omissions or for the results obtained from the use of CAPA Report or SAP Report or the data therein. The CAPA Report and the SAP Report highlight certain industry and market data relating to the Company and its competitors. Such data is subject to many assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that CAPA’s and SAP’s assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the CAPA Report and the SAP Report are not recommendations to invest / disinvest in any company covered in the CAPA Report or the SAP Report. CAPA and SAP state that they are not responsible for any loss or damage arising from the use of the CAPA Report and SAP Report, respectively. Prospective investors are advised not to unduly rely on the CAPA Report and the SAP Report when making their investment decisions.

**Risks Relating to the Issue and Investments in Our Equity Shares**

**34. We have in the last 12 months issued Equity Shares at a price that could be lower than the Issue Price.**

We have in the last twelve months prior to filing this Draft Red Herring Prospectus, issued Equity Shares at a price that could be lower than the Issue Price. For further details regarding such issuances of Equity Shares, please see the chapter “*Capital Structure*” beginning on page 86.

**35. After the Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.**

There has been no public market for the Equity Shares prior to the Issue and an active trading market for the Equity Shares may not develop or be sustained after the Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to the Issue.

The price of the Equity Shares may fluctuate after the Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian civil aviation sector, changing perceptions in the market about investments in the Indian civil aviation sector, adverse media reports on us or the Indian civil aviation sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India’s economic liberalization and deregulation policies, and significant developments in India’s fiscal regulations.

The trading price of our Equity Shares might also decline in reaction to events that affect the entire market and/or other companies in our industry even if these events do not directly affect us and/or are unrelated to our business, financial condition or operating results.

**36. Any future issuance of our Equity Shares may dilute prospective investors’ shareholding, and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of our Equity Shares. The Securities Contract (Regulation) Rules, 1957 requires us to have a 25% public shareholding, which may result in further sales or issuances of our Equity Shares.**

Purchasers of our Equity Shares will experience an immediate dilution in net tangible book value per share from the initial public offering price per Equity Share. After giving effect to the issuance of [●] Equity Shares in the Issue and following the deduction of estimated offering expenses payable by us and the application of the net proceeds of the Issue, our pro forma as adjusted net tangible book value as of December 31, 2014, would have been ₹ [●] million, or

₹ [●] per Equity Share. This represents an immediate dilution in pro forma net tangible book value of ₹ [●] per Equity Share to new investors purchasing Equity Shares in the Issue. Substantial sales of our Equity Shares in the public market may cause our share price to fall in the future.

Upon consummation of the Issue, we will have [●] Equity Shares outstanding. Upon completion of the Issue, our Promoters and Promoter Group will beneficially own [●] Equity Shares, which will represent approximately [●]% of our outstanding Equity Share capital. The holders of approximately [●] Equity Shares, representing approximately [●]% of our post-Issue outstanding Equity Share capital, will be entitled to dispose of their Equity Shares following the expiration of a one-year statutory “lock-in” period.

Any future equity issuances by us, including in a primary offering or pursuant to a preferential allotment or issuances of stock options under employee stock option plans, or any perception by investors that such issuances or sales might occur, may lead to the dilution of investor shareholding in our Company or affect the trading price of the Equity Shares and could affect our ability to raise capital through an offering of our securities.

Under the Securities Contract (Regulation) Rules, 1957, Indian companies that are seeking to list on the Stock Exchanges are required to have at least 25% public shareholding in the manner as specified therein, with the term “public”, excluding, among other things, the Promoters and Promoter Group. Upon listing, we will have [●]% public shareholding. Under the regulations, we are required to ensure that we reach the 25% threshold within three years of the date of listing of the Equity Shares in the Issue. This may require us to issue additional Equity Shares or require our Promoters or Promoter Group to sell their Equity Shares, which may adversely affect the trading price of our Equity Shares.

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

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

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

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

**39. The Company will not receive any proceeds from the Offer for Sale. A member of our Promoter Group is the Selling Shareholder and will receive the entire proceeds from the Offer for Sale.**

This Issue includes an Offer for Sale of 30,146,000 Equity Shares by the Selling Shareholder which includes certain of our Promoters and Promoter Group individual and entities. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholder and the Company will not receive any such proceeds. For further details, see the chapter “*Capital Structure*” beginning on page 86. The Promoters and the members of the Promoter Group comprising the Selling Shareholders will receive such proceeds from the Offer for Sale. For further details, see the chapter “*Objects of the Issue*” beginning on page 110.

**40. We have not entered into any definitive agreements to utilize a substantial portion of the net proceeds of the Issue.**

We intend to use the net proceeds of the Issue (“**Net Proceeds**”) for retirement of certain outstanding lease liability and consequent acquisition of aircraft, purchase ground support equipment and general corporate purposes. For further details please see the chapter “*Objects of the Issue*” beginning on page 110. We have not entered into any definitive agreements to utilize the net proceeds for capital expenditures relating to general corporate purposes. There can be no assurance that we will be able to conclude definitive agreements for such capital expenditures on terms anticipated by us. Deployment of the proceeds of the Issue is at the discretion of our management and no monitoring agency has been appointed. Since the Fresh Issue exceeds ₹ 500 crore, a monitoring agency will be required to be appointed under applicable Indian Regulations. Pending any use of the Net Proceeds, we intend to invest the Net Proceeds in high quality, interest bearing liquid instruments including deposits with banks. These investments will be authorized by our Board of Directors or a duly authorized committee thereof. These proposed expenditures have not been appraised by any bank or financial institution.

**41. The Company’s management will have broad discretion over the use of the Net Proceeds, and the Net Proceeds might not be applied in ways that increase the value of your investment.**

The Company intends to use the Net Proceeds for the purposes described in the chapter “*Objects of the Issue*” beginning on page 110. The Objects of the Issue include retirement of certain outstanding lease liabilities and consequent acquisition of aircraft, purchase of ground support equipment for our airline operations; and general corporate purposes. The deployment of the Net Proceeds is based on management estimates and has not been appraised by any bank, financial institution or other independent institution. Subject to such section, the Company’s management will have broad discretion to use the Net Proceeds, and you will be relying on the judgment of the Company’s management regarding the application of the Net Proceeds. However, changes, if any, in the “*Objects of the Issue*”, other than those specified herein, following the listing of the Equity Shares will be subject to compliance with the Companies Act and such regulatory and other approvals and disclosures as may be applicable, including the Listing Agreement. The application of the Net Proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this chapter “*Risk Factors*”, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business.

**42. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue until the Issue receives the appropriate trading approvals.**

Our Equity Shares will be listed on the NSE and the BSE. Under the ICDR Regulations, we are required to list our Equity Shares within 12 working days of the Bid/Issue Closing Date. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors’ book entry, or “demat,” accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by the Indian Stock Exchanges. Thereafter, upon receipt of final approval from the Indian Stock Exchanges, trading in the Equity Shares is expected to commence within four working days of the date on which the basis of allotment is approved by the designated Stock Exchange. We cannot assure you that the Equity Shares will be credited to investors’ demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict your ability to dispose of your Equity Shares.

**43. There is no assurance that the Equity Shares will be listed on the BSE or the NSE in a timely manner or at all, and any trading closures at the BSE or the NSE may adversely affect the trading price of our Equity Shares.**

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Approval requires all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**44. The trading price of our Equity Shares may fluctuate due to volatility of the Indian and global securities markets.**

Stock exchanges in India have in recent years, in line with global developments, experienced substantial fluctuations in the prices of listed securities. The SENSEX, BSE’s benchmark index, reduced by around 25%, representing approximately 5,000 points, in 2011, subsequently increased by around 26%, representing approximately 4,000 points in 2012, subsequently increased by around 9%, representing approximately 1,600 points in 2013 and thereafter increased by around 30%, representing approximately 6,400 points in 2014, for the period between

January 1, 2015 to May 29, 2015, the SENSEX had gained approximately 300 points or 1%. Indian stock exchanges have also, in the past, experienced temporary closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements.

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

Subsequent to listing, we will be subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges which will not allow transactions beyond certain volatility in the price of the Equity Shares. Circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the Securities and Exchange Board of India, or SEBI, on Indian Stock Exchanges. The percentage limit for the circuit breaker is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares and is set by the Stock Exchanges based on the market-wide index variation of 10%, 15% and 20% based on the previous day's closing level of the relevant index. The Stock Exchanges are not required to inform us of the percentage limit of the circuit breaker from time to time and may change it without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

**46. You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.**

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT"), is paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, is subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

**47. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and the terms of our financing arrangements.**

Our ability to pay dividends will depend on our earnings, financial condition and capital requirements, and applicable Indian legal restrictions. Our business is capital intensive and we may incur additional expenses to acquire aircraft or other assets. Our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into. Our historical payment of dividends is not indicative of any payments of dividends in the future. We may be unable to pay dividends in the near or medium term and our future dividend policy will depend on our capital requirements, financial condition and results of operations.

**48. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.**

The Indian securities markets are smaller than securities markets in certain other economies. Indian Stock Exchanges have in the past experienced substantial fluctuations in the prices of listed securities. The Indian Stock Exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian Stock Exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies, the Indian Stock Exchanges, and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

**49. Fluctuations in currency exchange rates may have an adverse impact on the investment in our Equity Shares.**

The exchange rate between the Indian Rupee and the U.S. Dollar has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the U.S. Dollar and the Indian Rupee may affect the value of the investment in our Equity Shares of a person resident outside India. Specifically for persons resident outside India, if there is a change in relative value of the Indian Rupee to the U.S. Dollar, each of the following values will also be affected:

- the U.S. Dollar equivalent of the Indian Rupee trading price of our Equity Shares in India;
- the U.S. Dollar equivalent of the proceeds that you would receive upon the sale in India of any of our Equity Shares; and
- the U.S. Dollar equivalent of cash dividends, if any, on our Equity Shares, which will be paid only in Indian Rupee.

You may be unable to convert Indian Rupee proceeds into U.S. Dollars or any other currency or the rate at which any such conversion could occur could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Indian Rupee if U.S. investors analyse our value based on the U.S. Dollar equivalent of our financial condition and results of operations.

While a substantial portion of our revenues is, and will be, denominated in Indian Rupees, we expect to incur indebtedness denominated in foreign currencies to implement our growth strategy and finance the expansion of our fleet. We may in the future bear the exchange rate risk for any imported equipment or raw material. Accordingly, any depreciation of the Indian Rupee against these currencies will significantly increase the Indian Rupee cost to us of servicing and repaying our foreign currency payables. For further details please see the chapter “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Market Risks*” beginning on page 348.

**50. There may be less information available about companies listed on the Indian securities markets compared to information that would be available if we were listed on securities markets in certain other countries.**

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the U.S. and certain other countries. SEBI governs the Indian capital market (along with the Indian stock exchanges, which also govern the companies whose securities are listed with them) and has issued regulations and guidelines on disclosure requirements, insider trading, substantial acquisitions and takeovers of listed companies and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared to information that would be available if that company was listed on a securities market in certain other jurisdictions.

**Risks Related to Our Industry**

**51. The airline industry is characterised by low profit margins and high fixed costs.**

The airline industry is characterised by low profit margins and high fixed costs. A significant proportion of our expenses, including depreciation, maintenance, overhaul, aircraft fuel expenses, aircraft handling and navigation fees, finance costs, operating lease payments, and labor costs for flight deck and cabin crew and ground personnel, are either comprised of fixed costs or do not vary based on our load factors. Revenue generated from a flight is directly related to the number of passengers, the volume and weight of cargo carried, and the fare structure. A relatively small change in the number of passengers in relevant markets or in pricing, load factors or traffic mix could have a disproportionate impact on our results of operations. In addition, a minor shortfall in expected revenue levels could have a material adverse effect on our financial performance.

**52. The airline industry is significantly affected by the price and availability of aircraft fuel.**

Aircraft fuel expenses represent the single largest item of our total expenses, accounting for 42.0%, 47.1%, 51.0%, 51.0%, 50.3% and 48.4% of our total expenses in Fiscal 2010, 2011, 2012, 2013 and 2014 and the nine months ended December 31, 2014, respectively. As such, our operating results are significantly impacted by changes in the availability and the cost of aircraft fuel.



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

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

- limited competition in India because aircraft fuel is currently available at airports primarily from three government-controlled oil marketing companies (Indian Oil Corporation Limited (“IOCL”), Bharat Petroleum Corporation Limited (“BPCL”), and Hindustan Petroleum Corporation Limited (“HPCL”), and two private companies (Shell MRPL Aviation Fuels and Services Private Limited and Reliance Industries Limited);
- periodic variations in the ex-refinery price charged for aircraft fuel by oil marketing companies: the price is fixed every month based on the Arab Persian Gulf Platt aircraft fuel prices and the cost of crude oil;
- fluctuations in the exchange rate between the U.S. Dollar and the Rupee, since a substantial percentage of crude oil is imported;
- excise duty on aircraft fuel, which is currently 8% (in addition, applicable education cess is also required to be paid);
- sales tax on aircraft fuel, which is currently up to 30% ;
- aircraft fuel tax and VAT subsidies which are provided by certain states, such as Andhra Pradesh, Rajasthan, Chhattisgarh, Jharkhand, Odisha, Madhya Pradesh, Maharashtra and West Bengal where we operate, which may be revoked or modified at any time by government action; and
- government subsidies, including those provided to private air carriers that maintain routes to remote areas such as Assam.

We largely rely on the three government-controlled companies for our aircraft fuel requirements and hence our aircraft fuel supply options are limited. As delivery of imported aircraft fuel is made free on board, we are also subject to risks of contamination and pilferage. Inadequate supplies of aircraft fuel or disruption in supply may result in increases in the cost of aircraft fuel or could cause significant disruptions to our business.

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

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

As the airline industry is generally characterized by high fixed costs, principally for lease and other aircraft acquisition charges, airport charges, engineering and maintenance charges, financing commitments, staff costs and IT costs, a shortfall in revenue levels as a result of slower economic cycles could have an adverse impact on our results of operations and financial conditions. If the global economy, and in particular the Indian economy, suffers due to a slowdown and demand for business and leisure travel decreases in India and in foreign markets, our results of operations may be adversely affected. Moreover, an economic slowdown and investor reaction in one country may adversely affect the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general.

We currently conduct a majority of our operations and generate predominantly all of our revenue in India, but also offer flights to certain select international destinations, such as Dubai, Muscat, Kathmandu, Bangkok and Singapore. Although we expect to continue focusing our business in the Indian market for the foreseeable future, we may

expand our flight routes internationally to additional destinations in Southeast Asia, South Asia and the Middle East. As a result, the performance and growth of our business may be dependent on the economic conditions in these regions, and in particular, in India. The rate of growth of India's economy and of the demand for civil aviation services in India may not be as high or may not be sustained for as long as we have anticipated. During periods of slow or stagnant growth, such demand may exhibit slow or even negative growth.

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

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

The airline industry is exposed to extraneous events such as terrorist attacks or the outbreak of contagious diseases as well as catastrophic events involving passenger aircraft. Terrorist attacks, such as those on September 11, 2001, and catastrophic events involving passenger aircraft, such as the missing Malaysia Airlines Flight MH370, Malaysia Airlines Flight MH17 being shot down over Ukraine, the crash of Indonesia Air Asia Flight 8501 and the crash of Germanwings Flight 9525, had a negative impact on the airline industry. The effect of such incidents on the airline industry may include increased security and insurance costs, increased concerns about future terrorist attacks, airport shutdowns, flight cancellations and delays due to security breaches and perceived safety threats, and significantly reduced passenger traffic and yields due to the subsequent dramatic drop in demand for air travel globally. Terrorist attacks, or the fear of such attacks, or other world events could result in decreased cabin factors and passenger yields and could also result in increased costs, such as increased aircraft fuel expenses or insurance costs, for the airline industry, including us. We cannot assure you that we would be able to pass any portion of any such increased costs to passengers. Other events, such as rare but high-impact meteorological phenomena, may also cause major disruptions in aviation operations. For example, the volcanic eruptions in Iceland in April 2010 caused thousands of flight cancellations in Europe and around the world. If any similar events or circumstances occur in the future, our business could be adversely affected.

An outbreak of Ebola, Severe Acute Respiratory Syndrome ("SARS"), Middle Eastern Respiratory Syndrome ("MERS"), H1N1, avian flu, or another contagious disease with the potential to become a pandemic, or the measures taken by the governments of affected countries against such potential outbreaks could also seriously disrupt our operations, which could have an adverse effect on our business. The perception that an outbreak of another pandemic may occur could also have an adverse effect on the economic condition of India and other countries in which we operate, which may also negatively impact our business.

**55. Competition in the airline industry may adversely affect our business.**

The airline industry is highly competitive. We face intense competition from other LCCs as well as full-service passenger airlines that operate on our routes. Our principal competitors include (in alphabetical order) Air India (including Air India Express and Alliance Air), AirAsia India, GoAir, Jet Airways (including the former Jet Lite/Konnect brands), SpiceJet and Vistara, as well as potential new entrants into the routes/markets that we serve or plan to serve. We may also face competition from airlines that could be established in the future in the markets that we serve.

The intensity of the competition we face varies from route to route and depends on a number of factors, including the strength of competing airlines. Our competitors may have better brand recognition and greater financial and other resources than us. In addition, some competitors may have a longer operating history and greater experience than us in operating certain routes. Presently, we are not integrated with any global distribution service. This could lead to the loss of travellers who make reservations through travel agents outside India, since these travel agents typically make flight reservations through a global distribution service network. Further, in the event our competitors reduce their fares to levels which we are unable to match while sustaining profitable operations, we may reduce or withdraw services on the relevant routes, which may cause us to incur losses or impact our growth.

In addition to fare competition, an increase in the number of airlines operating at any of the airports at which we operate may result in an increase in congestion and delays at such airports which could harm our business.

For our international routes, we may also face competition from other Indian carriers that operate in the international sectors such as Jet Airways, SpiceJet, Air India and Air India Express, along with other international airlines such as AirAsia India, Vistara and potential new providers of international flight service such GoAir subject to fulfillment of eligibility criteria imposed by the DGCA.

We also face competition from ground transportation, especially from Indian Railways, which offers cheaper alternative modes of transportation than airlines. The efforts of the Indian Government to introduce high speed rail through the High Speed Rail Corporation of India Limited and upgrade highways through the National Highways Development Project are likely to increase the attractiveness of these modes of transportation for the Indian middle class who comprise the bulk of our current and targeted passengers.

The market for aviation labor is also very competitive. Strong demand within the aviation industry for skilled and technical labor, such as maintenance and overhaul personnel, may cause labor costs to rise. It may become more costly to meet our labor needs should our business expand in the future. Meanwhile, we presently employ skilled personnel in our own workforce who may be highly sought by our competitors. We may incur greater costs to retain or replace our own skilled workers.

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

Our Company is required to obtain, maintain, and renew various permits, registrations, certifications, licenses and approvals (hereinafter collectively referred to as “Permits”), necessary to conduct our business, including, to operate its portfolio of routes and aircraft. Please see “—*Changes in government regulation could reduce our operating flexibility, increase our operating expenses, and result in service delays and disruptions.*” The Government could also revoke subsidies such as aircraft fuel subsidies, granted to the airline industry and/or to privately-owned airlines such as ours, which could adversely impact our profitability.

Each of these Permits is subject to conditions imposed by the applicable regulatory authority and may also require periodical renewals. (Please see the chapter “*Key Regulations and Policies in India*” beginning on page 189). Failure to comply with the requirements of any of the Permits could result in the revocation of such Permit, and this will have an adverse effect on our business and financial condition.

Some of our Permits have expired or will expire shortly, including those for which we have either made or are in the process of making an application for the Permit or its renewal. For instance, certain of the FATAs for our expatriate pilots are expected to expire. As a pre-condition to such approval, pilots are required to be medically fit for service. However, the said pilots are currently medically unfit for service and the FATAs may not be renewed in a timely manner or at all. We may not meet the conditions for such Permits or receive such Permits or renewals in the time frame anticipated by us or at all, which could adversely affect our business. Our failure to obtain any of these or any other applicable Permits or renewals thereof may adversely affect the continuity of our business and may hinder our operations in the future. For further details on approvals and licences please see the chapter “*Government and Other Approvals*” on beginning page 409.

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

The civil aviation industry in India is regulated by the MoCA, the DGCA and the Airports Authority of India, or the AAI. The regulations are extensive and complex and cover all major aspects of operations, including basic licenses, aircraft acquisitions, and routing. The issuance and regulation of operating permits, certification, import and registration of aircraft, security clearances for designated personnel, route frequencies, and administration of all related aviation regulations is handled by the DGCA. For example, the Route Dispersal Guidelines of the DGCA stipulate that we operate on certain routes to economically less developed parts of India. Also, private scheduled air transport operators require the approval of the MoCA for the acquisition of additional aircraft.

Foreign airlines are also allowed to invest in the capital of Indian companies operating scheduled and non-scheduled air transport passenger services, other than Air India, up to the limit of 49% of their paid-up capital, subject to the following conditions:

- the investment must have prior Government approval;
- any FDI and FII/FPI investment in the company would be included in calculating the 49% limit;

- the investment must comply with the relevant and applicable regulations of SEBI, including the ICDR Regulations and the Takeover Regulations;
- all foreign nationals likely to be associated with Indian scheduled and non-scheduled air transport services, as a result of such investment must be cleared from security view point before deployment;
- all technical equipment that might be imported into India as a result of such investment must have the clearance from the relevant authority in the MoCA; and
- all other requirements for operating a scheduled air transport service should be complied with.

In addition the guidelines issued by the DGCA (including AIC No. 12/2013) stipulates the following restrictions and conditions that affect our business and operations in connection with investment by foreign entities / airlines:

- only such scheduled passenger operators and non-scheduled passenger operators which are companies registered under the Companies Act, 1956 / Companies Act, 2013 can avail FDI by foreign airlines;
- positions of the chief executive officer, chief financial officer and chief operating officer, if held by foreign nationals, require security clearance by the Ministry of Home Affairs, Government of India;
- a scheduled air transport service / domestic scheduled passenger airline will not enter into an agreement with a foreign investing institution or a foreign airline which gives such institution or airline the right to control the management of the domestic operator; and
- a foreign investing institution or other entity that proposes to hold equity in the domestic air transport sector may have representation on the board of directors of a domestic airline company, but such representation shall not exceed one-third of the total strength of such board.

Further, the total holding of all FII/FPIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of the company, which may be increased up to the percentage of sectoral cap on FDI in respect of such company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII/FPI and its sub-account should not exceed 10% of the total paid-up capital of that company. Further, as per the Civil Aviation Regulations Section 3 Series 'M' Part IV, issued by the DGCA on August 6, 2010, the DGCA has made it mandatory for airlines to pay passengers compensation for delay and cancellation of flights or in case passengers are denied boarding despite having a confirmed ticket. Though airlines are exempted from paying compensation in certain cases like political instability, natural disaster, civil war, insurrection or riot, flood, explosion, government regulation or order affecting the aircraft, delays attributable to the Air Traffic Control, meteorological conditions and security risks, they are liable to pay passengers a compensation of ₹ 2,000 to ₹ 4,000 or the value of the ticket, whichever is lower, for flight delays between two to four hours. Additionally, passengers must be offered a refund of the air ticket, a flight to the first point of departure or alternative transportation. In case of flight cancellation, the Civil Aviation Regulations make it mandatory for the airlines to inform the passengers about it three hours in advance from the scheduled departure of the flight to reduce inconvenience to them. Such restrictions and penalties imposed upon us can affect our revenues.

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

Any inability to comply with new requirements or to maintain or obtain permissions and approvals from relevant regulatory authorities could have a material adverse effect on our international operations and expansion strategy.

Indian regulatory authorities may re-evaluate foreign investment restrictions and other regulations currently applicable to the Indian airline industry. We cannot yet assess how the evolving regulatory framework will affect our business and results of operations. Changes in regulations or the introduction of new laws or regulations may have a material adverse effect on us.

We must also comply with various international laws and conventions related to international air carriage and our business, including the Cape Town Convention and the Cape Town Protocol intended to facilitate asset-based financing and leasing and sale of aviation equipment. In some instances, the Government of India has extended these acts to non-international air carriage. Please see the chapter “*Key Regulations and Policies in India*” beginning on page 189 for further details related to the international standards that govern our business.

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

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

We are dependent on the quality of airport infrastructure in India and any other market we operate for our future expansion. The availability and cost of terminal space, slots and aircraft parking are critical to our operations. One of the key airports from which we operate, Mumbai, is highly congested and passenger processing is currently at or near maximum capacity. All parking bays for aircraft and prime time departure slots in Mumbai are already reaching full capacity. In addition, in some of the major airports, such as New Delhi and Kolkata, there is limited availability of parking bays. We are expanding our fleet and require additional ground and maintenance facilities, including gates, hangars and support equipment. These and other required facilities and equipment may not be available in a timely manner or on economic terms in certain airports. Our inability to lease, acquire or access airport facilities on reasonable terms or at preferred times to support our growth could have a material adverse effect on our operations.

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

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

Insurance is fundamental to airline operations. In the past year, aviation insurers have increased premiums, applied insurance surcharges for each passenger and significantly reduced coverage for war and allied perils liability to third parties. We believe that we maintain customary insurance for the airline industry in India, which includes insurance for our international operations. Please see the chapter “*Our Business—Insurance*” beginning on page 187. Some of our business risks are uninsured, including business interruptions, loss of profit or revenue and consequential business losses arising from mechanical breakdown. To the extent that uninsured risks materialize, we could be materially and adversely affected. There can be no assurance that our coverage will cover actual losses incurred. To the extent that actual losses incurred by us exceed the amount insured, we may have to bear substantial losses which will have an adverse impact on our business.

As a result of terrorist attacks or other world events, certain aviation insurance could become more expensive, unavailable or available only for reduced amounts of coverage that are insufficient to comply with the levels of coverage required by our aircraft lessors or applicable government regulations. Any inability to obtain insurance for our general operations or specific assets on commercially acceptable terms or at all could harm our business. Please see the chapter “*Our Business—Insurance*” beginning on page 187.

**Risks Relating to India**

**60. Political, economic and social developments in India could adversely affect our business.**

The Central and State Governments serve multiple roles in the Indian economy, including as producers, consumers and regulators, which have significant influence on the civil aviation industry and us. Economic liberalization policies have encouraged private investment in the civil aviation sector, and changes in these governmental policies could have a significant impact on the business and economic conditions in India in general and the civil aviation sector in particular, which in turn could adversely affect our business, future financial condition and results of operations.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares.

**61. We are subject to the risks associated with doing business in India, Southeast Asia, South Asia and the Middle East and are vulnerable to extraneous events in these regions.**

Our current operations are conducted in India, Southeast Asia, South Asia and the Middle East. We are subject to special considerations and significant risks typical for these regions. These include risks associated with, among others, the political, economic and legal environments and foreign currency exchange rate fluctuations.

Our results may be adversely affected by changes in the political and social conditions in India, Southeast Asia, South Asia and the Middle East, and by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation, among other things. Volatility in social and political conditions in certain countries in these regions may interrupt, limit or otherwise affect our flight operations and may result in the closure of airports. In recent years, certain countries and territories have implemented various measures aimed to result in economic or political reforms and changes. Some of these measures have led to increased incidents or higher risks of political instability and social unrest. Government-imposed wage and price controls, higher unemployment rates, mandated industry restructuring and trade barriers, such as high tariffs and customs duties that negatively affect any domestic industry are some examples of events causing increased volatility in social and political conditions in these regions. We have no control over these matters and we do not carry political risk or other insurance with respect to losses caused by these matters.

Further, terrorist attacks and other acts of violence or war involving countries in these regions, and in particular India, may adversely affect the Indian markets and the worldwide financial markets. In recent years, there have been instances of military confrontations, civil unrests and terrorist attacks in these regions, such as the bombings in Hyderabad on February 21, 2013. Such military activity, terrorist attacks or other adverse social, economic and political events may also result in a reduction in confidence in the Indian travel industry and could adversely impact our business prospects. In addition, such events may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. The occurrence of any of these events may result in a loss of investor confidence, which could potentially lead to economic recession and generally have an adverse effect on our business, results of operations and financial condition. Furthermore, if India were to become engaged in military confrontations, we might not be able to continue our operations. Our insurance policies do not cover loss of business from terrorist attacks, war or civil unrest.

India has experienced natural calamities such as earthquakes, tsunami, floods and droughts in the past few years, such as the floods in Srinagar and a cyclone in Vishakhapatnam in the second half of 2014. The extent and severity of these natural disasters determines their effect on the Indian economy and the travel industry in particular. Any such natural disaster could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares. In addition, pandemic diseases, caused by virus such as Ebola, H5N1 or H1N1, could adversely affect tourism and travel and our business.

**62. The Indian economy continues to sustain high levels of inflation.**

India has experienced the highest levels of inflation of any of the 34 member states of the Organisation for Economic Cooperation and Development (the “OECD”), other than Argentina, during the period from 2012 through 2014, according to the OECD. The inflation rate in India was 4.87% in April 2015 and averaged 9.44% from 2012 until 2014, reaching a high of 11.16% in November 2013, according to the Indian Ministry of Statistics and Programme Implementation. Although the Government has initiated several economic measures to curb the rise in inflation rates, it is unclear at this stage whether these measures will have the desired effect. A rise in inflation rates may adversely affect growth in the Indian economy and our results of operations.

**63. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, financial condition, results of operations and prospects.**

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances briefly mentioned below, may adversely affect our business, financial condition, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with such changes in applicable law and policy.

The Companies Act, 2013, together with the rules thereunder, contains significant changes to Indian company law, including in relation to the issue of capital by companies, related party transactions, corporate governance, audit matters, shareholder class actions and restrictions on the number of layers of subsidiaries. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits in the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports. We may incur increased costs and other burden relating to compliance with these new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business and results of operations.

On March 31, 2015, the Ministry of Finance, Government of India has issued 10 Income Computation and Disclosure Standards (“**ICDS**”), a new framework for computation of taxable income by all assesseees. All assesseees would be required to adopt these standards for the purposes of computation of taxable income under the heads “Profit and Gains of Business or Profession” and “Income from Other Sources”. These standards are applicable for the previous fiscal commencing April 1, 2015, i.e., assessment year 2016 – 17 onwards.

The Government of India has recently released safe harbor rules with respect to acceptance by the Indian tax authorities of declared transfer prices for certain types of international transactions (including intra-group loans and corporate guarantees and for the manufacture and export of core and non-core automotive components) between an eligible assessee and its associated enterprises, either or both of which are not Indian residents. The benefit, if any, that we may derive from the application of such rules in the future is unclear.

Until recently, transfer pricing regulations in India covered only cross border transactions. The Finance Act, 2012 extended its scope to cover certain domestic transactions with related parties within India, defined as ‘specified domestic transactions’. These domestic transfer pricing provisions became applicable from assessment year 2013-14. Transactions will be regarded as ‘specified domestic transactions’ only in the event that the aggregate value of all such transactions exceeds ₹ 200 million. The limit of ₹ 50 million was increased to ₹ 200 million by Finance Act, 2015.

The Government of India has proposed a comprehensive national goods and services tax, or GST, regime that will combine taxes and levies by the central and state governments into a unified rate structure. While the Government of India and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which could create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

Securities Laws Amendment Act, 2014 has been recently passed by the Lok Sabha. This legislation provides greater powers to SEBI by amending the Securities and Exchange Board of India Act, 1992, to curb irregularities and frauds in the Indian capital markets (including carrying out search and seizure operations in relation to any investigation and enquiry). This legislation also strengthens penalties pursuant to the Securities Contracts (Regulation) Act, 1956 and the Depositories Act, 1996, in order to enhance corporate governance in India.

We have not determined the impact of these recent and proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

#### **64. Indian laws limit our ability to raise capital outside India and to enter into acquisition transactions with non-Indian companies.**

Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to acquire us.

Under the current foreign investment policy, foreign direct investment, or FDI, in the domestic scheduled airline sector is permitted up to 49% and investments by non-resident Indians are permitted up to 100%, in both cases through the automatic route that does not require prior Foreign Investment Promotion Board approval. This FDI policy allows foreign airlines to invest in the capital of Indian companies operating scheduled and non-scheduled air

transport passenger services, other than Air India, up to the limit of 49% of their paid-up capital subject to certain conditions. In addition, our permission to operate scheduled services granted by the DGCA and guidelines issued by the DGCA, including AIC No. 12 of 2013, specify certain additional restrictions. For details on these conditions and restrictions, please see “—*Changes in government regulation could reduce our operating flexibility, increase our operating expenses, and result in service delays and disruptions*” beginning on page 42.

We have FDI of 19.30% of our pre-Issue capital. However, if the Government does not approve any additional investment or acquisition, equity ownership in the Company beyond the ceiling mentioned above, our ability to obtain investments, and/or enter into acquisitions with, foreign investors will be limited. In addition, making investments in and/or the strategic acquisition of a foreign company by us requires various approvals from the government and the relevant foreign jurisdiction, and we may not be able to obtain such approvals. For more details on the restrictions applicable to the aviation sector please see the chapter “*Key Industry Regulations and Policies in India*” beginning on page 189.

Indian laws also restrict the taking of foreign debt by Indian companies. Under India’s policy on external commercial borrowing (“**ECB**”), as notified by the Reserve Bank of India (the “**RBI**”), and currently in force, or the ECB Policy, ECB by an eligible borrower is permitted under the automatic route up to US\$ 750 million in a year, with a minimum average maturity of three years for ECB up to US \$20 million and five years for ECB of US\$ 20 million to US\$ 750 million, for permissible end-uses. Permissible end uses for ECB include import of capital goods, new projects, modernization or expansion of existing production units in the industrial and certain other specified sectors, as well as import of services and technical know-how and payment of license fees by manufacturing companies. End uses not permitted include working capital, general corporate purposes, repayment of existing Rupee denominated borrowings, investment in real estate and on-lending or investment for acquisition of a company or part thereof (other than an overseas subsidiary or joint venture, subject to existing laws and regulations governing overseas direct investment by Indian companies). Further, the ECB Policy limits the all-in-cost to 500 basis points above LIBOR or the applicable benchmark for ECB with minimum average maturity of over five years. ECB not complying with these requirements is permitted with prior approval of the RBI, in accordance with the ECB Policy. In addition, there are certain routine procedural and disclosure requirements in relation to any such ECB.

Further, in raising funding in the international capital markets, our Company will be required to comply with the unfamiliar capital markets laws of such countries.

These limitations on ECB may constrain our ability to raise cost effective funding for implementing asset purchases, refinancing existing indebtedness or financing acquisitions and other strategic transactions in the future, which may adversely affect our business, financial condition, results of operations and prospects.

**65. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.**

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in effect in India, the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India if the sale does not meet the requirements of the RBI Circular dated October 4, 2004, as amended by circulars dated April 22, 2009 and May 4, 2010. Additionally, any person who seeks to convert Indian Rupee proceeds from such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or tax clearance certificate from the Indian income tax authorities. The RBI is required to approve the price at which the Equity Shares are transferred based on a specified formula and a higher price per share may not be permitted. The approval from the RBI or any other government agency may not be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increases or limiting losses during periods of price declines.

**66. Any downgrading of India’s debt rating by an independent agency may harm our ability to raise debt financing.**

Any adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance.



**67. Our business and activities will be regulated by the Competition Act, 2002.**

The Indian Parliament has enacted the Competition Act, 2002 (the “**Competition Act**”), for the purpose of preventing business practices that have an appreciable adverse effect on competition in India and a Competition Commission of India has been established thereunder. The Competition Act, excluding certain provisions such as those regulating business combinations, has recently become effective. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and subject to substantial monetary penalties. Any agreement which directly or indirectly determines purchase or sale prices, limits or controls production or allocates control of a market by geography or number of customers is presumed to have an appreciable adverse effect on competition. The Express Industry Council of India (“**EICI**”), has filed a complaint before the Competition Commission of India against our Company, Jet Airways, SpiceJet, Air India and GoAir, which we refer to collectively as the “opposite parties”, alleging that the opposite parties had formed an anti-competitive cartel to impose fuel surcharges (“**FSC**”), for transportation of cargo. It was also alleged by EICI that, though FSCs were introduced as extra charges linked to fuel prices, there has been no corresponding decrease in FSCs as fuel prices have declined. A penalty may be imposed on us if we are found guilty of cartelisation under the Competition Act. Please see the chapter “*Outstanding Litigation and Material Developments*” beginning on page 356. The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the Competition Commission of India, either suo moto or pursuant to any complaint, for alleged violation of any provisions of the Competition Act may adversely affect our business, financial condition and results of operation. Additionally, the DGCA has also recently establish up the Tariff Monitoring Committee to monitor airfares on certain routes selected on random basis to ensure that the airlines do not charge airfares outside the ranges that they have publicly declared. Any application of the Competition Act to us may be unfavorable and may have a material adverse effect on our business, financial condition and results of operations.

**68. It may not be possible for you to enforce any judgment obtained outside India, including in the United States, against our Company or any of our Directors and executive officers that are resident in India, except by way of a suit in India on such judgment.**

We are incorporated under the laws of India and most of our Directors and executive officers reside in India. Furthermore, all of our Company’s assets are located in India. As a result, you may be unable to:

- effect service of process in jurisdictions outside India, including in the United States, upon our Company; or
- enforce in Indian courts judgments obtained in courts of jurisdictions outside India against our Company, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended, or the Civil Code. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, Singapore and Hong Kong have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil

Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

**69. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition. Our failure to successfully adopt IFRS could have a material adverse effect on our stock price.**

Our financial statements, including the financial statements provided in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. For details, please see the chapter "*Presentation of Financial, Industry and Market Data*" beginning on page 13. Each of US GAAP and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

**70. We may be required to prepare financial statements under new Indian Accounting Standards that are different from Indian GAAP beginning in fiscal 2016. A failure by us to successfully transition to the new Indian Accounting Standards could have a material adverse effect on our stock price.**

Our financial statements, including the financial statements provided in this Draft Red Herring Prospectus, are currently prepared in accordance with Indian GAAP. The Companies (Indian Accounting Standards) Rules, 2015, which specify the new Indian Accounting Standards ("**Ind AS**"), came into force on April 1, 2015, and may require us to prepare annual and interim financial statements in accordance with Ind AS with effect from April 1, 2016 with comparable financial statements of the previous year.

As there is not yet a significant body of established practice, such as interpretations of the new accounting standards, on which to draw in forming judgments regarding the implementation and application of Ind AS, we have not determined with any degree of certainty the impact that the adoption of Ind AS will have on our financial reporting. There can be no assurance, however, that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially different, or worse, under Ind AS than under current Indian GAAP. As we transition to reporting under Ind AS, we may encounter difficulties or challenges in the ongoing process of implementing and enhancing our management information systems. Our management may also have to divert its time and other resources for successful and timely implementation of Ind AS. Moreover, our transition to Ind AS may be hampered by increasing competition and increased costs due to the small number of Ind AS experienced accounting personnel as more Indian companies begin to prepare Ind AS financial statements. There can be no assurance that our adoption of Ind AS will not adversely affect our reported results of operations or financial condition. Any failure to successfully adopt Ind AS when required under Indian law could have a material adverse effect on the trading price of the Equity Shares.

**Prominent Notes**

- Investors may contact any of the GCBRLMs and BRLMs who have submitted the due diligence certificate to SEBI for any complaints pertaining to the Issue.
- Public Issue of [●] Equity Shares at a price of ₹ [●] for cash, consisting of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 12,722 million by our Company and an Offer for Sale up to 30,146,000 Equity

Shares by the Selling Shareholders aggregating up to ₹ [●] million. The Issue will constitute [●]% of the fully diluted post-Issue paid-up capital of our Company and the Net Issue would constitute [●]% of the fully diluted post-Issue paid-up capital of our Company.

- The net worth of our Company was ₹ 4,206.28 million and ₹ 9,534.67 million as at March 31, 2014 and nine months period ended December 31, 2014, as per the restated financial statements of our Company prepared in accordance with Indian GAAP, and restated in accordance with the ICDR Regulations.
- The net asset value per equity share of ₹ 1,000 each was ₹ 13,582 and ₹ 30,938 as at March 31, 2014 and the nine months period ended December 31, 2014, respectively, as per the restated financial statements prepared in accordance with Indian GAAP, and restated in accordance with the ICDR Regulations.
- The average cost of acquisition per Equity Share by our Promoters is:

Name of Promoter	Number of Equity Shares Held	Average cost of acquisition (In ₹)
Mr. Rahul Bhatia	3,046,000	144.37
Mr. Rakesh Gangwal	60,804,000	5.79
Acquire Services Private Limited	10,000	215.02
InterGlobe Enterprises Limited	156,940,000	0.99

- Except as disclosed in this Draft Red Heading Prospectus, none of our Group Entities have any business or other interests in our Company.
- There has been no financing arrangement whereby the Promoter Group, our Directors, or any of their respective relatives have financed the purchase by any other person of securities of our Company other than in the ordinary course of their business during the six months preceding the date of the Draft Red Herring Prospectus.

Our Company has entered into certain related party transactions. For details of these related party transactions entered into by our Company, please see the chapter “*Financial Statements— Statement of Related Parties and Related Party Transactions*” beginning on page 314.

## SECTION III: INTRODUCTION

### SUMMARY OF INDUSTRY

*The information in this section is derived from a report dated April 2, 2015 that we commissioned the Center for Asia Pacific Aviation India Private Limited (“CAPA”), to prepare and a report dated December 24, 2014 that we commissioned The S-A-P Group (“SAP”), to prepare, as well as from various governmental agencies, market research reports and other publicly available sources, including various operating statistics for the Indian civil aviation industry published by the Directorate General of Civil Aviation, Government of India (the “DGCA”), and the Airports Authority of India (“AAI”); the International Monetary Fund’s “World Economic Outlook,” April 2015; data published in this Draft Red Herring Prospectus which is reused by permission of the Economic Intelligence Unit (the “EIU”), in respect of projected Real Gross Domestic Product (“Real GDP”), growth for select regions and countries, household income data and foreign tourist arrivals forecasts; historic and projected Indian population data from the National Commission on Population, Ministry of Health and Family Welfare of India; information on certain rail travel and air fares as on February 19, 2015 obtained from the travel website www.cleartrip.com (“Cleartrip”); and Airbus’ Global Market Forecast 2014-2033 (the “Airbus Report”). Neither we nor any other person connected with the Issue has verified this information. Prospective investors are advised not to unduly rely on the information in this section when making their investment decisions.*

*We commissioned the report from CAPA (the “CAPA Report”), and the report from SAP (the “SAP Report”), for the purpose of confirming our understanding of the industry in connection with the Issue. Neither we nor any other person connected with the Issue has verified the information in the CAPA or SAP Reports. CAPA has advised that: The report is prepared for general information only, and although high standards have been used in its preparation, CAPA is not responsible for any loss or damage arising from use of the CAPA Report. SAP has advised that: The report is prepared for general information only, and although high standards have been used in its preparation, SAP is not responsible for any loss or damage arising from use of the SAP Report. Prospective investors are advised not to unduly rely on these reports when making their investment decision. The CAPA and SAP Reports contain publicly reported information from various carriers which may not be determined on the same basis and may not be comparable. The information in the CAPA and SAP Reports should not be viewed as a basis for investment and references to CAPA, SAP, the CAPA Report, and the SAP Report should not be considered CAPA’s or SAP’s opinion as to the value of any security or the advisability of investing in us.*

*In this section, a reference to “CY” means Calendar Year and a reference to “FY” means Fiscal Year. The Calendar Year ends on December 31 of each year, and the Fiscal Year for the Company and the other Indian carriers referred to in this section ends on March 31 of each year.*

#### **Overview of the Indian Air Travel Market**

India is one of the world’s largest and fastest-growing air travel markets, according to the CAPA Report. Historically, the Indian air travel market was comprised of individuals in relatively high income brackets as well as corporate travellers. Additionally, many members of the Indian middle class did not have a viable option to meet their long distance travel requirements as surface transportation infrastructure was relatively poor and air travel was relatively expensive, according to the CAPA Report. Starting in 2003, the Indian government introduced several measures to further liberalize the air travel market, including a reduction in fuel excise taxes, elimination of the 15% Inland Travel Tax and the awarding of new airline licenses to private operators. Since 2003, a number of low-cost carriers (“LCCs”) have entered the Indian air travel market and stimulated prices through their low-cost business models. By using price stimulation as a core business strategy, LCCs were able to cater to India’s middle class segment, according to the CAPA Report. In the decade that followed, Indian air travel entered a period of considerable growth. By CY2014, India’s air travel market had become the sixth largest in the world as measured by total domestic seats (97.3 million) and ninth largest in the world by total domestic and international seats (155.9 million), according to the CAPA Report. Going forward, domestic India is forecast to be the world’s fastest growing airline origin-and-destination market, based on revenue passenger kilometers (“RPKs”), growing at an average annual rate of 9.5% between 2013 and 2033, according to the Airbus Report.

#### **Indian Air Travel Market Growth and Growth Drivers**

The Indian air travel market experienced rapid growth beginning in 2003 following liberalizing actions by the Indian Government, which is reflected in the growth of domestic passenger volume at a CAGR of 19.4% between FY2004 and FY2010, according to DGCA data. Following the global financial crisis, between FY2010 and FY2014, domestic passenger volume grew at a CAGR of 7.6%, according to DGCA data. Over the same period, domestic carrier capacity, as measured in available seat kilometers, or ASKs, grew at a CAGR of 7.2%, while domestic passenger traffic, as measured by RPKs, grew at a higher CAGR of 7.7%. This growth was attributable to increased tourism and business-related travel, as well as the stimulation of new traffic demand through low fares offered by LCCs, according to the CAPA Report.

### ***Strong Economic Growth***

India is expected to be one of the fastest growing major economies in the world over the next four years, with Real GDP expected to grow at a CAGR of 7.1% between CY2014 and CY2019, according to the EIU. This rate of Real GDP growth exceeds that of China, APAC, and the world over the same period, which are forecast to grow at a CAGR of 6.4%, 4.5%, and 3.0%, respectively. The IMF expects India to surpass China's Real GDP growth rate in CY2015 and CY2016, with respective growth rates of 7.5% compared to 6.8% and 7.5% compared to 6.3%.

### ***Continued Population Growth***

India is the second most populous country in the world with 1.26 billion people through CY2014, according to the IMF. The IMF projects that India's population will grow at a CAGR of 1.3% to reach 1.34 billion by the end of CY2019. The expected growth in India's population between CY2014 and CY2019 is higher than the average growth in population of the top 20 domestic air travel markets in the world. The increase in the Indian population is expected to be a continued driver of growth in the Indian air travel market, according to the CAPA Report.

### ***Expansion of the Middle Class***

Consistent with the trend of overall economic expansion in approximately the last decade, India's annual per capita income has grown at a CAGR of 12.6%, from ₹ 46,249 in FY2010 to ₹ 74,380 in FY2014, according to data from the Ministry of Statistics and Programme Implementation.

### ***Strong Growth in Tourism***

The tourism industry in India is fast-growing and an increasingly significant contributor to India's economy, according to the CAPA Report. The total contribution of travel and tourism to India's GDP was ₹ 6,631.6 billion in CY2013 (6.2% of GDP) and is forecast to rise by 7% per annum to ₹ 13,983.0 billion (6.8% of GDP) by CY2024, according to the World Travel and Tourism Council.

According to the Ministry of Tourism of India, the number of domestic tourist visits to India in CY2013 by all modes of transportation was 1,145.3 million and had grown at a CAGR of 14.4% from CY2009 to CY2013. During the same period, the number of Indian national departures increased at a CAGR of 10.7% to reach 16.6 million in CY2013.

### ***Rail Travel Substitution***

India has a very large rail travel market in terms of passengers carried, and India's domestic air travel market of 61 million passengers carried in FY2014 represents a very small percentage of the total rail passengers carried, according to the CAPA Report. While the size of the rail travel market is not indicative of the potential addressable market for air travel, and while only a portion of rail travel can reasonably be expected to be substituted by air travel in the near future, the substitution of rail travel by air travel presents a significant growth opportunity, according to the CAPA Report.

### ***Low Aircraft Penetration Rates***

Despite its overall economic growth and the growth of its air travel market since the beginning of the market's liberalization in 2003, India still has one of the lowest air travel penetration rates in the world, as defined by annual

domestic carrier seats per capita, according to the CAPA Report. India's penetration of 0.08 annual domestic seats per capita is low relative to other developing markets such as Brazil, Turkey, Indonesia and China, where penetration rates are between 0.35 and 0.65 annual domestic seats per capital, according to the CAPA Report. Countries with higher GDP per capita have a higher number of domestic carrier seats per capita compared to countries with lower GDP per capita, according to the CAPA Report. Economic wealth of a nation and air travel are closely correlated: penetration of air travel demand is greater in developed countries than in developing countries, and air travel is expected to improve with the rise of a country's wealth as measured by GDP per capita, according to the CAPA Report. The chart below shows the number of annual domestic seats per capita in India relative to the other top 20 domestic air travel markets in the world, which includes both developed and developing countries. According to the CAPA Report, the substantial gap between aircraft penetration rates in India and larger aviation markets suggests significant opportunity for growth.

### ***Expansion in Aviation Infrastructure***

India continues to invest in aviation infrastructure to enable growth in air transport and India's aviation infrastructure is improving, according to the CAPA Report. Public-private partnerships, have yielded state-of-the-art greenfield airports in Hyderabad and Bengaluru, as well as new airport infrastructure investments in New Delhi and Mumbai, both of which have ranked among the top five airports (25 to 40 million passengers category) globally for airport service quality, according to Airports Council International. There are two ongoing greenfield airport public-private partnership tenders for the construction of new airports in Mumbai and Goa, according to the City and Industrial Development Corporation of Maharashtra Limited and the Government of Goa, respectively, and four ongoing brownfield airport public-private partnership tenders in Chennai, Kolkata, Ahmedabad and Jaipur, according to AAI.

### **Indian Air Travel Market Competitive Landscape**

The Indian air travel market is serviced by domestic and international LCCs and full-service carriers ("FSCs"). Domestic carriers in India include LCCs such as IndiGo, SpiceJet, GoAir, Air India Express, and AirAsia India, as well as FSCs such as Jet Airways, Air India, Air Costa, Alliance Air and Vistara, according to the CAPA Report. These domestic carriers also compete with international and regional carriers, new entrants in the airline industry, Indian Railways, the state-owned railway company of India, and with different forms of road transportation, according to the CAPA Report.

### **Indian Air Travel Market**

The increase in the number of LCCs combined with macroeconomic factors such as India's relatively low per capita income and price-sensitive consumers have led LCCs to dominate India's air travel market. LCCs' share of the Indian air travel market has increased from 40.5% in FY2010 to 64.2% for the nine months ended December 31, 2014, according to DGCA data. This represents an approximate 60% increase in LCCs market share over FSCs market share between FY2010 and the nine months ended December 31, 2014.

### ***Market share based on passenger volume***

Among the Indian carriers, between FY2009 and FY2015, IndiGo's market share expanded from 12.5% to 33.8% during this period, while Jet Airways, the carrier with the second largest market share, fell from 28.1% to 22.1% over the same period. The CAPA Report attributes the trend in IndiGo's market share to market stimulation by low fares, launching of new routes in India where there were previously no flights (e.g. Mumbai-Srinagar) and winning of market share from FSCs and other LCCs.

### ***Market share based on capacity***

Among the Indian carriers, between FY2009 and the nine months ended December 31, 2014, IndiGo's domestic ASKs have increased from 5.3 billion in FY2009 to 25.8 billion in FY2014, growing at a CAGR of 30.1% over the same period, while all other Indian carriers collectively declined at a CAGR of 0.1% over the same period, according to DGCA data. IndiGo's domestic ASKs have increased from 19.1 billion in the nine months ended December 31, 2013 to 23.0 billion in the nine months ended December 31, 2014, growing at 20.4%, while all other

Indian carriers collectively declined at 2.3% over the same period, according to DGCA data. As of the nine months ended December 31, 2014, IndiGo's market share based on ASKs was 36.3%, based on DGCA data.

#### ***Market share based on traffic on metro and non-metro routes***

The top 10 metro-to-metro routes accounted for over 12.0 million passengers, by far the largest of the three categories, while the top 10 metro-to-non-metro routes accounted for over 6.1 million passengers. Among the Indian carriers, IndiGo had the largest market share in all three categories with 39.4% share of the top 10 metro-to-metro routes, 36.9% of the metro-to-non-metro routes, and 53.6% of the non-metro to non-metro routes for the nine months ended December 31, 2014, according to the CAPA Report.

#### ***Market share based on top five domestic routes by traffic***

IndiGo had the leading market share in all of the top five routes in India, measured by passenger volume, for the nine months ended December 31, 2014, according to the CAPA Report.

#### ***Market share based on seat capacity at major airports***

In terms of market share at each of the six metro airports in India, in December 2014, IndiGo had the largest market share by seat capacity at five of the six metro airports, while Jet Airways had the largest market share at one of the six metro airports, according to the CAPA Report.

#### ***Key operating metrics***

Operating metrics, including on-time departures and arrivals, flight cancellations, and number of complaints, are often used in the air travel industry to evaluate operating performance of carriers, according to the CAPA Report.

In terms of on-time performance and smallest percentage of cancelled flights, IndiGo ranked first and third, respectively, as compared to domestic peers, according to the CAPA Report.

In terms of lowest number of complaints per 10,000 passengers, IndiGo ranked second as compared to domestic peers, according to the CAPA Report.

#### ***Key cost metrics***

##### ***Maintenance costs***

Maintenance costs are one of the main cost components for any carrier. The maintenance costs of a carrier are impacted by its business model, fleet composition and overall fleet management, according to the SAP Report. The maintenance cost per ASK of the various Indian carriers for the FY2014 was US¢0.18 for IndiGo, US¢0.34 for Air India, US¢0.35 for GoAir, US¢0.90 for SpiceJet and US¢0.95 for Jet Airways, according to the SAP Report. IndiGo's maintenance costs are lowest among Indian carriers.

##### ***Fuel costs and ownership costs***

The fuel cost per ASK for FY2014 was US¢2.94 for SpiceJet, US¢3.07 for IndiGo, US¢3.23 for Jet Airways, US¢3.37 for GoAir and US¢3.47 for Air India, according to the SAP Report. The ownership cost per ASK of the Indian carriers for FY2014 was US¢0.97 for IndiGo, US¢1.20 for SpiceJet, US¢1.23 for GoAir, US¢2.01 for Jet Airways and US¢2.62 for Air India, according to the SAP Report. IndiGo's ownership costs are lowest and fuel costs are second lowest, on a per ASK basis, among Indian carriers.

##### ***Costs per ASK***

CASK measures the unit costs of a carrier and is calculated as total costs divided by ASK. The CASK of the Indian carriers for the FY2014 was US¢5.95 for IndiGo, US¢6.37 for GoAir, US¢6.68 for SpiceJet, US¢9.05 for Jet Airways and US¢9.82 for Air India, according to the SAP Report. IndiGo's CASK is lowest among Indian carriers.

## **Comparison versus key International LCCs and domestic Indian carriers**

### ***Size***

IndiGo was the seventh largest LCC in the world by total seats for the year ended December 31, 2014, according to the CAPA Report.

### ***Fleet size and orderbook***

According to the CAPA Report, the largest fleet of aircraft of an Indian carrier is operated by Air India, followed by Jet Airways and IndiGo. IndiGo maintains the largest orderbook of any Indian carrier with 180 aircraft on order.

### ***Growth***

According to the CAPA Report, IndiGo was the fastest growing carrier in India in terms of ASK growth between CY2010 and CY2014, followed by GoAir and SpiceJet.

## **Cost competitiveness**

### ***Unit costs***

CASK measures the unit costs of a carrier and is calculated as costs divided by ASK. CASK excluding fuel cost is an alternative measure for comparing cost management of carriers operating in different geographies, as fuel costs can vary between geographies due to taxation, government fuel pricing regulations and other reasons, according to the SAP Report. In India, jet fuel prices tend to be higher than many other countries due to higher taxation imposed by local governments, according to the SAP Report.

According to the SAP Report, IndiGo has the lowest CASK excluding fuel cost of US¢2.87 among the Indian carriers. IndiGo's CASK excluding fuel cost reduces further to US¢2.51 on the exclusion of maintenance reserves, according to the SAP Report. In comparison, GoAir, SpiceJet, Jet Airways and Air India have CASK excluding fuel costs of US¢3.00, US¢3.74, US¢5.82 and US¢6.35, respectively. Additionally, according to the SAP Report, the average CASK excluding fuel cost of LCCs operating in Asia, EMEA and the Americas was US¢2.81, US¢3.60 and US¢4.78, respectively.

### ***Average fleet age***

The average age of a carrier's fleet is impacted by its business model, fleet composition and overall fleet management. Fleet age can impact the operating costs of a carrier, including fuel costs and maintenance costs, according to the CAPA Report. Among Indian carriers, IndiGo had the second youngest average fleet age of 3.1 years, followed by GoAir at 3.6 years, SpiceJet at 3.8 years, Jet Airways at 5.8 years, and Air India at 10.3 years, as of December 31, 2014, respectively, according to the CAPA report.

### ***Unit profitability***

RASK, a measurement of unit revenue, minus CASK, is a measure of a carrier's unit profitability. Excluding fuel cost from the analysis provides an indicator of a carrier's unit profitability before taking in to account fuel costs, which can vary significantly from region to region, according to the SAP Report. IndiGo had the highest RASK minus CASK of any carrier in India and a level in line with LCCs operating in Asia during FY2014, according to the SAP Report. IndiGo's RASK minus CASK excluding fuel was the highest in India and higher than all of the LCCs operating in Asia in the peer group below during the most recent FY, according to the SAP Report.

### ***Profit margins***

IndiGo was the most profitable carrier in India for FY2014, as measured by EBITDAR margins, with a margin of 19.8%, while GoAir, Jet Airways, SpiceJet and Air India had EBITDAR margins of 16.9%, 5.9%, 2.3% and (9.0%), respectively, during the same period, according to the SAP Report.



## SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGIES

### Overview

We operate IndiGo, India's largest passenger airline with a 33.8% market share of domestic passenger volume for fiscal 2015, according to the DGCA. We operate on a low-cost carrier, or LCC, business model and focus primarily on the domestic Indian air travel market. We were the seventh largest low-cost carrier globally in terms of seat capacity in 2014, according to CAPA. We continuously focus on maintaining our cost advantage and a high frequency of flights while striving to fulfil our simple brand message of providing "low fares, on-time flights and a hassle-free experience" to our passengers.

We commenced operations in August 2006 with a single aircraft, and have grown our fleet to 96 aircraft as of April 30, 2015, all of which are Airbus A320 aircraft. We currently have an order book of 180 A320neo aircraft and expect to take delivery of 15 additional aircraft, including nine A320neos, by March 31, 2016. As of April 30, 2015, the average age of our aircraft was 3.26 years. As of December 31, 2014, the average age of our aircraft was 3.1 years, which, according to CAPA, was the second youngest average fleet age among Indian carriers and one of the youngest fleets of any LCC globally.

As of the week ended April 30, 2015 we operated scheduled services to 33 airports in India, with a maximum of 593 domestic flights per day. We operated scheduled services to 31 airports in India, with an average of 515 domestic flights per day, for the month ending December 31, 2014, resulting in more passenger flights in India than any other airline, according to CAPA. We also had the highest market share in each of the top five domestic routes in India by traffic in the nine months ended December 31, 2014, according to CAPA.

We primarily operate in India's domestic air travel market, which is forecast to be the world's fastest growing airline by origin-and-destination market between 2013 and 2033, estimated to grow at an average annual rate of 9.5%, according to Airbus. India was the ninth largest aviation market in the world by total domestic and international seat capacity in 2014, according to CAPA. Additionally, India has achieved strong and sustained growth in air traffic over the last ten years. Passenger volumes for domestic air traffic have increased at a CAGR of 19.4% between fiscal 2004 and fiscal 2010 and a CAGR of 7.6% between fiscal 2010 and fiscal 2014, according to CAPA.

From fiscal 2010 to fiscal 2015, our domestic passenger volume increased at a CAGR of 29.3% from 6.6 million domestic passengers in fiscal 2010 to 23.7 million domestic passengers in fiscal 2015, according to the DGCA. Our market share of domestic passenger volume increased from 14.5% in fiscal 2010 to 33.8% in fiscal 2015, according to the DGCA.

We are committed to achieving industry-leading on-time performance and operational reliability. Our average on-time performance was 86.7% in fiscal 2015 and 88.2% in fiscal 2014. We had operational reliability ratings of 99.95% in fiscal 2015 and 99.94% in fiscal 2014, according to Airbus. In 2014, Airbus awarded us its "Best Operational Excellence" award in the large fleet category based on the number of aircraft in the fleet, daily utilization rate, technical reliability and the number of delays caused due to operational reasons over a two-year period of operations. We had the second highest load factor on domestic scheduled services in fiscal 2015, according to the DGCA, and the second lowest level of complaints per 10,000 passengers for the period from June to December 2014, according to CAPA. We have received industry accolades in recognition of the quality of our airline service, including the award for "Best Low-Cost Airline in Central Asia & India" at the SkyTrax World Airline Awards for six consecutive years from 2010 to 2015.

InterGlobe Enterprises (including our Company), was ranked among the "Best Companies to Work For" in India in 2014 for the seventh consecutive year by a study done by the Great Places to Work<sup>®</sup> Institute in partnership with The Economic Times. No other airline was included in these rankings during this period. We have the highest employee productivity among the Indian carriers that were operational during the full fiscal year 2014 as measured by ASKs per employee, according to CAPA.

Our firm orders for 100 A320 aircraft in June 2005 and 180 A320neo aircraft in June 2011 were each the largest single order of aircraft from Airbus at the time of the order, according to Airbus. We have taken delivery of all 100 aircraft under our 2005 order as of November 3, 2014, two years ahead of the initially scheduled final delivery date.

We were one of the first airlines globally to order the A320neo aircraft, according to Airbus. According to Airbus, A320neo aircraft are expected to consume up to 15% less fuel than current generation A320 aircraft without sharklets, which will further reduce our fuel consumption per flight as these aircraft enter our fleet from fiscal 2016 onwards.

We believe that the magnitude of our 2005 and 2011 aircraft orders helped us to negotiate favorable terms with Airbus and our other aircraft-related suppliers and service providers, which provides us with a structural cost advantage by reducing the overall costs associated with the acquisition, maintenance and operation of our aircraft.

We believe that we have considerable flexibility to prudently manage the expansion of our fleet. Our firm orders with Airbus, subject to negotiation with Airbus, may allow us to advance or defer deliveries; a number of the 100 aircraft delivered under our 2005 order were advanced from their initially scheduled delivery dates and we did not defer any aircraft deliveries under our 2005 order. We have extended the operating leases of 24 of our current aircraft as of March 31, 2015, seven of which had been scheduled to be redelivered to our lessors in fiscal 2015.

Our total revenue has increased to ₹ 114,321.18 million in fiscal 2014, growing at a CAGR of 43.9% since fiscal 2010. Our EBITDAR increased to ₹ 22,044.41 million in fiscal 2014, growing at a CAGR of 27.5% since fiscal 2010. Please see the chapter “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Our Results of Operations*” beginning on page 336. We achieved positive net profit in fiscal 2009 and have remained profitable in each subsequent fiscal year through fiscal 2014. No other Indian airline has consistently remained profitable over the same period, according to CAPA.

We had the lowest CASK of all Indian carriers in fiscal 2014, and amongst one of the lowest CASK excluding fuel expenses compared with publicly-listed LCCs globally, according to SAP. Our airline had the highest profitability as measured by RASK minus CASK for any airline in India and is at a level in line with LCCs operating in Asia during the most recently completed fiscal year, according to SAP. Please see the chapter “*Industry Overview—Cost Competitiveness—Unit Profitability*” beginning on page 157. We have used our consistent profitability to reinvest in our business to build scale and efficiencies and to provide returns to our shareholders. We believe we have a strong balance sheet. As of December 31, 2014, we had total indebtedness of ₹ 40,028.21 million and ₹ 24,746.03 million of net debt (net of free cash). As of December 31, 2014, all of our indebtedness was aircraft related, and we did not have had any working-capital-related indebtedness.

We believe that our fleet expansion strategy along with our profitability and strong balance sheet will enable us to strengthen and sustain our market leading position in India’s large and fast-growing air travel market. We also believe that our focus on providing customers with affordable air travel, on-time performance and hassle-free customer service positions us well for profitable and sustainable growth within the Indian market.

### **Our Strengths and Strategies**

We believe that our strengths have resulted in competitive advantages for our airline, which are difficult to replicate and which we intend to sustain by executing our strategies. Our key strengths and strategies are as follows:

***We are the largest domestic passenger airline in India and we will continue to focus on enhancing our market position.***

- *Largest market share in one of the largest and fastest growing aviation markets in the world*

We are the domestic market leader in India, one of the largest and fastest growing aviation markets in the world, with a 33.8% market share of domestic passenger volume in fiscal 2015, which has grown from 14.5% in fiscal 2010, according to the DGCA. India was the ninth largest air travel market by number of domestic and international seats in 2014, according to CAPA. India’s domestic passenger traffic is expected to grow at a CAGR of 12.8% between fiscal 2015 and fiscal 2020, according to CAPA.

- *Depth and breadth of network in key markets*

As of the week ended April 30, 2015, we operated scheduled services to 33 airports in India, with a maximum of 593 domestic flights per day. We operated scheduled services to 31 airports in India, with an average of 515 domestic flights per day, for the month ending December 31, 2014, resulting in more passenger flights in India than any other airline, according to CAPA. We also had the highest market share in each of the top five domestic routes in India by traffic in the nine months ended December 31, 2014, according to CAPA. We intend to continue to strengthen the depth of our network by adding flights in our existing key markets and selectively adding routes and destinations that we believe will enhance the breadth of our service in a sustainable and profitable manner.

***Maintain disciplined execution of the low-cost carrier business model.***

We believe that a disciplined execution of low-cost carrier principles has helped us to lower our operating costs. We believe that this provides us with an advantage over some of our LCC competitors in India who operate hybrid business models between low-cost and full-service airlines, such as the inclusion of meals and beverages in the ticket prices for non-corporate passengers, offering business class seats and operating multiple aircraft types.

- *Single aircraft type*

We employ a single type of airframe and engine within our current fleet, which we believe reduces our expenses related to maintenance, spare parts, operation, crew training and labor, as well as helping us to more efficiently manage crew rosters.

- *High aircraft utilization*

Our aircraft utilization in block hours was 11.4 hours per day per aircraft in fiscal 2014, which was among the highest of any airline in India, according to CAPA. We maintain high aircraft utilization rates by keeping a low turnaround time between our flights. Additionally, we operate a point-to-point route network with no interlining or code-sharing with other airlines for passenger traffic, which further helps to reduce turnaround time.

- *High operational reliability*

Our operational reliability was 99.95% in fiscal 2015, according to Airbus. In 2014, Airbus awarded us its “Best Operational Excellence” award in the large fleet category based on the number of aircraft in the fleet, daily utilization rate, technical reliability and the number of delays caused due to operational reasons over a two-year period of operations. We had an average domestic on-time performance of 89.3% in the nine months ended December 31, 2014 at four of India’s leading airports (New Delhi, Mumbai, Bengaluru and Hyderabad), which is higher than any other Indian carrier at these airports, according to CAPA.

- *No-frills product*

We have strived to achieve significant cost reductions by scrutinizing every aspect of our business to remove non-essential costs without compromising passenger safety, security or on-time performance. We offer a single class of economy service, which allow our A320 aircraft to have the maximum seating capacity of 180 seats. Unlike most full-service carriers, we do not offer a frequent flyer program, free lounges or include food and beverages in our ticket price for non-corporate passengers. These items have helped to further reduce our cost base.

- *Low distribution costs*

We seek to reduce our distribution costs by increasing direct sales via our website, airport, call center and mobile app and scaling down commissions paid to online and traditional travel agents. Approximately 20.9% of our ticket sales were made through these direct channels in fiscal 2015. We adjusted the commissions paid to online travel agents in January 2015.

- *Ancillary revenues*

Ancillary revenues are typically a highly profitable income stream and have been a key growth driver for us, growing at a CAGR of 43.0% from fiscal 2010 to fiscal 2014. We believe there is substantial potential to further grow these revenues as our ancillary revenue as a percentage of operating revenue remains substantially lower than most international low-cost carriers, according to SAP. Our ancillary revenue was ₹ 11,553.32 million in fiscal 2014, representing 10.4% of our revenue from operations. We intend to continue to enhance our existing ancillary revenue streams as well as develop new streams of ancillary revenue upon obtaining regulatory approvals.

***We have a structural cost advantage which we expect to maintain.***

- *Largest Airbus aircraft orders in history enabling favorable terms on aircraft, engines and components.*

Our firm orders of 100 A320 aircraft in June 2005 and 180 A320neo aircraft in June 2011 were each the largest single order of aircraft from Airbus at the time of the order, according to Airbus. We were one of the first airlines globally to order the A320neo aircraft, according to Airbus. Based on current announced production rates, Airbus has just over 8.5 years of current backlog for the A320 family of aircraft, according to Airbus.

We believe that the magnitude of our 2005 and 2011 aircraft orders helped us to negotiate favorable terms with Airbus and our other aircraft-related suppliers and service providers, which provides us with a structural cost advantage by reducing the overall costs associated with the acquisition, maintenance and operation of our aircraft.

We receive non-refundable incentives from manufacturers upon the delivery of aircraft and engines and upon the achievement of certain milestones. The application of these purchase incentives to our operating leases results in a net reduction in our aircraft rental payments which is amortized over the initial terms of the operating leases.

- *Young, modern and fuel-efficient fleet*

As of December 31, 2014, the average age of our aircraft was 3.1 years, which, according to CAPA, was the second youngest average fleet age among Indian carriers and one of the youngest fleets of any LCC globally. We maintain our young fleet by predominantly entering into short-term sale and leaseback operating leases for the aircraft we have ordered from Airbus, typically ranging from three to six years. We actively seek to maintain a young fleet because we believe it leads to better reliability in terms of aircraft performance, lower maintenance expenses, improved fuel-efficiency, higher flight dispatch reliability and higher passenger appeal.

The A320 aircraft delivered to us by Airbus since January 2013 have been equipped with wing-tip “sharklets” which consume less fuel than aircraft without sharklets, according to Airbus. In 2008, we upgraded to IAE SelectOne engines, which we believe consume less fuel than our previous engines. In March 2011, we began to use the Pratt & Whitney EcoPower Engine Wash process for our engines, which we believe results in incremental fuel savings. As a result of these and other measures, we have been able to reduce our fuel consumption per block hour by 3.0% from fiscal 2010 to fiscal 2015.

According to Airbus, the new A320neo aircraft are expected to consume up to 15% less fuel than current generation A320 aircraft without sharklets, which will further reduce our fuel consumption per block hour as these aircraft enter our fleet from 2015 onwards.

***Maintain our award-winning service and strong brand recognition.***

- *Award-winning service*

We aim to provide courteous, hassle-free and affordable service to our passengers. We have continuously received industry accolades since our inception in recognition of the quality of our airline service, including being awarded the “Best Low-cost Airline in Central Asia & India” at the SkyTrax World Airline Awards for six consecutive years from 2010 to 2015. We were also recognized as India’s favorite airline for 2012, 2013 and 2014 by TripAdvisor’s Annual India Air Travel Survey, which also recognized us as having the best value for money of any Indian carrier in the 2014 survey. Among all Indian carriers, we have the second highest load factor on domestic scheduled services for fiscal 2015, according to the DGCA, and the second lowest number of complaints per 10,000 passengers for the period from June to December 2014, according to CAPA.

- *Strong brand recognition*

We strive to be the most trusted airline brand in India. We believe that we have achieved strong recognition of the IndiGo brand and our simple brand message of providing “low fares, on-time flights and a hassle-free experience” to our passengers. We believe that we have achieved recognition of our brand largely through our consistent operational performance resulting in recommendations from satisfied passengers as sales promotion and advertising expenses accounted for less than 1% of our total expenses for fiscal 2014 and the nine months ended December 31, 2014.

***Maintain consistent profitability and strong cash flow generation, balance sheet and liquidity position.***

- *Consistent profitability*

We are the only Indian carrier to consistently remain profitable for the last six fiscal years ending in fiscal 2014, according to CAPA. Our airline had the highest profitability as measured by RASK minus CASK for any airline in India and is at a level in line with LCCs operating in Asia, according to SAP. Please see the chapter “*Industry Overview—Cost Competitiveness—Unit Profitability*” beginning on page 157. We have used our consistent profitability to reinvest in our business to build scale and efficiencies. These investments include an upgraded reservation system, upgraded crew rostering system, implementing a new revenue management system, upgrading our operations control center, cargo-related operational and financial software, revenue accounting software and employee training facilities.

- *Strong balance sheet*

We believe that we have a strong balance sheet which we believe provides us with a number of competitive advantages, such as lower finance costs and better financial terms from aircraft lessors and suppliers of aircraft components. As of December 31, 2014, we have total indebtedness of ₹ 40,028.21 million and ₹ 24,746.03 million of net debt (net of free cash of ₹ 15,282.18 million). As of December 31, 2014, all of our indebtedness was aircraft related and we did not have any indebtedness for working-capital. We believe that the strength of our balance sheet provides us with a competitive advantage by allowing us the flexibility to fund future growth and not be constrained by reliance on non-aircraft financing sources.

- *Strong cash flow generation and liquidity position*

We have generated strong cash flows from operations for the six fiscal years from 2009 to 2014. This has enabled us to further invest in our business and pay dividends to our shareholders in four of the past five fiscal years ending in fiscal 2015.

We believe our strong liquidity position protects us from unforeseen shocks such as a sudden decline in air travel demand or sudden spikes in aircraft fuel prices, which can put negative pressure on operating cash flows. We had ₹ 43,186.52 million of total cash as of December 31, 2014 and a total-cash-to-LTM, or last twelve months, being 2014, revenue of 31% as of December 31, 2014. Our liquidity position enables us to consistently pay our suppliers on time, allowing us to benefit from supplier discounts. In addition, our liquidity position enables us to purchase imported fuel, which require advance payments and is less expensive than fuel purchased domestically in India.

***Attract and retain talented employees and management and leverage the strength of our Promoters.***

- InterGlobe Enterprises (including our Company), was ranked among “Top Companies to Work For” in India in 2014 for the seventh consecutive year by a study done by the Great Places to Work<sup>®</sup> Institute in partnership with The Economic Times. No other airline was included in these rankings during this period.
- We have the highest employee productivity among the Indian carriers that were operational during the full fiscal year 2014 as measured by ASKs per employee, according to CAPA. Please see the chapter “*Industry Overview*” beginning on page 134 for more information. We do not have any unionized employees.
- We have continuously been able to hire sufficient pilots to keep pace with the expansion of our operations and growth of our fleet. Our average attrition rate for pilots is 7.1% per year from fiscal 2010 to fiscal 2015. As a result of our rotation and training schedules, we average 14 pilots per aircraft as of April 30, 2015.
- Our management team has a strong background at leading global airlines, hospitality and travel-related businesses, and many of whom have been promoted within our Company. We believe that our management team has the depth and capability to expand our operations in accordance with our business model.
- We believe that our management team provides us with extensive knowledge and understanding of the Indian business environment. Our management team delivered profitable results in our second full fiscal year after commencing our operations, and we have remained profitable in each fiscal year since. Our management team has successfully guided the airline through industry down cycles as well as periods of fuel price and exchange rate volatility.
- We benefit from the support and experience of our Promoters, Mr. Rahul Bhatia and Mr. Rakesh Gangwal. Mr. Bhatia holds leadership positions in several companies in the travel and hospitality industries, such as InterGlobe Enterprises, AAPC India Hotel Management Private Limited and Aquire Services Private Limited (formerly Galileo India Private Limited). Mr. Gangwal has over 30 years of experience in the airline industry, including over 15 years of senior management experience at several leading airlines, such as US Airways, United Airlines and Air France. Most notably, Mr. Gangwal was the Chief Executive Officer of US Airways and the Chairman and Chief Executive Officer of Worldspan. Please see the chapter “*Our Promoters and Group Companies—Our Individual Promoters*” beginning on page 222.

## SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary restated financial statements derived from our restated financial statements as of and for the years ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and as of and for the nine months ended December 31, 2014. These restated financial statements have been prepared in accordance with Indian GAAP, the Companies Act, 1956 and Companies Act, 2013 and restated in accordance with the ICDR Regulations and are presented in the chapter “*Financial Statements*” beginning on page 253. The summary restated financial statements presented below should be read in conjunction with our restated financial statements, the notes and annexures thereto and the chapter “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 325.

### Summary Statement of Assets and Liabilities, As Restated

(Rupees in Millions)

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
<b>Equity and Liabilities</b>						
<b>Shareholders’ funds</b>						
Share capital	343.72	343.72	343.72	343.72	343.72	1,897.72
Reserves and surplus	9,190.95	3,862.56	3,546.77	2,089.61	683.67	983.75
	<b>9,534.67</b>	<b>4,206.28</b>	<b>3,890.49</b>	<b>2,433.33</b>	<b>1,027.39</b>	<b>2,881.47</b>
<b>Non-current liabilities</b>						
Deferred tax liabilities (net)	2,724.06	522.85	537.15	-	-	-
Long-term borrowings	36,639.70	30,807.40	16,173.32	9,055.48	8,069.76	6,602.52
Other long-term liabilities	18,485.66	12,957.85	7,234.82	2,793.79	1,014.60	261.07
Long-term provisions	494.76	368.32	231.64	158.31	133.82	84.71
Deferred incentives	14,271.99	13,654.32	11,677.54	8,748.39	4,678.16	3,465.19
	<b>72,616.17</b>	<b>58,310.74</b>	<b>35,854.47</b>	<b>20,755.97</b>	<b>13,896.34</b>	<b>10,413.49</b>
<b>Current liabilities</b>						
Short-term borrowings	-	-	814.34	305.58	540.29	-
Trade payables	5,329.70	3,844.46	2,647.91	1,584.84	1,076.17	781.88
Other current liabilities	17,975.11	16,149.40	11,383.29	8,149.01	4,624.85	5,993.16
Short-term provision	886.57	4,645.06	307.85	186.51	5,808.63	136.33
Deferred incentives	4,313.93	3,878.42	3,626.58	3,055.37	2,220.83	2,214.32
	<b>28,505.31</b>	<b>28,517.34</b>	<b>18,779.97</b>	<b>13,281.31</b>	<b>14,270.77</b>	<b>9,125.69</b>
<b>Total</b>	<b>110,656.15</b>	<b>91,034.36</b>	<b>58,524.93</b>	<b>36,470.61</b>	<b>29,194.50</b>	<b>22,420.65</b>

(Rupees in Millions)

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
<b>Assets</b>						
<b>Non-current assets</b>						
Fixed assets						
Tangible fixed assets	49,554.24	39,407.20	17,547.89	8,813.12	8,310.12	8,361.44
Intangible fixed assets	108.43	152.46	96.70	46.99	1.29	1.59
Capital work in progress	-	-	68.47	-	-	-
	<b>49,662.67</b>	<b>39,559.66</b>	<b>17,713.06</b>	<b>8,860.11</b>	<b>8,311.41</b>	<b>8,363.03</b>
Non-current investments	0.46	0.47	0.35	-	-	-
Deferred tax asset (net)	-	-	-	665.10	8.20	616.65
Long-term loans and advances	10,567.99	8,012.06	5,246.98	2,973.09	1,268.71	284.82
Other non-current assets	17,048.04	14,315.23	4,857.72	885.30	118.95	196.00
	<b>27,616.49</b>	<b>22,327.76</b>	<b>10,105.05</b>	<b>4,523.49</b>	<b>1,395.86</b>	<b>1,097.47</b>
	<b>77,279.16</b>	<b>61,887.42</b>	<b>27,818.11</b>	<b>13,383.60</b>	<b>9,707.27</b>	<b>9,460.50</b>
<b>Current assets</b>						
Current investments	10,947.05	12,714.84	11,383.42	5,234.18	8,022.44	6,570.86
Inventories	1,388.12	672.86	522.75	373.88	446.74	340.30
Trade receivables	1,059.01	891.22	685.22	389.20	166.58	180.52
Cash and bank balances	16,245.47	11,015.33	13,405.88	13,088.26	7,756.93	3,005.96
Short-term loans and advances	1,458.19	2,231.34	3,586.59	3,179.45	2,491.33	2,450.73
Other current assets	2,279.15	1,621.35	1,122.96	822.04	603.21	411.78
	<b>33,376.99</b>	<b>29,146.94</b>	<b>30,706.82</b>	<b>23,087.01</b>	<b>19,487.23</b>	<b>12,960.15</b>
<b>Total</b>	<b>110,656.15</b>	<b>91,034.36</b>	<b>58,524.93</b>	<b>36,470.61</b>	<b>29,194.50</b>	<b>22,420.65</b>



Summary Statement of Profit and Loss, As Restated

(Rupees in Millions)

Particulars	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>Revenue</b>						
Revenue from operations	101,020.68	111,165.84	92,031.30	55,646.60	38,334.20	26,054.81
Other income	2,577.22	3,155.34	2,371.04	1,439.60	1,107.37	621.93
<b>Total revenue</b>	<b>103,597.90</b>	<b>114,321.18</b>	<b>94,402.34</b>	<b>57,086.20</b>	<b>39,441.57</b>	<b>26,676.74</b>
<b>Expenses</b>						
Aircraft fuel expenses	45,481.88	55,133.50	43,126.26	28,735.91	15,213.26	9,110.41
Aircraft and engine rentals	16,693.33	20,310.31	17,149.51	10,634.40	6,372.43	4,703.81
Less: Cash and non-cash incentives	(2,647.27)	(3,607.17)	(3,588.03)	(2,627.25)	(2,273.94)	(1,940.95)
Aircraft and engine rentals (net)	14,046.06	16,703.14	13,561.48	8,007.15	4,098.49	2,762.86
Purchase of stock in trade	578.40	589.63	559.94	341.79	190.93	126.69
Changes in inventories of stock in trade	(18.77)	7.06	(18.65)	(6.83)	(1.10)	(9.15)
Employee benefits	8,467.38	9,211.08	6,904.52	5,118.60	2,930.16	2,233.79
Other expenses	22,322.55	24,471.95	18,961.40	12,961.04	8,783.72	6,524.55
Finance costs	911.14	1,225.77	578.01	514.27	449.91	505.88
Depreciation and amortisation	2,203.19	2,260.08	856.20	665.23	628.70	459.96
<b>Total expenses</b>	<b>93,991.83</b>	<b>109,602.21</b>	<b>84,529.16</b>	<b>56,337.16</b>	<b>32,294.07</b>	<b>21,714.99</b>
<b>Profit before tax</b>	<b>9,606.07</b>	<b>4,718.97</b>	<b>9,873.18</b>	<b>749.04</b>	<b>7,147.50</b>	<b>4,961.75</b>
<b>Tax (charge)/benefit</b>						
Minimum Alternate Tax ('MAT')						
- Current period	(2,017.96)	(926.35)	(1,924.25)	(77.90)	(1,356.05)	(787.43)
Less: MAT credit entitlement	1,821.50	926.35	1,086.89	77.90	611.65	-
Deferred tax credit / (charge)	(2,201.22)	14.30	(1,202.25)	656.90	(608.45)	616.65
<b>Profit for the period / year</b>	<b>7,208.39</b>	<b>4,733.27</b>	<b>7,833.57</b>	<b>1,405.94</b>	<b>5,794.65</b>	<b>4,790.97</b>
<b>Earnings per equity share (Rs.)</b>						
Basic - Par value of Rs. 1,000 per share	<b>23,480</b>	<b>15,418</b>	<b>25,517</b>	<b>4,580</b>	<b>18,875</b>	<b>15,606</b>
Diluted - Par value of Rs. 1,000 per share	<b>20,972</b>	<b>13,771</b>	<b>22,791</b>	<b>4,090</b>	<b>16,859</b>	<b>13,939</b>

Statement of Cash Flows, As Restated

(Rupees in Millions)

Particulars	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>A. Cash flows from operating activities</b>						
Net profit before tax	9,606.07	4,718.97	9,873.18	749.04	7,147.50	4,961.75
Adjustments for:						
Depreciation and amortisation	2,203.19	2,260.08	856.20	665.23	628.70	459.96
Provision for redelivery cost (adjusted for provision utilized / reversed during the period / year)	47.25	62.73	58.93	42.34	30.50	20.76
Provision for bad and doubtful debts and loans and advances	-	0.24	(0.42)	1.17	-	1.02
Provision for inventory obsolescence	21.36	23.71	70.68	11.61	37.38	18.07
Loss / (profit) on sale of fixed asset (net)	0.15	(0.66)	0.60	1.07	(222.48)	(149.81)
Non cash incentives (net)	(21.22)	26.37	44.50	50.58	45.22	(43.17)
Assets written off	-	1.46	-	-	0.62	6.31
Unrealised foreign exchange loss (net)	1,311.61	562.56	126.20	17.11	63.48	46.45
Foreign exchange loss on forward contract	-	-	-	7.88	-	-
Bad debts written off	-	-	-	-	-	2.05
Amortisation of discount on forward exchange contracts	-	-	(1.03)	(4.87)	-	-
Advances written off	0.90	0.17	2.59	1.47	-	-
Interest expense	81.07	192.87	178.92	143.98	143.47	418.11
Finance lease charges	688.30	826.57	364.29	313.18	300.35	87.77
Interest income on fixed deposits	(1,941.27)	(1,868.62)	(1,419.60)	(804.44)	(333.38)	(226.26)
Gain/ (Loss) Mark to market loss on forward contracts	-	-	-	-	(5.75)	(44.56)
Net gain on sale of current investments	(583.99)	(639.28)	(257.96)	(18.31)	(11.12)	(4.51)
Dividend from current investments	-	(355.65)	(328.81)	(384.25)	(382.56)	(115.02)
<b>Operating profit before working capital changes</b>	<b>11,413.42</b>	<b>5,811.52</b>	<b>9,568.27</b>	<b>792.79</b>	<b>7,441.93</b>	<b>5,438.92</b>

Particulars	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Adjustment for:						
(Increase)/decrease in trade receivables	(166.32)	(210.46)	(296.16)	(220.89)	13.94	(118.66)
(Increase)/decrease in inventories	(736.62)	(173.82)	(219.55)	61.26	(143.95)	(32.46)
(Increase)/decrease in loans and advances and other assets	463.17	390.88	(1,314.42)	(1,743.87)	(496.23)	(173.10)
Increase/(decrease) in trade payables, other liabilities and provisions	6,156.31	9,004.11	8,157.12	5,596.75	2,107.84	1,527.54
Increase/(decrease) in deferred incentives	1,077.38	2,208.21	3,369.28	4,841.78	1,118.54	658.91
<b>Cash generated from operating activities</b>	<b>18,207.34</b>	<b>17,030.44</b>	<b>19,264.54</b>	<b>9,327.82</b>	<b>10,042.07</b>	<b>7,301.15</b>
Taxes paid	(1,414.77)	(1,075.42)	(1,851.53)	(371.13)	(1,322.23)	(777.75)
<b>Net cash generated from operating activities</b>	<b>16,792.57</b>	<b>15,955.02</b>	<b>17,413.01</b>	<b>8,956.69</b>	<b>8,719.84</b>	<b>6,523.40</b>
<b>B. Cash flows from investing activities</b>						
Purchase of fixed assets (including capital advances), net of cash incentives	(9,926.96)	(23,241.67)	(9,155.68)	(331.74)	(2,133.12)	(10,201.83)
Deposits made with banks due to mature within 12 months from the reporting date (net)	(5,230.77)	2,051.49	(1,446.78)	(3,212.69)	(4,835.26)	89.29
Deposits made with banks due to mature after 12 months from the reporting date (net)	(2,379.43)	(8,907.53)	(3,842.08)	(770.90)	85.32	(79.69)
Proceeds from sale of fixed assets	1.26	4.56	2.56	0.74	1,657.02	3,362.83
Purchase of mutual funds/ shares	(45,580.50)	(71,175.76)	(64,831.09)	(45,218.79)	(106,291.94)	(63,250.49)
Proceeds from sale of mutual funds	47,932.31	70,483.47	58,939.45	48,025.37	104,851.47	57,051.56
Interest received	907.80	1,292.00	1,107.94	657.27	200.51	244.68
Dividend received	-	355.65	328.81	384.25	382.56	115.02
<b>Net cash (used) in investing activities</b>	<b>(14,276.29)</b>	<b>(29,137.79)</b>	<b>(18,896.87)</b>	<b>(466.49)</b>	<b>(6,083.44)</b>	<b>(12,668.63)</b>
<b>C. Cash flows from financing activities</b>						
Proceeds from secured loans	7,727.93	18,153.29	10,301.45	2,934.99	3,428.19	11,807.85
Proceeds from unsecured loans	-	-	-	-	-	367.20

	Particulars	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
	Repayment of secured loans	(3,404.90)	(4,515.80)	(3,031.95)	(2,475.73)	(3,690.62)	(5,717.27)
	Repayment of unsecured loans	-	-	-	(678.60)	-	-
	Interest paid	(56.14)	(185.86)	(169.14)	(143.98)	(143.47)	(430.69)
	Finance lease charges paid	(502.29)	(603.20)	(363.12)	(312.73)	(302.35)	(80.68)
	Repayment of share capital	-	-	-	-	(2,012.43)	-
	Dividend paid	(5,382.70)	-	(5,486.38)	(4,904.31)	-	-
	Tax paid on dividends	(914.79)	-	(890.03)	(795.59)	-	-
	<b>Net cash generated from / (used in) financing activities</b>	<b>(2,532.89)</b>	<b>12,848.43</b>	<b>360.83</b>	<b>(6,375.95)</b>	<b>(2,720.68)</b>	<b>5,946.41</b>
	<b>Net increase / (decrease) in cash and cash equivalents during the year / period (A+B+C)</b>	<b>(16.61)</b>	<b>(334.34)</b>	<b>(1,123.03)</b>	<b>2,114.25</b>	<b>(84.28)</b>	<b>(198.82)</b>
	<b>Effect of exchange rate difference on cash and cash equivalents held in foreign currency</b>	<b>15.98</b>	<b>(4.72)</b>	<b>(6.14)</b>	<b>4.39</b>	<b>-</b>	<b>5.51</b>
<b>D</b>	<b>Cash and cash equivalents at the beginning of the year / period</b>						
	Cash on hand	16.50	25.67	21.48	13.77	7.98	9.29
	Cheques on hand	-	-	137.00	53.20	57.02	-
	Funds in transit	1.00	-	1,690.96	-	-	-
	Balance with banks in:						
	- current accounts	838.94	1,063.83	675.23	389.06	225.52	534.83
	- deposit accounts (deposits having original maturity of three months or less)	250.00	356.00	50.00	-	249.79	189.50
		<b>1,106.44</b>	<b>1,445.50</b>	<b>2,574.67</b>	<b>456.03</b>	<b>540.31</b>	<b>733.62</b>
<b>E</b>	<b>Cash and cash equivalents as at the end of the year / period</b>						
	Cash on hand	19.78	16.50	25.67	21.48	13.77	7.98
	Cheques on hand	-	1.00	-	137.00	53.20	57.02
	Funds in transit	-	-	-	1,690.96	-	-
	Balance with scheduled banks in:						
	- current accounts	1,086.03	838.94	1,063.83	675.23	389.06	225.52
	- deposit accounts (deposits having original maturity of three months or less)	-	250.00	356.00	50.00	-	249.79

	<b>Particulars</b>	<b>For the nine months period ended 31 December 2014</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>	<b>For the year ended 31 March 2010</b>
		<b>1,105.81</b>	<b>1,106.44</b>	<b>1,445.50</b>	<b>2,574.67</b>	<b>456.03</b>	<b>540.31</b>
	Note: -						
	1. The cash flow statement has been prepared in accordance with 'Indirect method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statements', as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.						

## THE ISSUE

The following table summarizes the Issue details:

(1) Issue	Up to [●] Equity Shares aggregating up to ₹ [●] million
<i>Of which:</i>	
(i) Fresh Issue <sup>(1)</sup>	Up to [●] Equity Shares aggregating up to ₹ [●] million
(ii) Offer for Sale <sup>(2)</sup>	Up to 30,146,000 Equity Shares aggregating up to ₹ [●] million
<i>Of which:</i>	
Employee Reservation Portion <sup>(3)</sup>	Up to [●] Equity Shares
<b>Net Offer to the Public</b>	Up to [●] Equity Shares aggregating up to ₹ [●] million
A) QIB Category	Up to [●] Equity Shares
<i>Of which:</i>	
Anchor Investor Portion <sup>(4)</sup>	Up to [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>Of which:</i>	
Available for allocation only to Mutual Funds (5% of the QIB Category (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Category <sup>(5)</sup>	Not less than [●] Equity Shares
C) Retail Category <sup>(5)</sup>	Not less than [●] Equity Shares
<b>Pre and post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	343,716,000 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
<b>Use of Net Proceeds by our Company</b>	Please see the chapter “ <i>Objects of the Issue</i> ” beginning on page 110. Our Company will not receive any proceeds from the Offer for Sale.

Allocation to all categories, except the Retail Category and the Anchor Investor Portion, if any, shall be made on a proportionate basis.

- (1) *The Issue has been authorized by a resolution of the Board of Directors, dated June 23, 2015 and by a resolution of the shareholders of our Company in the EGM held on June 25, 2015 under Section 62(1)(c) of the Companies Act, 2013.*
- (2) *The Selling Shareholders have confirmed that the Equity Shares constituting the Offer for Sale have been held by the respective Selling Shareholders for such period as required under Regulation 26(6) of the ICDR Regulations. The Offer for Sale has been authorised by (i) Mr. Rahul Bhatia by way of a letter dated June 26, 2015; (ii) Mr. Rakesh Gangwal by way of a letter dated June 28, 2015; (iii) InterGlobe Enterprises by way of its resolution dated June 25, 2015 (iv) Ms. Shobha Gangwal by way of a letter dated June 28, 2015; (v) Dr. Asha Mukherjee by way of a letter dated June 28, 2015; (vi) Mr. Newton Bruce Ashby by way of a letter dated June 26, 2015; (vii) Mr. Steven Eugene Harfst by way of a letter dated June 26, 2015; (viii) The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware) by way of a letter*

*dated June 28, 2015; (ix) Paul Carl Schorr, IV. (nominee of G5 Investments) by way of its consent letter dated June 26, 2015; (x) IGT-InterGlobe Technologies Philippines Inc. by way of its resolution dated June 25, 2015; (xi) Mr. Sanjay Kumar by way of a letter dated June 26, 2015; (xii) Mr. Shakti Swarup Lumba by way of a letter dated June 26, 2015; (xiii) Mr. Anil Chanana by way of a letter dated June 25, 2015;(xiv) Mr. Kunal Chanana by way of a letter dated June 25, 2015;*

- (3) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except in the QIB category, would be allowed to be met with spill over from any other category or combination of categories (including the Employee Reservation Portion) at the discretion of our Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs and the Designated Stock Exchange. Our Company and the Selling Shareholders, in consultation with the GCBRLMs and the BRLMs, may offer a discount of up to 10% on the Issue Price to Eligible Employees, which shall be announced at least five Working Days prior to the Issue Opening Date.*
- (4) Our Company and the Selling Shareholders may, in consultation with the GCBRLMs and the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For further details please see the chapter, “Issue Procedure” beginning on page 463.*
- (5) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company in consultation with the GCBRLMs and the BRLMs and the Designated Stock Exchange.*

## GENERAL INFORMATION

Our Company was incorporated in Lucknow as ‘InterGlobe Aviation Private Limited’ on January 13, 2004 under the Companies Act, 1956 with the Registrar of Companies, Uttar Pradesh and Uttaranchal at Kanpur. Our Registered Office was changed from 13, Raja Chamber, 29/9, Rana Pratap Marg, Lucknow – 226 001, Uttar Pradesh, India to 66, Janpath, New Delhi – 110 001, India with effect from October 8, 2004 after the alteration was confirmed by an order of the Company Law Board dated September 1, 2004. Pursuant to a special resolution of the shareholders of our Company on June 30, 2006, our Company was converted into a public company and the name of our Company was changed to “InterGlobe Aviation Limited” and consequent to such change of name, a fresh certificate of incorporation dated August 11, 2006 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Registered Office was changed again from 66, Janpath, New Delhi – 110 001, India to Central Wing, Ground Floor, Thapar House, 124, Janpath, New Delhi – 110 001, India on October 1, 2006. For further details in relation to the corporate history of our Company, please see the chapter “*History and Other Corporate Matters*” beginning on page 198.

For information on the business of our Company, please see the chapter “*Our Business*” beginning on page 160.

### Registered Office of our Company

InterGlobe Aviation Limited  
Central Wing, Ground Floor  
Thapar House, 124, Janpath  
New Delhi – 110 001  
India

**Tel:** +91 11 6500 0428  
**Fax:** +91 11 4351 3200

For details of changes in the Registered Office of our Company, please see the chapter “*History and Other Corporate Matters*” beginning on page 198.

### Corporate Office of our Company

Levels 1-5, Tower-C  
Global Business Park  
M.G. Road  
Gurgaon – 122 002  
Haryana  
India

**Tel:** +91 124 435 2500  
**Fax:** +91 124 406 8536  
**Website:** [www.goindigo.in](http://www.goindigo.in)  
**Corporate Identity Number:** U62100DL2004PLC129768  
**Registration Number:** 129768

### Address of the Registrar of Companies

Our Company is registered at the office of:

#### *Registrar of Companies, National Capital Territory of Delhi and Haryana*

4<sup>th</sup> Floor, IFCI Tower  
61, Nehru Place  
New Delhi – 110 019  
India



## Board of Directors

Our Board comprises of:

Name	Designation	DIN	Address
Mr. Devadas Mallya Mangalore	Chairman and Non-executive Independent Director	01804955	House No. 11/A Woodland Apartment, 67 A, Pedder Road, Mumbai – 400 026, Maharashtra, India
Mr. Rahul Bhatia	Non-executive Director	00090860	18, Oak Drive, Mandi Road, Sultanpur, Mehrauli, New Delhi – 110 030, India
Mr. Rakesh Gangwal	Non-executive Director	03426679	17 Indian Creek Island Road, Indian Creek Village, FL 33154, USA
Dr. Anupam Khanna	Non-executive Independent Director	03421015	4/24 Shanti Niketan, New Delhi – 110 021, India
Ms. Rohini Bhatia	Non-executive Director	01583219	18, Oak Drive, Mandi Road, Sultanpur, Mehrauli, New Delhi – 110 030, India
Mr. Aditya Ghosh	President and Whole-time Director	01243445	H-452A, Ansals Palam Vihar, Gurgaon – 122 002, Haryana, India

For further details of our Board of Directors, please see the chapter “*Our Management*” beginning on page 206.

### *Company Secretary and Compliance Officer*

Our Company has appointed Mr. Suresh Kumar Bhutani, Company Secretary, as the Compliance Officer. His contact details are as follows:

#### **Mr. Suresh Kumar Bhutani**

InterGlobe Aviation Limited  
Level 4, Tower D, Global Business Park  
M. G. Road, Gurgaon  
Haryana – 122 002, India

**Tel:** +91 124 485 2158

**Fax:** +91 124 426 8664

**E-mail:** investors@goindigo.in

### *Chief Financial Officer*

Mr. Pankaj Madan is the Chief Financial Officer of our Company. His contact details are as follows:

#### **Mr. Pankaj Madan**

InterGlobe Aviation Limited  
Level 4, Tower D, Global Business Park  
M. G. Road, Gurgaon – 122 002  
Haryana, India

**Tel:** +91 124 485 2091

**Fax:** +91 124 426 8664

**E-mail:** cfo@goindigo.in

**Bidders may contact the Compliance Officer, the GCBRLMS and the BRLMs or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, including non-receipt of Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary account or refund orders, etc.**

All grievances relating to the non-ASBA process must be addressed to the Registrar to the Issue quoting full name of the sole or first Bidder, Bid-cum-Application Form number, address of the Bidder, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the Syndicate Member or the Registered Broker where the Bid was submitted, and cheque or draft number and issuing bank thereof.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Broker Centres, as the case may be, quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, address of the Bidder, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker, as the case may be, where the Bid was submitted, and the ASBA Account number in which the amount equivalent to the Bid Amount was blocked. All grievances relating to Bids submitted through the Registered Broker may be addressed to the Stock Exchanges with a copy to the Registrar.

Further with respect to the Bid-cum-Application Forms submitted with the Registered Broker, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/ information mentioned hereinabove.

### **Selling Shareholders**

The names of our Selling Shareholders are set forth below:

1. Mr. Rahul Bhatia;
2. Mr. Rakesh Gangwal;
3. InterGlobe Enterprises Limited;
4. Mr. Paul Carl Schorr, IV (nominee of G5 Investments);
5. The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware);
6. IGT-InterGlobe Technologies Philippines Inc.;
7. Dr. Asha Mukherjee;
8. Mr. Anil Chanana;
9. Mr. Kunal Chanana;
10. Mr. Newton Bruce Ashby;
11. Mr. Sanjay Kumar;
12. Mr. Shakti Swarup Lumba;
13. Ms. Shobha Gangwal; and
14. Mr. Steven Eugene Harfst.

### **Global Co-ordinators and Book Running Lead Managers**

#### ***Citigroup Global Markets India Private Limited***

1202, 12th Floor, First International Financial Center  
G-Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400 051  
Maharashtra, India

**Tel:** + 91 22 6175 9999

**Fax:** +91 22 6175 9961

**Email:** indigo.ipo@citi.com  
**Investor Grievance E-mail:** investors.cgmib@citi.com  
**Website:** <http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm>  
**Contact Person:** Mr. Keshav Tyagi  
**SEBI Registration No.:** INM000010718

***J. P. Morgan India Private Limited***

J. P. Morgan Tower  
Off CST Road, Kalina, Santa Cruz (East)  
Mumbai – 400 098  
Maharashtra, India

**Tel:** +91 22 6157 3000  
**Fax:** + 91 22 6157 3911  
**Email:** indigo\_ipo@jpmorgan.com  
**Investor grievance Email:** investorsmb.jpmpil@jpmorgan.com  
**Website:** [www.jpmpil.com](http://www.jpmpil.com)  
**Contact Person:** Ms. Prateeksha Runwal  
**SEBI Registration No.:** INM000002970

***Morgan Stanley India Company Private Limited***

18F/19F, Tower 2, One Indiabulls Center  
841, Senapati Bapat Marg  
Mumbai – 400 013  
Maharashtra, India

**Tel:** +91 22 6118 1000  
**Fax:** +91 22 6118 1040  
**Email:** indigo\_ipo@morganstanley.com  
**Investor Grievance Email:** investors\_india@morganstanley.com  
**Contact Person:** Mr. Shashank More  
**Website:** [www.morganstanley.com](http://www.morganstanley.com)  
**SEBI Registration No.:** INM000011203

**Book Running Lead Managers**

***Barclays Bank PLC***

801/808 Ceejay House, Shivsagar Estate  
Dr. Annie Besant Road, Worli  
Mumbai – 400 018  
Maharashtra, India

**Tel:** +91 22 6719 6001  
**Fax:** +91 22 6719 6187  
**Email:** IndigoIPO@barclays.com  
**Investor grievance Email:** BBPLCconcerns@barclays.com  
**Website:** <http://www.barclays.in/investment-banking/index.html>  
**Contact Person:** Ms. Raahi Kapadia  
**SEBI Registration No.:** INM000002129

***Kotak Mahindra Capital Company Limited***

1<sup>st</sup> Floor, 27BKC, Plot No. C-27

“G” Block, Bandra-Kurla Complex  
Bandra (East), Mumbai – 400 051  
Maharashtra, India

**Tel:** +91 22 4336 0000  
**Fax:** +91 22 6713 2447  
**Email:** indigo.ipo@kotak.com  
**Investor grievance Email:** kmccredressal@kotak.com  
**Website:** <http://investmentbank.kotak.com>  
**Contact Person:** Mr. Ganesh Rane  
**SEBI Registration No.:** INM000008704

***UBS Securities India Private Limited***

2 North Avenue, Maker Maxity  
Bandra-Kurla Complex  
Bandra (East)  
Mumbai – 400 051  
Maharashtra, India

**Tel:** +91 22 6155 6108  
**Fax:** +91 22 6155 6292  
**Email:** OL-IndigoIPO@ubs.com  
**Investor grievance Email:** customercare@ubs.com  
**Website:** [www.ubs.com/indianoffers](http://www.ubs.com/indianoffers)  
**Contact Person:** Ms. Jasmine Kaur  
**SEBI Registration No.:** INM000010809

**Syndicate Members**

[•]

The Syndicate Members will be appointed prior to filing the Red Herring Prospectus with the RoC.

**Registrar to the Issue**

***Karvy Computershare Private Limited***

Karvy Selenium Tower B  
Plot 31-32, Gachibowli, Financial District, Nanakramguda  
Hyderabad – 500 032

**Tel:** +91 40 6716 2222  
**Fax:** +91 40 2343 1551  
**Email:** einward.ris@karvy.com  
**Investor grievance email:** indigo.ipo@karvy.com  
**Website:** [www.karisma.karvy.com](http://www.karisma.karvy.com)  
**Contact Person:** Mr. M Murali Krishna  
**SEBI Registration No.:** INR000000221

**Domestic Legal Counsel to our Company**

***J. Sagar Associates***

Sandstone Crest  
Opposite Park Plaza Hotel

Sushant Lok – Phase 1  
Gurgaon – 122 009  
Haryana, India

**Tel:** +91 124 439 0600  
**Fax:** +91 124 439 0617

**Domestic Legal Counsel to GCBRLMs and BRLMs**

***AZB & Partners***

Plot No. A – 8  
Sector – 4  
Noida – 201 301  
Uttar Pradesh, India

**Tel:** + 91 120 417 9999  
**Fax:** + 91 120 417 9900

**International Legal Counsel to the GCBRLMs and BRLMs**

***Latham & Watkins LLP***

9 Raffles Place  
#42-02 Republic Plaza  
Singapore 048619

**Tel:** + 65 6536 1161  
**Fax:** + 65 6536 1171

**Domestic Legal Counsel to Mr. Rakesh Gangwal, Ms. Shobha Gangwal, Dr. Asha Mukherjee and the Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware)**

**Khaitan & Co.**

One India Bulls Centre  
841, Senapati Bapat Marg  
Elphinstone Road  
Mumbai – 400 013  
Maharashtra, India

**Tel:** +91 22 6636 5000  
**Fax:** +91 22 6636 5050

**Domestic Legal Counsel to Mr. Rahul Bhatia, InterGlobe Enterprises Limited, IGT-InterGlobe Technologies Philippines Inc., Mr. Paul Carl Schorr, IV (nominee of G5 Investments), Mr. Newton Bruce Ashby, Mr. Sanjay Kumar, Mr. Shakti Swarup Lumba, and Mr. Steven Eugene Harfst**

***J. Sagar Associates***

Sandstone Crest  
Opposite Park Plaza Hotel  
Sushant Lok – Phase 1  
Gurgaon – 122 009  
Haryana, India

**Tel:** +91 124 439 0600  
**Fax:** +91 124 439 0617

**Domestic Legal Counsel to Mr. Anil Chanana and Mr. Kunal Chanana**

**JUSCONTRACTUS**  
**Advocates and Attorneys**

The Hyphen Center  
A-32 Connaught Place  
New Delhi – 110 001

**Tel:** +91 11 406 80231

**Statutory Auditors of our Company**

***B S R & Co. LLP, Chartered Accountants***

Building No.10  
8th Floor, Tower-B  
DLF Cyber City, Phase-II  
Gurgaon – 122 002  
Haryana, India

**Tel:** +91 124 307 4000  
**Fax:** +91 124 254 9101  
**E-mail:** j Chopra@bsraffiliates.com  
**Firm Registration No.:** 101248W/W-100022

The restated financial statements of our Company as on and for the five fiscal years ended March 31, 2010, 2011, 2012, 2013, 2014 and the nine month period ended December 31, 2014 included in this Draft Red Herring Prospectus have been examined by, and the examination report thereon as well as the statement on tax benefits included in the chapters “*Financial Statements*” and “*Statement of Tax Benefits*” beginning on pages 253 and 120, respectively, of this Draft Red Herring Prospectus have been examined by, B S R & Co. LLP, Chartered Accountants.

**Bankers to the Issue and Escrow Collection Banks**

[•]

The Bankers to the Issue and Escrow Collection Banks shall be appointed prior to filing of the Red Herring Prospectus with the RoC.

**Refund Bank(s)**

[•]

The Refund Bank(s) shall be appointed prior to filing of the Red Herring Prospectus with the RoC.

**Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> and updated from time to time, or at such other website as may be prescribed by SEBI from time to time. Details relating to the Designated Branches of SCSBs collecting the Bid-cum-Application Forms used by the ASBA Bidders are available at the abovementioned link.

## Syndicate SCSB Branches

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSB to receive deposits of Bid-cum-Application Forms from the members of the Syndicate is available on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) and updated from time to time.

## Broker Centres

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012, Bidders can submit Bid-cum-Application Forms with the Registered Brokers at the Broker Centres, a list of which is available at the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid-cum-Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

## Bankers to our Company

<p><b>Bank of Baroda</b></p> <p>CFS Branch, 1<sup>st</sup> Floor, Bank of Baroda Building 16, Sansad Marg New Delhi – 110 001, India</p> <p><b>Tel.:</b> +91 11 2344 1551 <b>Fax:</b> +91 11 2371 1267 <b>Email:</b> <a href="mailto:indel@bankofbaroda.com">indel@bankofbaroda.com</a> <b>Website:</b> <a href="http://www.bankofbaroda.com">www.bankofbaroda.com</a> <b>Contact Person:</b> Mr. V. K. Khandelwal</p>	<p><b>Bank of Maharashtra</b></p> <p>Ground Floor 01-02, B Block, Time Square Sector Road, Sushant Lok-1, Gurgaon Haryana – 122 009, India</p> <p><b>Tel.:</b> +91 124 404 7136 <b>Fax:</b> +91 124 404 7137 <b>Email:</b> <a href="mailto:brmgr1295@mahabank.co.in">brmgr1295@mahabank.co.in</a> <b>Website:</b> <a href="http://www.bankofmaharashtra.in">www.bankofmaharashtra.in</a> <b>Contact Person:</b> Mr. Arun F. Kabade</p>
<p><b>BNP Paribas</b></p> <p>BNP Paribas House Bandra-Kurla Complex, Bandra East Mumbai – 400 051, India</p> <p><b>Tel.:</b> +91 22 6196 4000 <b>Fax:</b> +91 22 6196 4670 <b>Email:</b> <a href="mailto:sonal.shah@asia.bnpparibas.com">sonal.shah@asia.bnpparibas.com</a> <b>Website:</b> <a href="http://www.bnpparibas.com">www.bnpparibas.com</a> <b>Contact Person:</b> Ms. Sonal Shah</p>	<p><b>Canara Bank</b></p> <p>Prime Corporate Branch, Connaught Place, 2<sup>nd</sup> Floor World Trade Tower, Barakhamba Lane New Delhi – 110 001, India</p> <p><b>Tel.:</b> +91 11 2341 3381 <b>Fax:</b> +91 11 2341 1590 <b>Email:</b> <a href="mailto:dgmcb1942@canarabank.com">dgmcb1942@canarabank.com</a> <b>Website:</b> <a href="http://www.canarabank.com">www.canarabank.com</a> <b>Contact Person:</b> Mr. H. K. Yadav</p>
<p><b>Citibank N. A.</b></p> <p>4<sup>th</sup> Floor, Jeevan Bharti Building Connaught Place New Delhi – 110 001</p> <p><b>Tel.:</b> +91 11 4254 5503 <b>Fax:</b> +91 11 2375 3973 <b>Email:</b> <a href="mailto:delhi.cash@citi.com">delhi.cash@citi.com</a> <b>Website:</b> <a href="http://www.citibank.com/india">www.citibank.com/india</a> <b>Contact Person:</b> Mr. Abhijeet Menon</p>	<p><b>Corporation Bank</b></p> <p>A-2/8, Opposite Qutub Plaza, DLF Phase – I Sikanderpur, Gurgaon – 122 002 Haryana, India</p> <p><b>Tel.:</b> +91 124 246 3629 <b>Fax:</b> +91 124 235 1897 <b>Email:</b> <a href="mailto:cb440@corpbank.co.in">cb440@corpbank.co.in</a> <b>Website:</b> <a href="http://www.corpbank.com">www.corpbank.com</a> <b>Contact Person:</b> Mr. Samuel Hembram</p>
<p><b>HDFC Bank Limited</b></p> <p>2<sup>nd</sup> Floor, Indian Express Building 9-10, Bahadur Shah Zafar Marg, ITO New Delhi – 110 002, India</p>	<p><b>ICICI Bank Limited</b></p> <p>SCO 18 &amp; 19, HUDA Shopping Centre Sector 14, Market Complex Gurgaon – 122 001</p>

<p><b>Tel.:</b> +91 9899115784  <b>Fax:</b> +91 11 23243814  <b>Email:</b> ashish.sood@hdfcbank.com  <b>Website:</b> www.hdfcbank.com  <b>Contact Person:</b> Mr. Ashish Sood</p>	<p>Haryana, India  <b>Tel.:</b> +91 124 485 5633  <b>Fax:</b> +91 124 414 5935  <b>Email:</b> joydeepkumar.neogy@icicibank.com  <b>Website:</b> www.icicibank.com  <b>Contact Person:</b> Mr. Joydeep Kumar Neogy</p>
<p><b>J. P. Morgan Chase Bank, N.A., India</b>    J.P. Morgan Tower, Off C.S.T. Road  Kalina, Santacruz (E), Mumbai  Maharashtra – 400 098, India    <b>Tel.:</b> +91 22 6157 3973  <b>Fax:</b> +91 22 6157 4003  <b>Email:</b> amit.e.david@jpmorgan.com  <b>Contact Person:</b> Mr. Amit David</p>	<p><b>Oriental Bank of Commerce</b>    Harsha Bhawan Building  E-Block, Connaught Place  New Delhi – 110 001, India    <b>Tel.:</b> +91 11 4919 1123  <b>Fax:</b> +91 11 2341 3531  <b>Email:</b> Bm0007@obc.co.in  <b>Website:</b> www.obcindia.co.in  <b>Contact Person:</b> Ms. Kalika Prasad</p>
<p><b>Standard Chartered Bank</b>    23, Narain Manzil  Barakhamba Road  New Delhi – 110 001, India    <b>Tel.:</b> +91 124 487 6407/ +91 124 4876039  <b>Fax:</b> +91 124 487 6207  <b>Website:</b> www.sc.com  <b>Contact Person:</b> Ms. Mala Mayar/ Mr. Talat Ahmed</p>	<p><b>State Bank of India</b>    Commercial Branch, 6<sup>th</sup> Floor, Palm Court Building  M. G. Road, Gurgaon  Haryana – 122 001, India    <b>Tel.:</b> +91 124 654 0229  <b>Fax:</b> +91 124 429 2709  <b>Email:</b> sbi.04079@sbi.co.in  <b>Contact Person:</b> Mr. Sanjay Rai</p>
<p><b>Union Bank of India</b>    Overseas Branch , 26/28D  Connaught Place  New Delhi – 110 001    <b>Tel.:</b> +91 11 2346 3450/ 2341 1432  <b>Fax:</b> +91 11 2341 4330  <b>Email:</b> overseas@unionbankofindia.com  <b>Website:</b> www.unionbankofindia.com  <b>Contact Person:</b> Mr. Mahabir Verma</p>	<p><b>Yes Bank</b>    48, Nyaya Marg  Chanakyapuri  New Delhi – 110 021, India    <b>Tel.:</b> +91 11 6656 9000  <b>Fax:</b> +91 11 4168 0144  <b>Email:</b> yestouch@yesbank.in  <b>Website:</b> www.yesbank.in  <b>Contact Person:</b> Senior Director – Corporate Finance</p>

### Statement of Inter-se Allocation of Responsibilities of the GCBRLMs and the BRLMs

The following table sets forth the responsibilities of the GCBRLMs and the BRLMs in relation to the Issue:

S. No.	Activities	Responsibility	Coordinating
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, size of issue, allocation between primary and secondary, etc.	GCBRLMs and BRLMs	Citi
2.	Due diligence of the Company's operations/management/ business plans/ legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The GCBRLMs and the BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing of the	GCBRLMs and BRLMs	Citi



<b>S. No.</b>	<b>Activities</b>	<b>Responsibility</b>	<b>Coordinating</b>
	same, follow up and coordination till final approval from all regulatory authorities		
3.	Drafting and approval of statutory advertisement and application forms	GCBRLMs and BRLMs	J. P. Morgan
4.	Drafting and approval of other publicity material including non-statutory advertisement, corporate advertisement, brochure, etc.	GCBRLMs and BRLMs	J. P. Morgan
5.	Appointment of all other intermediaries (e.g. Registrar(s), Printer(s) and Banker(s) to the Issue, advertising agency etc.)	GCBRLMs and BRLMs	J. P. Morgan
6.	International Institutional Marketing; allocation of investors for meetings and finalizing road show schedules	GCBRLMs and BRLMs	Citi
7.	Preparation of the road show presentation	GCBRLMs and BRLMs	Morgan Stanley
8.	Preparation of road show script and FAQs	GCBRLMs and BRLMs	J. P. Morgan
9.	Domestic Institutional Marketing (including banks/mutual funds); allocation of investors for meetings and finalizing road show schedules	GCBRLMs and BRLMs	J. P. Morgan
10.	Non-Institutional Marketing of the Issue, which will cover, inter alia: 1. Finalising Media and PR strategy 2. Formulating strategies for marketing to Non-Institutional Investors	GCBRLMs and BRLMs	J. P. Morgan
11.	Retail Marketing of the Issue, which will cover, inter alia, 1. Formulating marketing strategies, preparation of publicity budget 2. Finalising Media and PR strategy 3. Finalising centres for holding conferences for brokers etc.	GCBRLMs and BRLMs	J. P. Morgan
12.	Pricing and managing the book	GCBRLMs and BRLMs	J. P. Morgan
13.	Coordination with Stock-Exchanges for: 1. book building software, bidding terminals etc. 2. payment of 1% security deposit through cash and bank guarantee	GCBRLMs and BRLMs	Morgan Stanley
14.	Finalising collection centres and follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material	GCBRLMs and BRLMs	Morgan Stanley
15.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self-Certified Syndicate Banks etc. Including responsibility for underwriting arrangements, as applicable Coordinating with Stock Exchanges and SEBI for Release of 1% security deposit post closure of the issue	GCBRLMs and BRLMs	Morgan Stanley
16.	Payment of the applicable Securities Transaction Tax (“STT”) on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale included in the Issue to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004	GCBRLMs and BRLMs	Morgan Stanley

### **IPO Grading**

No credit agency registered with SEBI has been appointed for the purposes of obtaining a grading for the Issue, as IPO grading is not mandatory.

### **Credit Rating**

As this is an issue of Equity Shares, credit rating is not required.

### **Expert Opinion**

Our Company has received written consent from its Auditor, namely, B S R & Co. LLP, Chartered Accountants, to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the report of the auditor on the restated financial statements, dated June 28, 2015 and the statement of tax benefits dated June 28, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. The term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

### **Trustees**

As this is an issue of Equity Shares, the appointment of trustees is not required.

### **Monitoring Agency**

In terms of Regulation 16(1) of the ICDR Regulations, a monitoring agency shall be appointed and details thereof shall be updated, prior to the filing of the Red Herring Prospectus with the RoC. As required under the listing agreements with the Stock Exchanges and Section 177 of the Companies Act, 2013, the Audit Committee constituted by the Board of our Company will also monitor the utilisation of the proceeds of the Issue. We will disclose the utilisation of the proceeds of the Issue, including interim use, under a separate head in the Company’s quarterly financial disclosures and annual audited financial statements until the proceeds of the Issue remain unutilised, to the extent required under applicable laws and regulations.

### **Appraising Agency**

None of the objects of this Issue for which Net Proceeds will be utilised have been appraised by an independent agency.

### **Book Building Process**

Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus and the Bid-cum-Application Forms. The Price Band and the minimum Bid Lot size and the Rupee amount of the discount, if any, offered to Eligible Employees will be decided by our Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs, published at least five Working Days prior to the Bid/Issue Opening Date in one English national daily newspaper with wide circulation and one Hindi national daily newspaper with wide circulation, which shall also serve as the regional language newspaper with wide circulation, with Hindi being the regional language of Delhi where the Registered Office is located, and shall be made available to the Stock Exchanges for the purpose of uploading on their website.

The Issue Price shall be determined by our Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- The Selling Shareholders;

- The GCBRLMs;
- The BRLMs;
- The Syndicate Member(s) who are intermediaries registered with SEBI or BSE/NSE and eligible to act as Underwriters;
- SCSBs through whom ASBA Bidders would subscribe in the Issue;
- Registered Brokers;
- The Registrar to the Issue; and
- Escrow Collection Bank(s).

This Issue is being made through the Book Building Process where 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs provided that our Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, of which at least one-third will be available for allocation to domestic Mutual Funds. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds) subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than 5% of the QIB Category (excluding the Anchor Investor Portion), allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Category (excluding the Anchor Investor Portion), after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the QIB Category (excluding the Anchor Investor Portion) and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Issue will be available for allocation to Retail Individual Investors, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Category and the Retail Category would be allowed to be met with spill-over from other categories or a combination of categories (including the Employee Reservation Portion) at the discretion of our Company, in consultation with the GCBRLMs, the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Category will not be allowed to be met with spill-over from other categories or a combination of categories.

QIBs (other than Anchor Investors) and Non-Institutional Investors shall compulsorily submit their Bids through ASBA process, which would entail blocking of funds in the ASBA Account rather than the transfer of funds to the respective Escrow Accounts. Retail Individual Investors and Eligible Employees bidding in the Employee Reservation Portion have the option of submitting their Bids under the ASBA Process or through cheques/demand drafts. Anchor Investors are not permitted to participate through the ASBA process.

**In accordance with the ICDR Regulations, QIBs Bidding in the QIB Category and Non-Institutional Investors Bidding in the Non-Institutional Category are not allowed to withdraw or lower their Bid(s) (both in terms of number of Equity Shares and Bid Amount) at any stage during the Issue or after the Bid/Issue Closing Date. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until finalization of the Basis of Allotment. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to the Anchor Investors will be on a discretionary basis.**

For further details, please see the chapters “*Terms of the Issue*” and “*Issue Procedure*” beginning on pages 459 and 463, respectively.

Our Company will comply with the ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. Each of the Selling Shareholders confirm that it/they will comply with the ICDR Regulations and any other ancillary directions issued by SEBI, as applicable to such Selling Shareholders in relation to the Equity Shares offered by such Selling Shareholders under the Offer for Sale.

In this regard, our Company and the Selling Shareholders have appointed Citi, J. P. Morgan and Morgan Stanley as the GCBRLMs and Barclays, Kotak and UBS as the BRLMs, to manage the Issue and procure subscriptions for the Issue.

**The process of Book Building under the ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid in the Issue.**

**Illustration of Book Building and Price Discovery Process** *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue. This example does not take into account Bidding under ASBA process and bidding by Anchor Investors.)*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price ( ₹	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The issuer and the selling shareholders, in consultation with the book running lead managers will finalise the Issue Price at or below such cut-off price, i.e., at or below ₹ 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

#### **Steps to be taken by the Bidders for Bidding**

1. Check eligibility for making a Bid (please see the chapter “*Issue Procedure – Who Can Bid?*” beginning on page 465). Please note that all Bidders other than Anchor Investors are entitled to Bid through ASBA. In this regard, please see the chapter “*Issue Procedure*” beginning on page 463;
2. Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form;
3. Ensure that the Bid-cum-Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form;
4. Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) from the residents of the state of Sikkim, each of the Bidders should mention their PAN allotted under the Income Tax Act, 1961 (“**IT Act**”) in the Bid-cum-Application Form. In accordance with the ICDR Regulations, PAN would be the sole identification number that participants transacting in the securities market are required to provide, irrespective of the amount of transaction. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details (as defined below) received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in active status; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. Applications in which the PAN is not mentioned will be rejected. For further details please see “*Issue Procedure – Bidders / Applicants Depository Account Details*” beginning on page 487;

5. Ensure the correctness of your Demographic Details (as defined in the “*Issue Procedure – Bidders / Applicants Depository Account Details*” on page 487) given in the Bid-cum-Application Form with the details recorded with your Depository Participant;
6. Ensure the correctness of your PAN, DP ID and Client ID given in the Bid-cum-Application Form. Based on these parameters, the Registrar will obtain details of the Bidders from the Depositories including the Bidder’s name and bank account number, among others;
7. Bids by ASBA Bidders will have to be submitted to the Designated Branches of the SCSBs or Syndicate Members at Syndicate ASBA Centres or the Broker Centre with the Registered Brokers. ASBA Bidders should ensure that ASBA Accounts have adequate credit balance at the time of submission of the Bid-cum-Application Form to the SCSB, Registered Brokers or Syndicate to ensure that the Bid-cum-Application Form is not rejected;
8. Bids by QIBs (other than Anchor Investors) and Non-Institutional Investors will only have to be submitted through the ASBA process; and
9. Bids by non-ASBA Bidders will have to be submitted to the Syndicate (or their authorized agents) at the bidding centres or the Registered Brokers at the Broker Centres.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the stock exchanges which our Company shall apply for after allotment.

#### **Allotment to Retail Individual Investors and Minimum Bid Lots**

In the event, the Bids received from Retail Individual Investors exceeds [●] Equity Shares, then the maximum number of Retail Individual Investors who can be Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for Allotment to Retail Individual Investors by the minimum Bid Lot (“**Maximum RII Allotees**”). The Allotment to Retail Individual Investors will then be made in the following manner:

1. In the event the number of Retail Individual Investors who have submitted valid Bids in the Issue is equal to or less than Maximum Retail Individual Investors Allotees, (i) Retail Individual Investors shall be Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the Retail Individual Investors who have received Allotment as per (i) above for less than the Equity Share Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
2. In the event the number of Retail Individual Investors who have submitted valid Bids in the Issue is more than Maximum Retail Individual Investors Allotees, the Retail Individual Investors (in that category) who will then be Allotted minimum Bid Lot shall be determined on draw of lots basis.

For further details for the method and procedure for Bidding, please see the chapter “*Issue Procedure*” beginning on page 463.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for, after Allotment.

#### **Underwriting Agreement**

After the determination of the Issue Price and allocation of the Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the GCBRLMs and the BRLMs shall be responsible for bringing in the

amount devolved in the event that it or their Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and are subject to certain conditions to closing, as specified there in. The Underwriting Agreement is dated [●], and has been approved by the Board of Directors/committee of our Company.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

*(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)*

Name, Address, Telephone, Fax and Email of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten ( ₹ in million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The above mentioned would be finalised after the pricing and actual allocation of the Equity Shares is determined.

In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in this Issue, except for ASBA Bids procured by the Syndicate Member(s). The Underwriting Agreement shall specify the role and obligations of each Syndicate Member.

As on the date of this Draft Red Herring Prospectus, certain affiliates of our BRLM, J.P. Morgan India Private Limited are associated with our Company in the following manner:

1. J. P. Morgan Trust Company of Delaware acting as a trustee of the The Chinkerpoo Family Trust (Trustee: Shobha Gangwal & J. P. Morgan Trust Company of Delaware), neither the GCBRLMs and BRLMs nor their respective associates hold any Equity Shares. For further details please see the chapter on “*Capital Structure*” beginning on page 86.
2. Our Company had entered into arrangements with Unicorn Leasing Limited (borrower and lessor), Unicorn Funding Limited (ECA borrower and intermediate lender), JP-Morgan Chase Bank N.A. (Original ECA lender) and J.P. Morgan Europe Limited (Facility Agent and Security Trustee) for the financing of eleven aircrafts. For further details please see the chapter on “*Financial Indebtedness*” beginning on page 350. Our Company proposes to retire three of such financing arrangements through the Net Proceeds and acquire the aircrafts. For further details on the arrangement and utilization of Net Proceeds please see the chapter on “*Objects of the Issue*” beginning on page 110. JP-Morgan Chase Bank N.A. (Original ECA lender) and J.P. Morgan Europe Limited (Facility Agent and Security Trustee) are foreign affiliates of our BRLM, J.P. Morgan India Private Limited.
3. J. P. Morgan Chase Bank, N.A., India acts as a Banker to the Company.

## CAPITAL STRUCTURE

The Equity Share capital of our Company as of the date of this Draft Red Herring Prospectus:

		<i>(In ₹ except share data)</i>	
S. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorized Share Capital<sup>(1)</sup></b>		
	750,000,000 Equity Shares	7,500,000,000	
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Equity Share Capital before the Issue</b>		
	343,716,000 Equity Shares	3,437,160,000	
	<b>Total</b>	<b>3,437,160,000</b>	
<b>C.</b>	<b>Present Issue in terms of this Draft Red Herring Prospectus<sup>(2)</sup></b>		
	Up to [●] Equity Shares		[●]
	which consists of		
	Fresh Issue of [●] Equity Shares		[●]
	Offer for Sale <sup>(3)</sup> of up to 30,146,000 Equity Shares	301,460,000	
	Employee Reservation Portion of up to [●] Equity Shares		
<b>D.</b>	<b>Net Issue to the public up to [●] Equity Shares</b>		[●]
	QIB Category of [●] Equity Shares		[●]
	<i>Of which:</i>		
1.	Anchor Investor Portion <sup>(4)</sup> of [●] Equity Shares		[●]
	QIB Category less the Anchor Investor Portion of [●] Equity Shares		[●]
	<i>Of which:</i>		
	Available for allocation to Mutual Funds of [●] Equity Shares		[●]
	Balance for all QIBs (including Mutual Funds) of [●] Equity Shares		[●]
2.	Non-Institutional Category of not less than [●] Equity Shares		[●]
3.	Retail Portion of not less than [●] Equity Shares		[●]
<b>E.</b>	<b>Issued, Subscribed and Paid Up Equity Share Capital after the Issue</b>		
	[●] Equity Shares		[●]
<b>F.</b>	<b>Securities Premium Account</b>		
	Before the Issue		Nil
	After the Issue		[●]

- (1) For details in relation to the changes in the authorized share capital of our Company, see “Capital Structure - Changes to the Authorized Share Capital since Incorporation” on page 87.
- (2) The Issue has been authorized by a resolution of the Board of Directors dated June 23, 2015 and by a resolution of the shareholders of our Company in the EGM held on June 25, 2015 under Section 62(1)(c) of the Companies Act, 2013.
- (3) Mr. Rahul Bhatia is offering up to 3,006,000 Equity Shares pursuant to his letter dated June 26, 2015, Mr. Rakesh Gangwal is offering up to 3,759,638 Equity Shares pursuant to his letter dated June 28, 2015, Ms. Shobha Gangwal is offering up to 2,227,316 Equity Shares pursuant to her letter dated June 28, 2015, Dr. Asha Mukherjee is offering up to 149,900 Equity Shares pursuant to her letter dated June 28, 2015, Mr. Shakti Swarup Lumba is offering up to 84,000 Equity Shares pursuant to his letter dated June 26, 2015, Mr. Steven Eugene Harfst is offering up to 1,442,000 Equity Shares pursuant to his letter dated June 26, 2015, Mr. Newton Bruce Ashby is offering up to 6,012,000 Equity Shares pursuant to his letter dated June 26, 2015, Mr. Kunal Chanana is offering up to 300,600 Equity Shares pursuant to his letter dated June 25, 2015, Mr. Anil Chanana is offering up to 601,200 Equity Shares pursuant to his letter dated June 25, 2015, Mr. Sanjay Kumar is offering up to 100,200 Equity Shares pursuant to his letter dated June 26, 2015 and Mr. Paul Carl Schorr, IV (nominee of G5 Investments) is offering up to 1,503,000 Equity Shares pursuant to its letter dated June 26, 2015, by way of the Offer for Sale. The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware) is offering up to 3,635,727 Equity Shares by way of the Offer for Sale pursuant to its letter dated June 28, 2015. IGT-InterGlobe Technologies Philippines Inc. is offering up to 4,034,000 Equity Shares pursuant to its resolution dated June 25, 2015 and InterGlobe Enterprises is offering up to 3,290,419 Equity Shares pursuant to its resolution dated June 25, 2015 by way of the Offer for Sale. The Selling Shareholders have confirmed that the Equity Shares constituting the Offer for Sale have been held by the respective Selling Shareholders for such period as required under Regulation 26(6) of the ICDR Regulations.

- (4) *Our Company and the Selling Shareholders, in consultation with the GCBRLMs and BRLMs, may allocate up to 60% of the QIB Category comprising [●] Equity Shares to Anchor Investors on a discretionary basis in accordance with the ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the Anchor Investor Allocation Price. For details, please see the chapter “Issue Procedure” beginning on page 463. In the event of under subscription or non-Allotment in the Anchor Investment Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Category.*

#### **Changes to the Authorized Share Capital since Incorporation:**

1. The authorized share capital of our Company was increased from ₹ 310,000,000 comprising 310,000 equity shares of ₹1,000 each to ₹1,000,000,000 comprising 500,000 equity shares of ₹1,000 each and 500,000 Redeemable Preference Shares of ₹1,000 each, through a resolution of the shareholders of our Company dated September 30, 2005.
2. The authorized share capital of our Company was increased from ₹1,000,000,000 comprising 500,000 equity shares of ₹1,000 each and 500,000 Redeemable Preference Shares of ₹1,000 each to ₹ 1,500,000,000 comprising 500,000 equity shares of ₹1,000 each and 1,000,000 Redeemable Preference Shares of ₹1,000 each, through a resolution of shareholders of our Company dated February 24, 2006.
3. The authorized share capital of our Company was increased from ₹1,500,000,000 comprising 500,000 equity shares of ₹1,000 each and 1,000,000 Redeemable Preference Shares of ₹1,000 each to ₹1,550,000,000 comprising 500,000 equity shares of ₹1,000 each, 1,000,000 Redeemable Preference Shares of ₹1,000 each and 50,000 Convertible Preference Shares (“CPS”) of ₹1,000 each, through a resolution of shareholders of our Company dated July 31, 2006.
4. The authorized share capital of our Company was increased from ₹1,550,000,000 comprising 500,000 equity shares of ₹1,000 each, 1,000,000 Redeemable Preference Shares of ₹1,000 each and 50,000 CPS of ₹1,000 each to ₹2,150,000,000 comprising 500,000 equity shares of ₹1,000 each, 1,550,000 Redeemable Preference Shares of ₹1,000 each and 100,000 CPS of ₹1,000 each, through a resolution of shareholders of our Company dated March 19, 2007.
5. The authorized share capital of our Company was increased from ₹2,150,000,000 comprising 500,000 equity shares of ₹1,000 each, 1,550,000 Redeemable Preference Shares of ₹1,000 each and 100,000 CPS of ₹1,000 each to ₹2,200,000,000 comprising 500,000 equity shares of ₹1,000 each, 1,600,000 Redeemable Preference Shares of ₹1,000 each and 100,000 CPS of ₹1,000 each, through a resolution of shareholders of our Company dated March 26, 2008.
6. The authorized share capital of our Company was reclassified and sub-divided from ₹2,200,000,000 comprising 500,000 Equity Shares of ₹1,000 each, 1,600,000 Redeemable Preference Shares of ₹1,000 each and 100,000 CPS of ₹1,000 each to ₹2,200,000,000 comprising 220,000,000 Equity Shares, through a resolution of shareholders of our Company dated June 25, 2015.
7. The authorized share capital of our Company was increased from ₹2,200,000,000 comprising 220,000,000 Equity Shares to ₹7,500,000,000 comprising 750,000,000 Equity Shares, through a resolution of shareholders of our Company dated June 25, 2015.

#### **Notes to Capital Structure**

##### **1. Equity Share Capital History**

- 1.1 The following is the history of the Equity Share capital of our Company as of the date of this Draft Red Herring Prospectus:



Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Paid up Equity Share Capital (₹)
January 13, 2004	50	1,000	1,000	Cash	Initial subscription to the Memorandum of Association by Mr. Kapil Bhatia	50	50,000
January 13, 2004	50	1,000	1,000	Cash	Initial subscription to the Memorandum of Association by Mr. Rahul Bhatia <sup>(1)</sup>	100	100,000
January 13, 2004	100	1,000	1,000	Cash	Initial subscription to the Memorandum of Association by Acquire Services <sup>(2)</sup>	200	200,000
January 14, 2004	224,900	1,000	1,000	Cash <sup>(3)</sup>	Preferential allotment to Acquire Services <sup>(2)</sup>	225,100	225,100,000
January 14, 2004	74,900	1,000	1,000	Cash <sup>(4)</sup>	Preferential allotment to InterGlobe Enterprises <sup>(5)</sup>	300,000	300,000,000
March 11, 2008	7,000	1,000	1,000	Cash	Preferential allotment to InterGlobe Enterprises <sup>(6)</sup>	307,000	307,000,000
April 25, 2015	(147,000)	1,000	-	-	Cancelled due to scheme of merger <sup>(7)</sup>	160,000	160,000,000
April 25, 2015	29,400	1,000	Nil	N.A.	Issued to Ms. Shobha Gangwal pursuant to scheme of merger <sup>(7)</sup>	189,400	189,400,000
April 25, 2015	58,800	1,000	Nil	N.A.	Issued to Mr. Rakesh Gangwal pursuant to scheme of merger <sup>(7)</sup>	248,200	248,200,000
April 25, 2015	58,800	1,000	Nil	N.A.	Issued to The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware) pursuant to scheme of merger <sup>(7)</sup>	307,000	307,000,000
June 23, 2015	2,004	1,000	Nil	N.A.	Issued to Mr. Rakesh Gangwal upon conversion of CPS to equity shares <sup>(8)</sup>	309,004	309,004,000
June 23, 2015	3,006	1,000	Nil	N.A.	Issued to Ms. Shobha Gangwal upon conversion of CPS to equity shares <sup>(9)</sup>	312,010	312,010,000
June 23, 2015	3,006	1,000	Nil	N.A.	Issued to Mr. Rahul Bhatia upon conversion of CPS to equity shares <sup>(10)</sup>	315,016	315,016,000
June 23, 2015	6,038	1,000	Nil	N.A.	Issued to IGT-InterGlobe Technologies Philippines Inc. upon conversion of CPS to equity shares <sup>(11)</sup>	321,054	321,054,000
June 23, 2015	1,503	1,000	Nil	N.A.	Issued to Mr. Paul Carl Schorr, IV (nominee of G5 Investments) upon	322,557	322,557,000

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Paid up Equity Share Capital (₹)
					conversion of CPS to equity shares <sup>(12)</sup>		
June 23, 2015	5,110	1,000	Nil	N.A.	Issued to Mr. Riyaz Haider Peer Mohamed upon conversion of CPS to equity shares <sup>(13)</sup>	327,667	327,667,000
June 23, 2015	334	1,000	Nil	N.A.	Issued to Mr. Sanjay Kumar upon conversion of CPS to equity shares <sup>(14)</sup>	328,001	328,001,000
June 23, 2015	84	1,000	Nil	N.A.	Issued to Mr. Shakti Swarup Lumba upon conversion of CPS to equity shares <sup>(15)</sup>	328,085	328,085,000
June 23, 2015	3,607	1,000	Nil	N.A.	Issued to Mr. Steven Eugene Harfst upon conversion of CPS to equity shares <sup>(16)</sup>	331,692	331,692,000
June 23, 2015	6,012	1,000	Nil	N.A.	Issued to Mr. Newton Bruce Ashby upon conversion of CPS to equity shares <sup>(17)</sup>	337,704	337,704,000
June 23, 2015	3,006	1,000	Nil	N.A.	Issued to Mr. Anil Chanana upon conversion of CPS to equity shares <sup>(18)</sup>	340,710	340,710,000
June 23, 2015	3,006	1,000	Nil	N.A.	Issued to Mr. Kunal Chanana upon conversion of CPS to equity shares <sup>(19)</sup>	343,716	343,716,000
On June 25, 2015, the face value of the equity shares of our Company was split into ₹ 10 each and consequently, the issued equity share capital was split from ₹ 343,716,000 divided into 343,716 equity shares of ₹ 1,000 each to ₹ 343,716,000 divided into 34,371,600 Equity Shares of ₹ 10 each <sup>(20)</sup>							
June 25, 2015	309,344,400	10	Nil	N.A.	Bonus issue in the ratio of nine Equity Shares for every one Equity Share held on the record date <sup>(21)</sup>	343,716,000	3,437,160,000

- (1) 10 equity shares were transferred from Mr. Rahul Bhatia to Ms. Rohini Bhatia, by way of a gift, on May 1, 2006.
- (2) Transfer of 225,000 equity shares from Acquire Services, for cash at a price of ₹ 1,000 per equity share to InterGlobe Enterprises, on March 28, 2005. The transfer was made in two tranches comprising 224,900 partly paid-up equity shares and 100 fully paid-up equity shares.
- (3) The equity shares were partly paid-up at the time of allotment.
- (4) The equity shares were partly paid-up at the time of allotment.
- (5) 1,451 equity shares, 1,499 equity shares and 147,000 equity shares were transferred from InterGlobe Enterprises to Ms. Shobha Gangwal, Dr. Asha Mukherjee and Caelum, respectively, for cash at a price of ₹ 1,000 per equity share, on May 1, 2006.
- (6) 10 equity shares of ₹ 1,000 each were transferred from InterGlobe Enterprises to Acquire Services for cash at a price of ₹ 214,415 each on June 22, 2015.
- (7) Pursuant to the final order dated December 22, 2014 passed by the Hon'ble High Court of Delhi and the certified formal order dated March 27, 2015, in relation to the scheme of merger of Caelum with our Company as per the provisions of Sections 391 and 394 of the Companies Act, 1956, 147,000 equity shares constituting 47.88% of the issued and paid-up equity share capital of our Company were issued to the members of Caelum i.e. Mr. Rakesh Gangwal, Ms. Shobha Gangwal and The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware) in the proportion of the voting rights held by such members. The Company also received a certificate of merger dated April 24,

2015 from the Secretary of State, Division of Corporation, State of Delaware, U.S.A. giving effect to the merger of Caelum with our Company.

- (8) 2,004 CPS of ₹ 1,000 each were transferred from Chesapeake International Investments LLC to Mr. Rakesh Gangwal on July 24, 2014 for cash at a price of ₹ 145,905 each CPS.
- (9) 3,006 CPS of ₹ 1,000 each were transferred from Mr. Anil Chanana to Ms. Shobha Gangwal on July 22, 2014 for cash at a price of ₹ 145,905 each CPS.
- (10) 3,006 CPS of ₹ 1,000 each were transferred from Mr. Kunal Chanana to Mr. Rahul Bhatia on June 14, 2014 for cash at a price of ₹ 145,905 each CPS.
- (11) 4,034 CPS of ₹ 1,000 each were transferred from Tariq Taher Carrimjee to IGT-InterGlobe Technologies Philippines Inc. on December 24, 2013 for cash at a price of ₹ 8,579 each CPS. Further, 2,004 CPS of ₹ 1,000 each were transferred from Chesapeake International Investments LLC to IGT-InterGlobe Technologies Philippines Inc. on July 24, 2014 for cash at a price of ₹ 145,905 each CPS.
- (12) 1,503 CPS of ₹ 1,000 each were issued to Mr. Paul Carl Schorr, IV (nominee of G5 Investments) on September 29, 2006 for cash at a price of ₹ 7,630 (including a premium of ₹ 6,630) each CPS.
- (13) 4,509 CPS of ₹ 1,000 each were issued to Mr. Riyaz Haider Peer Mohamed on August 2, 2006 for cash at a price of ₹ 1,000 each CPS. Further, 601 CPS of ₹ 1,000 each were issued to Mr. Riyaz Haider Peer Mohamed on August 22, 2006 for cash at a price of ₹ 6,650 (including a premium of ₹ 5,650) each CPS.
- (14) 334 CPS of ₹ 1,000 each were issued to Mr. Sanjay Kumar on April 3, 2007 for cash at a price of ₹ 7,635 (including a premium of ₹ 6,635) each CPS.
- (15) 84 CPS of ₹ 1,000 each were issued to Mr. Shakti Swarup Lumba on August 2, 2006 for cash at a price of ₹ 1,000 each CPS.
- (16) 3,607 CPS of ₹ 1,000 each were issued to Mr. Steven Eugene Harfst on August 2, 2006 for cash at a price of ₹ 1,000 each CPS.
- (17) 6,012 CPS of ₹ 1,000 each were issued to Mr. Newton Bruce Ashby on August 2, 2006 for cash at a price of ₹ 1,000 per CPS.
- (18) 6,012 CPS of ₹ 1,000 each were transferred from Mr. Kunal Chanana to Mr. Anil Chanana on May 17, 2010 by way of a gift deed dated April 6, 2010. Subsequently, 3,006 CPS of ₹ 1,000 each were transferred from Mr. Anil Chanana to Ms. Shobha Gangwal on July 22, 2014 for cash at a price of ₹ 145,905 each CPS.
- (19) 12,024 CPS of ₹ 1,000 each were issued to Mr. Kunal Chanana on August 24, 2006 for cash at a price of ₹ 1,000 each CPS. Subsequently, Mr. Kunal Chanana transferred 6,012 CPS of ₹ 1,000 each to Mr. Anil Chanana on May 17, 2010 by way of a gift deed dated April 6, 2010. Further, 3,006 CPS of ₹ 1,000 each were transferred from Mr. Kunal Chanana to Mr. Rahul Bhatia on June 14, 2014 for cash at a price of ₹ 145,905.
- (20) (i) 5,000 Equity Shares issued to Mr. Kapil Bhatia; (ii) 304,600 Equity Shares issued to Mr. Rahul Bhatia; (iii) 15,694,000 Equity Shares issued to InterGlobe Enterprises; (iv) 1,000 Equity Shares issued to Ms. Rohini Bhatia; (v) 3,385,700 Equity Shares issued to Ms. Shobha Gangwal; (vi) 149,900 Equity Shares issued to Dr. Asha Mukherjee; (vii) 6,080,400 Equity Shares issued to Mr. Rakesh Gangwal; (viii) 5,880,000 Equity Shares issued to The Chinkerpo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware); (ix) 511,000 Equity Shares issued to Mr. Riyaz Haider Peer Mohamed; (x) 8,400 Equity Shares issued to Mr. Shakti Swarup Lumba; (xi) 360,700 Equity Shares issued to Mr. Steven Eugene Harfst; (xii) 601,200 Equity Shares issued to Mr. Newton Bruce Ashby; (xiii) 300,600 Equity Shares issued to Mr. Kunal Chanana; (xiv) 300,600 Equity Shares issued to Mr. Anil Chanana; (xv) 150,300 Equity Shares issued to Mr. Paul Carl Schorr, IV (nominee of G5 Investments); (xvi) 33,400 Equity Shares issued to Mr. Sanjay Kumar; (xvii) 603,800 Equity Shares issued to IGT-InterGlobe Technologies Philippines Inc.; (xviii) 1,000 Equity Shares issued to Acquire Services.
- (21) The bonus issue of Equity Shares has been approved by Shareholders through the resolution dated June 25, 2015 and has been undertaken through the capitalisation of the general reserve and capital redemption reserve of our Company.

1.2 As of the date of this Draft Red Herring Prospectus, our Company does not have any preference share capital.

## **2. Allotment of equity shares as per the scheme approved under Sections 391 and 394 of the Companies Act, 1956**

Pursuant to the final order dated December 22, 2014 passed by the Hon'ble High Court of Delhi and the certified formal order dated March 27, 2015, in relation to the scheme of merger of Caelum with our Company as per the provisions of Sections 391 and 394 of the Companies Act, 1956, 147,000 equity shares of ₹1,000 each of our Company held by Caelum were cancelled and 147,000 equity shares of ₹1,000 each of our Company (constituting 47.88% of the issued and paid-up equity share capital of our Company as of the record date of the merger i.e. April 23, 2015) were issued to the members of Caelum i.e. Mr. Rakesh Gangwal, Ms. Shobha Gangwal and The Chinkerpo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware) in the proportion of the voting rights held by such members. Our Company has received a certificate of merger dated April 24, 2015 from the Secretary of State, Division of Corporations, State of

Delaware, United States of America. For details of the merger, please see the chapter “History and Other Corporate Matters” beginning on page 198.

### 3. Issue of Equity Shares for consideration other than cash

Except as disclosed below, our Company has not issued any equity shares for consideration other than cash:

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment
April 25, 2015	29,400	1,000	Nil	N.A.	Issued to Ms. Shobha Gangwal pursuant to scheme of merger <sup>(1)</sup>
April 25, 2015	58,800	1,000	Nil	N.A.	Issued to Mr. Rakesh Gangwal pursuant to scheme of merger <sup>(1)</sup>
April 25, 2015	58,800	1,000	Nil	N.A.	Issued to The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware) pursuant to scheme of merger <sup>(1)</sup>
June 23, 2015	2,004	1,000	Nil	N.A.	Issued to Mr. Rakesh Gangwal upon conversion of CPS to equity shares <sup>(2)</sup>
June 23, 2015	3,006	1,000	Nil	N.A.	Issued to Ms. Shobha Gangwal upon conversion of CPS to equity shares <sup>(3)</sup>
June 23, 2015	3,006	1,000	Nil	N.A.	Issued to Mr. Rahul Bhatia upon conversion of CPS to equity shares <sup>(4)</sup>
June 23, 2015	6,038	1,000	Nil	N.A.	Issued to IGT-InterGlobe Technologies Philippines Inc. upon conversion of CPS to equity shares <sup>(5)</sup>
June 23, 2015	1,503	1,000	Nil	N.A.	Issued to Mr. Paul Carl Schorr, IV (nominee of G5 Investments) upon conversion of CPS to equity shares <sup>(6)</sup>
June 23, 2015	5,110	1,000	Nil	N.A.	Issued to Mr. Riyaz Haider Peer Mohamed upon conversion of CPS to equity shares <sup>(7)</sup>
June 23, 2015	334	1,000	Nil	N.A.	Issued to Mr. Sanjay Kumar upon conversion of CPS to equity shares <sup>(8)</sup>
June 23, 2015	84	1,000	Nil	N.A.	Issued to Mr. Shakti Swarup Lumba upon conversion of CPS to equity shares <sup>(9)</sup>
June 23, 2015	3,607	1,000	Nil	N.A.	Issued to Mr. Steven Eugene Harfst upon conversion of CPS to equity shares <sup>(10)</sup>
June 23, 2015	6,012	1,000	Nil	N.A.	Issued to Mr. Newton Bruce Ashby upon conversion of CPS to equity shares <sup>(11)</sup>
June 23, 2015	3,006	1,000	Nil	N.A.	Issued to Mr. Anil Chanana upon conversion of CPS to equity shares <sup>(12)</sup>
June 23, 2015	3,006	1,000	Nil	N.A.	Issued to Mr. Kunal Chanana upon conversion of CPS to equity shares <sup>(13)</sup>
June 25, 2015	309,344,400	10	Nil	N.A.	Bonus issue in the ratio of nine Equity Shares for every one Equity Share held on the record date <sup>(14)</sup>

- (1) Pursuant to the final order dated December 22, 2014 and the certified formal order dated March 27, 2015 passed by the Hon'ble High Court of Delhi, respectively in relation to the scheme of merger of Caelum with our Company as per the provisions of Sections 391 and 394 of the Companies Act, 1956, 147,000 equity shares constituting 47.88% of the issued and paid-up equity share capital of our Company were issued to the members of Caelum i.e. Mr. Rakesh Gangwal, Ms. Shobha Gangwal and The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware) in the proportion of the voting rights held by such members.
- (2) 2,004 CPS of ₹ 1,000 each were transferred from Chesapeake International Investments LLC to Mr. Rakesh Gangwal on July 24, 2014 for cash at a price of ₹ 145,905 each CPS.
- (3) 3,006 CPS of ₹ 1,000 each were transferred from Mr. Anil Chanana to Ms. Shobha Gangwal on July 22, 2014 for cash at a price of ₹ 145,905 each CPS.
- (4) 3,006 CPS of ₹ 1,000 each were transferred from Mr. Kunal Chanana to Mr. Rahul Bhatia on June 14, 2014 for cash at a price of ₹ 145,905 each CPS.
- (5) 4,034 CPS of ₹ 1,000 each were transferred from Tariq Taher Carrimjee to IGT-InterGlobe Technologies Philippines Inc. on December 24, 2013 for cash at a price of ₹ 8,579 each CPS. Further, 2,004 CPS of ₹ 1,000 each were transferred from Chesapeake International Investments LLC to IGT-InterGlobe Technologies Philippines Inc. on July 24, 2014 for cash at a price of ₹ 145,905 each CPS.

- (6) 1,503 CPS of ₹ 1,000 each were issued to Mr. Paul Carl Schorr, IV (nominee of G5 Investments) on September 29, 2006 for cash at a price of ₹ 7,630 (including a premium of ₹ 6,630) each CPS.
- (7) 4,509 CPS of ₹ 1,000 each were issued to Mr. Riyaz Haider Peer Mohamed on August 2, 2006 for cash at a price of ₹ 1,000 each CPS. Further, 601 CPS of ₹ 1,000 each were issued to Mr. Riyaz Haider Peer Mohamed on August 22, 2006 for cash at a price of ₹ 6,650 (including a premium of ₹ 5,650) each CPS.
- (8) 334 CPS of ₹ 1,000 each were issued to Mr. Sanjay Kumar on April 3, 2007 for cash at a price of ₹ 7,635 (including a premium of ₹ 6,635) each CPS.
- (9) 84 CPS of ₹ 1,000 each were issued to Mr. Shakti Swarup Lumba on August 2, 2006 for cash at a price of ₹ 1,000 each CPS.
- (10) 3,607 CPS of ₹ 1,000 each were issued to Mr. Steven Eugene Harfst on August 2, 2006 for cash at a price of ₹ 1,000 each CPS.
- (11) 6,012 CPS of ₹ 1,000 each were issued to Mr. Newton Bruce Ashby on August 2, 2006 for cash at a price of ₹ 1,000 per CPS.
- (12) 6,012 CPS of ₹ 1,000 each were transferred from Mr. Kunal Chanana to Mr. Anil Chanana on May 17, 2010 by way of a gift deed dated April 6, 2010. Subsequently, 3,006 CPS of ₹ 1,000 each were transferred from Mr. Anil Chanana to Ms. Shobha Gangwal on July 22, 2014 for cash at a price of ₹ 145,905 each CPS.
- (13) 12,024 CPS of ₹ 1,000 each were issued to Mr. Kunal Chanana on August 24, 2006 for cash at a price of ₹ 1,000 each CPS. Subsequently, Mr. Kunal Chanana transferred 6,012 CPS of ₹ 1,000 each to Mr. Anil Chanana on May 17, 2010 by way of a gift deed dated April 6, 2010. Further, 3,006 CPS of ₹ 1,000 each were transferred from Mr. Kunal Chanana to Mr. Rahul Bhatia on June 14, 2014 for cash at a price of ₹ 145,905.
- (14) The Bonus issue, has been approved by Shareholders through the resolution dated June 25, 2015 and has been undertaken through the capitalisation of the general reserve and capital redemption reserve of our Company.

Except as disclosed in this chapter, there have been no subscription to or sale or purchase of Equity Shares, within three years preceding the date of this Draft Red Herring Prospectus, by the Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre-Issue share capital of our Company.

#### 4. Issue of Equity Shares in the last one year which may be at a price less than the Issue Price

Except as disclosed under 'Capital Structure – Equity Share Capital History' above on page 86, our Company has not issued any Equity Shares in the preceding one year.

#### 5. Details of Offer for Sale

The following are the details of the Equity Shares being offered as part of the Offer for Sale:

S. No.	Name of Selling Shareholders	Total Number of Equity Shares currently held	Number of Equity Shares offered for the Offer for Sale
<b>Promoters</b>			
1.	Mr. Rahul Bhatia	3,046,000	3,006,000
2.	Mr. Rakesh Gangwal	60,804,000	3,759,638
3.	InterGlobe Enterprises	156,940,000	3,290,419
<b>Members of the Promoter Group</b>			
4.	Ms. Shobha Gangwal	33,857,000	2,227,316
5.	Dr. Asha Mukherjee	1,499,000	149,900
6.	The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware)	58,800,000	3,635,727
7.	IGT-InterGlobe Technologies Philippines Inc.	6,038,000	4,034,000
<b>Others</b>			

8.	Mr. Newton Bruce Ashby	6,012,000	6,012,000
9.	Mr. Steven Eugene Harfst <sup>(1)</sup>	3,607,000	1,442,000
10.	Mr. Shakti Swarup Lumba	84,000	84,000
11.	Mr. Sanjay Kumar	334,000	100,200
12.	Mr. Anil Chanana	3,006,000	601,200
13.	Mr. Kunal Chanana	3,006,000	300,600
14.	Mr. Paul Carl Schorr, IV (nominee of G5 Investments)	1,503,000	1,503,000
	<b>Total</b>	<b>338,536,000</b>	<b>30,146,000</b>

(1) 2,165,000 Equity Shares are proposed to be transferred from Mr. Steven Eugene Harfst to Ms. Shobha Gangwal on non-repatriation basis subject to receipt of necessary regulatory approvals. For more details, please see the chapter "Government and Other Approvals" beginning on page 409.

The Equity Shares constituting the Offer for Sale have been held by the respective Selling Shareholders for such period as required under Regulation 26(6) of the ICDR Regulations.

#### 6. Issue of shares in the last two preceding years

Except as disclosed under 'Capital Structure – Equity Share Capital History' above on page 86, our Company has not issued any Equity Shares in the last two preceding years.

#### 7. Build-up of Promoters' Shareholding, Promoters' contribution and Lock-in

As of the date of this Draft Red Herring Prospectus, our Promoters, collectively, hold 220,800,000 Equity Shares, which constitutes 64.24% of the issued, subscribed and paid-up Equity Share capital of our Company.

##### (a) Build-up of Equity Shares held by the Promoters

The Equity Shares held by the Promoters were acquired/ allotted in the following manner:

S. No.	Name of the Promoters	Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Transfer Price per Equity Share (₹)	Nature of Consideration
1.	Mr. Rahul Bhatia	January 13, 2004	Initial subscription to the Memorandum of Association by Mr. Rahul Bhatia	50	1,000	1,000	Cash
		May 1, 2006	Transfer to Ms. Rohini Bhatia	(10)	1,000	Nil	-
		June 23, 2015	Issue of equity shares upon conversion of CPS	3,006	1,000	Nil	N.A.
		June 25, 2015	On June 25, 2015, the face value of the equity shares of our Company was split from ₹1,000 each into ₹ 10 each and consequently, the 304,600 Equity Shares were issued to Mr. Rahul Bhatia.		2,741,400	10	Nil
2.	InterGlobe Enterprises	January 14, 2004	Preferential allotment to InterGlobe Enterprises	74,900	1,000	1,000	Cash
		March 28, 2005	Transfer from Acquire Services	224,900	1,000	50 <sup>(2)</sup>	Cash

S. No.	Name of the Promoters	Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/Transfer Price per Equity Share (₹)	Nature of Consideration
			Transfer from Acquire Services	100	1,000	1,000	Cash
		May 1, 2006	Transfer to Ms. Shobha Gangwal	(1,451)	1,000	1,000	Cash
		May 1, 2006	Transfer to Dr. Asha Mukherjee	(1,499)	1,000	1,000	Cash
		May 1, 2006	Transfer to Caelum	(147,000)	1,000	1,000	Cash
		March 11, 2008	Preferential allotment to InterGlobe Enterprises	7,000	1,000	1,000	Cash
		June 22, 2015	Transfer to Acquire Services	(10)	1,000	214,415	Cash
		On June 25, 2015, the face value of the equity shares of our Company was split from ₹ 1,000 each into ₹ 10 each and consequently, the 15,694,000 Equity Shares were issued to InterGlobe Enterprises.					
		June 25, 2015	Bonus issue <sup>(1)</sup>	141,246,000	10	Nil	-
3.	Mr. Rakesh Gangwal	April 25, 2015	Issued pursuant to scheme of merger	58,800	1000	Nil	N.A.
		June 23, 2015	Issue of equity shares upon conversion of CPS	2,004	1,000	Nil	N.A.
		On June 25, 2015, the face value of the equity shares of our Company was split from ₹1,000 each into ₹ 10 each and consequently, the 6,080,400 Equity Shares were issued to Mr. Rakesh Gangwal.					
		June 25, 2015	Bonus issue <sup>(1)</sup>	54,723,600	10	Nil	N.A.
4.	Acquire Services	January 13, 2004	Initial subscription to the Memorandum of Association by Acquire Services	100	1,000	1,000	Cash
		January 14, 2004	Preferential Allotment	224,900	1,000	50	Cash
		March 28, 2005	Transfer to InterGlobe Enterprises	(224,900)	1,000	50	Cash
				(100)	1,000	1,000	Cash
		June 22, 2015	Transfer of equity shares from InterGlobe Enterprises	10	1,000	214,415	Cash
		On June 25, 2015, the face value of the equity shares of our Company was split from ₹1,000 each into ₹ 10 each and consequently, the 1,000 Equity Shares were issued to Acquire Services.					
		June 25, 2015	Bonus issue <sup>(1)</sup>	9,000	10	Nil	N.A.
<b>Total</b>				<b>220,800,000</b>			

- (1) Bonus issue in the ratio of 1:9 authorized by our Shareholders through a resolution passed on June 25, 2015 undertaken through the capitalisation of the general reserve and capital redemption reserve of our Company and allotted by the Board by way of its resolution dated June 25, 2015.
- (2) These equity shares were partly paid-up at the time of transfer to InterGlobe Enterprises.

Except as mentioned in this chapter “Capital Structure”, all the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition.

Our Promoters have confirmed to our Company and the GCBRLMs and BRLMs that the Equity Shares held by the Promoters have been financed from their personal funds and/or internal accruals and available credit limits from banks, and no other loans or financial assistance from any bank or financial institutions has been availed

by them for this purpose. Our Promoters have also confirmed that neither the Equity Shares nor our Promoters are controlled or under the significant influence of any other person or party; and that other than as disclosed in this Draft Red Herring Prospectus, the legal holders of any Equity Shares of the Promoter Group or Group Company are the beneficial holders of their Equity Shares.

**(b) Details of Promoters' contribution and Lock-in**

Pursuant to Regulation 36 of the ICDR Regulations, at least an aggregate of 20% of the post-Issue shareholding of our Promoters shall be locked-in for a period of three years from the date of Allotment.

The Equity Shares that are being locked-in are not ineligible for computation of minimum Promoter's contribution under Regulation 33 of the ICDR Regulations. In this regard, our Company confirms that the Equity Shares being locked-in do not consist of:

- (i) Equity Shares acquired during the preceding three years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets or (b) arising from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;
- (ii) Equity Shares acquired by our Promoters during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which Equity Shares are being offered to the public in the Offer;
- (iii) Equity Shares issued to our Promoters upon conversion of a partnership firm; and
- (iv) Equity Shares pledged with any creditor.

The Equity Shares which are being locked-in are eligible for computation of Promoters' contribution in accordance with the provisions of the ICDR Regulations. Details of Promoters' shareholding that is eligible for Promoters' contribution is as provided below:

Date of Transaction and when made fully paid-up	Nature of Transaction	Nature of consideration	Number of Equity Shares locked-in*	Face Value (₹)	Issue/Acquisition Price per Equity Share (₹)	Percentage of post-Issue paid-up Equity Share Capital (%)
<b>Mr. Rahul Bhatia</b>						
[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Mr. Rakesh Gangwal</b>						
[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>InterGlobe Enterprises</b>						
[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Acquire Services</b>						
[•]	[•]	[•]	[•]	[•]	[•]	[•]

*\*Except as disclosed under 'Capital Structure – Equity Share Capital History' none of the Equity Shares acquired by the Promoters were partly paid up at the time of allotment. All the above Equity Shares are fully paid-up as on the date of this Draft Red Herring Prospectus. Details of Equity Shares to be locked-in will be included in the Prospectus to be filed with the RoC.*

Our Promoters have confirmed to our Company and the GCBRLMs and the BRLMs that acquisition of the Equity Shares held by our Promoters and which will be locked in as promoter's contribution have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed for such purpose.

The Promoter's contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the person defined as a promoter under the ICDR Regulations.



Mr. Rahul Bhatia and Mr. Rakesh Gangwal, pursuant to their letters dated [●] and [●], respectively, and InterGlobe Enterprises and Acquire Services pursuant to their board resolutions dated [●] and [●], respectively, consented to include such number of Equity Shares held by them as may constitute collectively, 20% of the fully diluted post-Issue Equity Share capital of our Company as Promoters' contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' contribution from the date of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above or for such other time as required under the ICDR Regulations.

**(c) Details of share capital locked-in for one year:**

In terms of Regulation 36(b) and Regulation 37 of ICDR Regulations, except for (a) the minimum Promoters' contribution and 30,146,000 Equity Shares offered in Offer for Sale in this Issue, the entire pre-Issue share capital and any unsubscribed portion of the Offer for Sale by the Selling Shareholders will be locked-in for a period of one year from the date of Allotment. However, this shall not apply to (i) Equity Shares Allotted to employees under InterGlobe Aviation Limited Tenured Employee Stock Option Scheme – 2015 and InterGlobe Aviation Limited Employee Stock Option Scheme – 2015 prior to this Issue as such category of shareholders are exempted from lock-in requirements pursuant to Regulation 37 of ICDR Regulations.

**(d) Other requirements in respect of lock-in:**

Pursuant to Regulation 39 of the ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that (i) the pledge of shares is one of the terms of sanction of the loan and (ii) if the shares are locked-in as Promoter's contribution for three years under Regulation 36(a) of the ICDR Regulations, then in addition to the requirement in (i) above, such shares may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Offer.

Pursuant to Regulation 40 of the ICDR Regulations, Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 36 of the ICDR Regulations, may be transferred to and among our Promoters and any member of the Promoter Group, or to a new promoter or persons in control. The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations Company subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable.

Further, pursuant to Regulation 40 of the ICDR Regulations, Equity Shares held by shareholders other than our Promoters which are locked-in in accordance with Regulation 37 of the ICDR Regulations, may be transferred to any other person holding shares which are locked-in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable.

**(e) Lock-in of Equity Shares Allotted to Anchor Investors:**

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

**8. Details of the shareholding of the Promoters, Promoter Group and Directors**

**(i) Equity Share Capital**

The table below presents the Equity Shares held by our Promoters, Promoter Group and Director as on the date of this Draft Red Herring Prospectus:

S.	Name of the Shareholder	Pre-Issue	Post-Issue	No. of Equity
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No.		No. of Equity Shares	Percentage Holding (%)	No. of Equity Shares	Percentage Holding (%)	Shares Pledged
<b>Promoters</b>						
1.	Mr. Rahul Bhatia	3,046,000	0.89	[●]	[●]	Nil
2.	InterGlobe Enterprises	156,940,000	45.66	[●]	[●]	Nil
3.	Mr. Rakesh Gangwal	60,804,000	17.69	[●]	[●]	Nil
4.	Acquire Services	10,000	0.00	[●]	[●]	Nil
<b>Promoter Group</b>						
5.	Mr. Kapil Bhatia	50,000	0.01	[●]	[●]	Nil
6.	Ms. Rohini Bhatia	10,000	0.00	[●]	[●]	Nil
7.	Dr. Asha Mukherjee	1,499,000	0.44	[●]	[●]	Nil
8.	Ms. Shobha Gangwal <sup>(1)</sup>	33,857,000	9.85	[●]	[●]	Nil
9.	The Chinkerpo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware)	58,800,000	17.11	[●]	[●]	Nil
10.	IGT-InterGlobe Technologies Philippines Inc.	6,038,000	1.76	[●]	[●]	Nil
	<b>Total</b>	<b>321,054,000</b>	<b>93.41</b>	[●]	[●]	Nil

<sup>(1)</sup> 2,165,000 Equity Shares are proposed to be transferred from Mr. Steven Eugene Harfst to Ms. Shobha Gangwal on non-repatriation basis subject to receipt of necessary regulatory approvals. For more details, please see the chapter "Government and Other Approvals" beginning on page 409.

## 9. Shareholding pattern of our Company

The table below represents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category of Shareholder	Pre Issue						Post Issue							
	No. of Share holders	Total no. of Shares	No. of Shares held in dematerialised form	Total shareholding as a % of total no. of Shares		Shares pledged or otherwise encumbered		No. of Share holders	Total no. of shares	No. of shares held in dematerialised form	Total shareholding as a % of total no. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a percentage				As a % of (A+B)	As a % of (A+B+C)	No. of Equity Shares	As a percentage
<b>Shareholding of Promoter and Promoter Group</b>														
<b>Indian</b>														
Individual /HUF	4	4,605,000	0	1.34	1.34	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
Central Government/State Government(s)	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
Bodies Corporate	2	156,950,000	0	45.66	45.66	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
Financial Institutions / Banks	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
Any others (specify)	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
<b>Sub-Total A(1) :</b>	<b>6</b>	<b>161,555,000</b>	<b>0</b>	<b>47.00</b>	<b>47.00</b>	<b>-</b>	<b>-</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	
<b>Foreign</b>														
Individuals (NRIs/Foreign Individuals)	2	94,661,000	0	27.54	27.54	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
Bodies Corporate	1	6,038,000	0	1.76	1.76	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
Institutions	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
QFI – Individual	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
QFI – Corporate	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
Others – Foreign Trust	1	58,800,000	0	17.11	17.11	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
<b>Sub-Total A(2) :</b>	<b>4</b>	<b>159,499,000</b>	<b>0</b>	<b>46.41</b>	<b>46.41</b>	<b>-</b>	<b>-</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	
<b>Total A=A(1)+A(2)</b>	<b>10</b>	<b>321,054,000</b>	<b>0</b>	<b>93.41</b>	<b>93.41</b>	<b>-</b>	<b>-</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	
<b>Public Shareholding</b>														
<b>Institutions</b>														
Mutual Funds /UTI	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
Financial Institutions /Banks	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
Central Government/State Government(s)	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
Venture Capital Funds	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
Insurance Companies	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
FIIIs	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	
Foreign Venture Capital Investors	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	

Category of Shareholder	Pre Issue						Post Issue							
	No. of Share holders	Total no. of Shares	No. of Shares held in dematerialised form	Total shareholding as a % of total no. of Shares		Shares pledged or otherwise encumbered		No. of Share holders	Total no. of shares	No. of shares held in dematerialised form	Total shareholding as a % of total no. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a percentage				As a % of (A+B)	As a % of (A+B+C)	No. of Shares	As a percentage
QFI – Individual	-	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
QFI – Corporate	-	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
Others	-	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
<b>Sub-Total B(1) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	
<b>Non-Institutions</b>														
Bodies Corporate	-	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
Individuals	-	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
Individuals holding nominal share capital up to ₹ 100,000	-	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
Individuals holding nominal share capital in excess of ₹ 100,000	4	6,430,000	0	1.87	1.87	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
QFI	-	-	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	
Others	-	-	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	
Foreign Partnership Firm	1	1,503,000	0	0.44	0.44	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
Foreign Nationals*	2	9,619,000	0	2.80	2.80	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
Foreign Bodies	-	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
Directors	-	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
Non-Resident Indians	1	5,110,000	0	1.49	1.49	2,555,000	0.74	[•]	[•]	[•]	[•]	[•]	[•]	
Overseas Corporate Bodies**	-	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
Clearing Members	-	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
Trusts	-	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
<b>Sub-Total B(2) :</b>	<b>8</b>	<b>22,662,000</b>	<b>0</b>	<b>6.59</b>	<b>6.59</b>	<b>2,555,000</b>	<b>0.74</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	
<b>Total B=B(1)+B(2)</b>	<b>8</b>	<b>22,662,000</b>	<b>0</b>	<b>6.59</b>	<b>6.59</b>	<b>2,555,000</b>	<b>0.74</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	
<b>Total (A+B) :</b>	<b>18</b>	<b>343,716,000</b>	<b>0</b>	<b>100.00</b>	<b>100.00</b>	<b>2,555,000</b>	<b>0.74</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	
<b>Shares held by custodians, against which Depository Receipts have been issued</b>														
Promoter and Promoter Group	-	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
Public	-	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]	
<b>Grand Total (A+B+C)</b>	<b>18</b>	<b>343,716,000</b>	<b>0</b>	<b>100.00</b>	<b>100.00</b>	<b>2,555,000</b>	<b>0.74</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	

\* The 9,619,000 Equity Shares held by two Foreign Nationals, namely, Mr. Newton Bruce Ashby and Mr. Steven Eugene Harfst were issued to them while they were in the employment of the Company in India and in respect of such shares the consideration amount has been received in Indian Rupees from their respective salary accounts. For exchange control purposes these individuals have been treated at par with resident investment.

\*\* The 5,110,000 Equity Shares held by Mr. Riyaz Haider Peer Mohamed were issued to him while he was resident in India. He has since then changed his residency status to NRI and in respect of such shares the consideration amount has been received by the Company in Indian Rupees. For exchange control purposes Mr. Riyaz Haider Peer Mohamed has been treated at par with resident investment.

## 10. Public shareholders holding more than 1% of the pre-Issue paid up capital of our Company:

The details of the public shareholders holding more than 1% of the pre-Issue paid up capital of our Company and their pre-Issue and post-Issue shareholding are set forth in the table below:

S. No.	Name of the shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	Percentage Holding (%)	No. of Equity Shares	Percentage Holding (%)
1.	Mr. Newton Bruce Ashby	6,012,000	1.75	[●]	[●]
2.	Mr. Riyaz Haider Peer Mohamed	5,110,000	1.49	[●]	[●]
3.	Mr. Steven Eugene Harfst <sup>(1)</sup>	3,607,000	1.05	[●]	[●]
	<b>Total</b>	<b>14,729,000</b>	<b>4.29</b>	<b>[●]</b>	<b>[●]</b>

<sup>(1)</sup> 2,165,000 Equity Shares are proposed to be transferred to Ms. Shobha Gangwal on a non-repatriable basis subject to receipt of the required approvals from the Reserve Bank of India. For more details, please refer to chapter "Government and Other Approvals" beginning on page 409.

Our Company has not issued any depository receipts and hence does not have any outstanding depository receipts and locked-in Equity Shares.

## 11. Equity Shares held by Top Ten Shareholders

(a) Set forth below is a list of our Company's top ten shareholders as on the date of this Draft Red Herring Prospectus.

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	InterGlobe Enterprises	156,940,000	45.66
2.	Mr. Rakesh Gangwal	60,804,000	17.69
3.	The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware)	58,800,000	17.11
4.	Ms. Shobha Gangwal	33,857,000	9.85
5.	IGT-InterGlobe Technologies Phillipines Inc.	6,038,000	1.76
6.	Mr. Newton Bruce Ashby	6,012,000	1.75
7.	Mr. Riyaz Haider Peer Mohamed	5,110,000	1.49
8.	Mr. Steven Eugene Harfst	3,607,000	1.05
9.	Mr. Rahul Bhatia	3,046,000	0.89
10.	Mr. Anil Chanana	3,006,000	0.87
	Mr. Kunal Chanana	3,006,000	0.87
	<b>Total</b>	<b>340,226,000</b>	<b>98.98</b>

(b) Set forth below is a list of our Company's top ten shareholders ten days prior to the date of this Draft Red Herring Prospectus.

S. No.	Name of the Shareholder	No. of Equity Shares <sup>(1)</sup>	Percentage (%)
1.	InterGlobe Enterprises	156,950	51.12
2.	Mr. Rakesh Gangwal	58,800	19.15
3.	The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware)	58,800	19.15
4.	Ms. Shobha Gangwal	30,851	10.05
5.	Dr. Asha Mukherjee	1,499	0.50
6.	Mr. Kapil Bhatia	50	0.02
7.	Mr. Rahul Bhatia	40	0.01
8.	Ms. Rohini Bhatia	10	0.00
	<b>Total</b>	<b>307,000</b>	<b>100.00</b>

<sup>(1)</sup> Equity shares of ₹1,000 each.

- (c) Set forth below is a list of our Company's largest shareholders as of two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	No. of Equity Shares <sup>(1)</sup>	Percentage (%)
1.	InterGlobe Enterprises	156,950	51.12
2.	Caelum	147,000	47.88
3.	Dr. Asha Mukherjee	1,499	0.49
4.	Ms. Shobha Gangwal	1451	0.47
5.	Mr. Kapil Bhatia	50	0.02
6.	Mr. Rahul Bhatia	40	0.01
7.	Ms. Rohini Bhatia	10	0.00
	<b>Total</b>	<b>307,000</b>	<b>100.00</b>

<sup>(1)</sup> Equity shares of ₹1,000 each.

## 12. Employees Stock Option Schemes

### (i) InterGlobe Aviation Limited Tenured Employees Stock Option Scheme - 2015

Our Company instituted an employee stock option scheme, namely the InterGlobe Aviation Limited Tenured Employees Stock Option Scheme – 2015 (“**ESOS 2015 – I**”) pursuant to a resolution of the Board of Directors dated June 23, 2015 and resolution of the shareholders in an EGM dated June 25, 2015. The objective of the ESOS 2015 – I is to provide certain existing employees an opportunity for investment in our Equity Shares. The ESOS 2015 – I is in compliance with SEBI ESOS Regulations.

As of the date of this Draft Red Herring Prospectus, our Company has granted 1,111,819 stock options under ESOS 2015-I and none of the stock options granted have lapsed or been cancelled. Further, no options have been vested or exercised. The outstanding options are exercisable for 1,111,819 Equity Shares, which represents 0.3% of the pre-Issue paid-up Equity Share capital of our Company.

The following table sets forth the particulars of the options granted under ESOS 2015 - I as of the date of this Draft Red Herring Prospectus:

Particulars	Details								
Options granted as of the date of this Draft Red Herring Prospectus	1,111,819								
Options granted in last 3 years and on cumulative basis	<table border="1"> <thead> <tr> <th>FY 2016</th> <th>FY 2015</th> <th>FY 2014</th> <th>Cumulative</th> </tr> </thead> <tbody> <tr> <td>1,111,819</td> <td>Nil</td> <td>Nil</td> <td>1,111,819</td> </tr> </tbody> </table>	FY 2016	FY 2015	FY 2014	Cumulative	1,111,819	Nil	Nil	1,111,819
FY 2016	FY 2015	FY 2014	Cumulative						
1,111,819	Nil	Nil	1,111,819						
Pricing formula	Black-Scholes option valuation model has been used for determining the fair value of an option granted under the ESOS 2015– I.								
Exercise price of Options (as adjusted on allocation of employee bonus units)	Exercise price is the face value of the Equity Shares which is payable by an employee for exercising the options granted to him in pursuance of ESOS 2015 – I, i.e., ₹ 10 per Equity Share.								
Options vested	Nil								
Options exercised	Nil								
The total number of Equity Shares arising as a result of exercise of options (including options that have been exercised)	Nil								
Options forfeited /lapsed/cancelled	Nil								
Variation of terms of options	None								
Money realised by exercise of options	Nil								
Total number of options in force	1,111,819								
Person wise details of options granted to									

<b>Particulars</b>	<b>Details</b>
1. Directors, Key Management Personnel and other management personnel	Please refer to Note 1 below
2. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please refer to Note 2 below
3. Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard	N.A. As no Equity Shares have been issued under the ESOS 2015 - I as yet.
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company	Not Applicable, as the Company is following the fair value method of valuing the option.
Impact of the above on the profits and EPS of our Company with reference to standalone financials	N.A.
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price is of ₹ 10 per option. Weighted average fair value of the option is ₹ 569.19.
Method and significant assumptions used to estimate the fair value of options granted during the year	Please refer to Note 3 below
Vesting Schedule	Vesting of the Options granted under the ESOS 2015 – I is one year from the Grant Date or the completion of the listing of the Equity Shares of our Company on a recognized stock exchange in India in an initial public offering, whichever is later. In case the listing is not completed within two years from the date of Grant, the Options granted automatically lapse on the expiry of such two year period.
Lock-in	None
Impact on profits and on EPS of the last three years if our Company had followed accounting policies specified in respect of options granted in the last three years	Not Applicable, as there were no employee stock options granted in the last three years
Intention of the holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months after the listing of Equity Shares pursuant to the Issue	If the vesting period of one year has lapsed, then the employees holding Equity Shares at the time of listing of the Equity Shares pursuant to the Issue, may sell the Equity Shares issued in connection with the exercise of options granted under the ESOS 2015 – I within a period of three months from the date of listing of the Equity Shares. All option holders have expressed their intention to sell the Equity Shares within three months from the date of listing of the Equity Shares.
Intention to sell Equity Shares arising out of ESOS 2015 – I within three months after the listing of Equity Shares by Directors, senior management personnel and employees having Equity Shares arising out of the ESOS 2015 – I , amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	There are no employees having Equity Shares arising out of the ESOS 2015 – I amounting to more than 1% of the issued capital.

**Note 1: Employee-wise detail of options granted to senior managerial personnel:**

<b>Year of grant</b>	<b>Name of the Employee</b>	<b>No. of options granted</b>
2015	Mr. Sanjeev Ramdas	102,079



Year of grant	Name of the Employee	No. of options granted
	Mr. Sanjay Kumar	142,911
	Mr. Dhruv Rebbapragada	21,267
	Mr. Pankaj Madan	71,456

**Note 2: Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year:**

Year of grant	Name of the Employee	No. of options granted
2015	Mr. Satish Chander Gupta	108,885
	Mr. Sanjeev Ramdas	102,079
	Mr. Alphonso Dass	86,768
	Mr. Ashim Kumar Mittra	102,079
	Mr. Sanjay Kumar	142,911
	Ms. Suman Chopra	86,768
	Mr. Sukhjit Singh Pasricha	76,560
	Mr. Pankaj Madan	71,456
	Ms. Summi Sharma	76,560

**Note 3: Method and significant assumptions used to estimate the fair value of options granted during the year**

Our Company has adopted the Black -Scholes method to estimate the fair value of options with the following assumptions:

Grant Date	Expected volatility	Expected risk free return	Expected life	Expected dividend
June 25, 2015	57%	7.5%	1 year	0 %

**Note 3A: Expected risk free return**

Vesting percentage	Grant 1
100%	7.5%

**(b) InterGlobe Aviation Limited Employees Stock Option Scheme - 2015**

Our Company instituted an employee stock option scheme, namely the InterGlobe Aviation Limited Employees Stock Option Scheme - 2015 (“**ESOS 2015 - II**”), pursuant to a resolution of the Board of Directors dated June 23, 2015 and resolution of the shareholders in an EGM dated June 25, 2015. The objective of the ESOS 2015 – II is to provide existing employees an opportunity for investment in our Equity Shares. The ESOS 2015 – II is in compliance with SEBI ESOS Regulations.

As on the date of this Draft Red Herring Prospectus, the maximum number of options available for grant under the ESOS 2015 – II is 3,107,674. Further, all of the options are pending vesting. The following table sets forth the particulars of the options granted under ESOS 2015 – II as of the date of this Draft Red Herring Prospectus:

Particulars	Details								
Options granted as of the date of this Draft Red Herring Prospectus	Nil								
Options granted in last 3 years and on cumulative basis	<table border="1"> <thead> <tr> <th>FY 2016</th> <th>FY 2015</th> <th>FY 2014</th> <th>Cumulative</th> </tr> </thead> <tbody> <tr> <td>N.A.</td> <td>Nil</td> <td>Nil</td> <td>N.A.</td> </tr> </tbody> </table>	FY 2016	FY 2015	FY 2014	Cumulative	N.A.	Nil	Nil	N.A.
FY 2016	FY 2015	FY 2014	Cumulative						
N.A.	Nil	Nil	N.A.						
Pricing formula	NA								
Exercise price of Options (as adjusted on allocation of employee bonus units)	The price at which the Equity Shares are issued in the initial public offering of the Company which is payable for exercising								

<b>Particulars</b>	<b>Details</b>
	the Options granted to an employee in pursuance of ESOS 2015 – II or any other price as may be determined by the Compensation Committee but at least equal to the face value of the Equity Share;
Options vested	Nil
Options exercised	Nil
The total number of Equity Shares arising as a result of exercise of options (including options that have been exercised)	Nil
Options forfeited /lapsed/cancelled	Nil
Variation of terms of options	Nil
Money realised by exercise of options	Nil
Total number of options in force	N.A.
Person wise details of options granted to	
1. Directors, Key Management Personnel and other management personnel	N.A.
2. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	N.A.
3. Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard	Nil
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company	Nil
Impact of the above on the profits and EPS of our Company with reference to standalone	Nil
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	Nil
Method and significant assumptions used to estimate the fair value of options granted during the year	N.A.
Vesting Schedule	Vesting of the Options granted under the ESOS 2015 – II shall be at least one year from the date of Grant and could be different for different Employees. The vesting period and schedule shall be provided in the Award Agreement with each Employee.
Lock-in	None
Impact on profits and on EPS of the last three years if our Company had followed accounting policies specified in in respect of options granted in the last three years	N.A.
Intention of the holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months after the listing of Equity Shares pursuant to the Issue	N.A.

Particulars	Details
Intention to sell Equity Shares arising out of ESOS 2015 – II within three months after the listing of Equity Shares by Directors, senior management personnel and employees having Equity Shares arising out of the ESOS 2015 – II, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	N.A.

14. No financing arrangements have been entered into by the members of the Promoter Group, the Directors, or their relatives for the purchase by any other person of the Equity Shares other than in the normal course of business of the financing entity during a period of six months preceding the date of this Draft Red Herring Prospectus with the SEBI
15. Except as stated in this Draft Red Herring Prospectus, our Company has not issued any Equity Shares pursuant to any scheme approved under Sections 391 and 394 of the Companies Act, 1956
16. Our Company, the Promoters, the Directors and the GCBRLMs and BRLMs have no existing buyback and/or standby arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through this Issue.
17. Except as disclosed in this chapter “*Capital Structure*” beginning on page 86, during the past six months immediately preceding the date of this Draft Red Herring Prospectus, the Promoters, members of the Promoter Group or the Directors of our Company and their immediate relatives have not purchased/sold any Equity Shares.
18. Except for options granted pursuant to the ESOS 2015 – I and the options available for grant under ESOS 2015 – II, there are no outstanding warrants, financial instruments or any rights, which would entitle the Promoters or the shareholders or any other person any option to acquire/receive any Equity Shares after the Issue.
19. Our Company has not raised any bridge loans against the Net Proceeds.
20. [●] Equity Shares aggregating up to ₹[●] million constituting [●]% of the Issue, have been reserved for allocation to Eligible Employees bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Issue Price and subject to a maximum Bid Amount by each Eligible Employee not exceeding ₹200,000. Only Eligible Employees bidding in the Employee Reservation Portion are eligible to apply in the Issue under the Employee Reservation Portion on a competitive basis. Bids by Eligible Employees bidding in the Employee Reservation Portion could also be made in the Net Issue and such Bids would not be treated as multiple Bids. The Employee Reservation Portion would not exceed 5% of the post-Issue capital of our Company.
21. There are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus and the Equity Shares to be Allotted pursuant to this Issue shall be fully paid-up.
22. No person connected with the Issue including our Company, Directors, Promoters, members of the Promoter Group and Group Companies, shall offer any incentive, whether directly or indirectly in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
23. Except for the vesting of the options granted under the ESOS 2015 – I and their consequent conversion into Equity Shares, our Company presently does not intend or propose any further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment and rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges.
24. Except for the vesting of the options granted under the ESOS 2015 – I and their consequent conversion into Equity Shares, our Company presently does not have any intention or proposal and is not considering and has not entered into negotiations to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of equity (including issue of securities convertible into or exchangeable, directly or indirectly, for Equity

Shares) whether on a preferential basis or bonus or rights issue or further public offering or qualified institutions placement or otherwise.

25. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
26. Except for the Offer for Sale, the Promoters and members of the Promoter Group and Group Entities will not participate in the Issue.
25. The total number of shareholders holding Equity Shares as on the date of this Draft Red Herring Prospectus are 18.
26. Except as stated below, none of the Equity Shares are subject to a pledge as on the date of this Draft Red Herring Prospectus:
  - (i) Pursuant to an agreement dated February 20, 2014, Mr. Riyaz Haider Peer Mohamed, one of our Key Managerial Personnel, had availed a loan from one of our Promoters, Mr. Rahul Bhatia. The loan repayment obligations are secured by a pledge over 50% of the Equity Shares held by Mr. Riyaz Haider Peer Mohamed. As such, as on the date of the Draft Red Herring Prospectus, 2,555,000 Equity Shares held by Mr. Riyaz Haider Peer Mohamed are pledged in favour of Mr. Rahul Bhatia. Mr. Rahul Bhatia has the right to invoke the pledge if Mr. Riyaz Haider Peer Mohamed: (i) fails to repay the loan amount to Mr. Rahul Bhatia on the repayment date, i.e. February 24, 2016; or (ii) ceases to be an employee of our Company prior to the repayment date.
  - (ii) Additionally, pursuant to the aforementioned agreement, Mr. Rahul Bhatia had a right of first offer on the remaining 50% of the Equity Shares held by Mr. Riyaz Haider Peer Mohamed, i.e., on 2,555,000 Equity Shares held by Mr. Riyaz Haider Peer Mohamed. The said right of first offer is triggered if, at any time prior to February 2024, Mr. Riyaz Haider Peer Mohamed: (i) terminates his employment with our Company; or (ii) proposes to transfer in any manner whatsoever his Equity Shares to a third party. Parties have agreed that, so long as Mr. Riyaz Haider Peer Mohamed remains in the employment of our Company, 10% of the Equity Shares held by Mr. Riyaz Haider Peer Mohamed that are subject to the right of first offer will be released from such restrictions at the end of every completed 12 (twelve) month period commencing from February 2014. As such, as of the date of the Draft Red Herring Prospectus, Mr. Rahul Bhatia has the right of first offer on 2,299,500 Equity Shares held by Mr. Riyaz Haider Peer Mohamed.
  - (iii) Pursuant to an agreement and the appointment letter dated March 1, 2006, Mr. Steven Eugene Harfst had subscribed to 3,607 CPS as an employee of the Company. Such CPS were pledged with the Company and such pledge was to be released in stages based on continued employment of Mr. Steven Eugene Harfst with the Company. Furthermore, in the event that Mr. Steven Eugene Harfst terminated his employment with the Company, the Company had also retained the right to offer such shares (which had not then been released to Mr. Steven Eugene Harfst) to its existing voting equity shareholders in proportion to their respective shareholding in the Company at a price of each CPS being lower of (i) 5% of the price at which Mr. Steven Eugene Harfst subscribed to the CPS; or (ii) the fair market value of such shares.

Pursuant to conversion of such CPS into equity shares of the Company on the June 23, 2015 and the subdivision or split of such equity shares of the Company from Rs. 1,000 each to Rs. 10 each and the subsequent issue of bonus shares, as of the date of this Draft Red Herring Prospectus Mr. Steven Eugene Harfst holds 3,607,000 Equity Shares.

Since Mr. Steven Eugene Harfst had terminated his employment with the Company, 2,165 CPS (being 2,165,000 Equity Shares following the conversion of CPS into equity shares of the Company and the subsequent sub-division and issue of bonus shares), which were unreleased, became eligible for offer to the existing equity shareholders of the Company. Pursuant to resolutions dated April 23, 2015 and June 12, 2015 of the Board of Directors, the Company offered for purchase 2,165 of his CPS (or any equity shares arising out of conversion, split and bonus) to the existing equity shareholders of the Company on the date of the resolution. Ms. Shobha Gangwal, an existing shareholder, agreed to purchase the CPS with the applicable entitlements arising on account of conversion in equity shares, and subsequent subdivision and issue of bonus shares. Accordingly, upon receipt of an approval of the Reserve Bank of India

2,165,000 of his Equity Shares shall be transferred from Mr. Steven Eugene Harfst to Ms. Shobha Gangwal on non-repatriation basis. For more details, please see this chapter and the chapter “Government and Other Approvals” beginning on page 409.

- (iv) Our Company has made an application seeking approval of the RBI vide letters dated May 4, 2015 and June 23, 2015 for the remittance of sale proceeds outside India to Mr. Steven Eugene Harfst for transfer of 2,165,000 Equity Shares held by Mr. Steven Eugene Harfst to Ms. Shobha Gangwal, each a non-resident, on non-repatriation basis.
27. Our Company has not made any public issue of its Equity Shares or rights issue of any kind since its incorporation.
28. As on the date of this Draft Red Herring Prospectus and except with respect to J. P. Morgan Trust Company of Delaware acting as a trustee of The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware), neither the GCBRLMs and BRLMs nor their respective associates hold any Equity Shares.
29. Except as provided below, none of the Directors or KMPs have any shareholding in our Company as on the date of this Draft Red Herring Prospectus:

*Equity shareholding of Directors and KMPs:*

S. No.	Name of the Shareholder	Director/KMP	No. of Shares	Nature of securities/ options
1.	Mr. Rahul Bhatia	Director	3,046,000	Equity Shares
2.	Mr. Rakesh Gangwal	Director	60,804,000	Equity Shares
3.	Ms. Rohini Bhatia	Director	10,000	Equity Shares
4.	Mr. Sanjay Kumar	KMP	334,000	Equity Shares
			142,911	Employee stock options <sup>(1)</sup>
5.	Mr. Riyaz Haider Peer Mohamed	KMP	5,110,000	Equity Shares
6.	Mr. Sanjeev Ramdas	KMP	102,079	Employee stock options <sup>(1)</sup>
7.	Mr. Pankaj Madan	KMP	71,456	Employee stock options <sup>(1)</sup>
8.	Mr. Dhruv Rebbapragada	KMP	21,267	Employee stock options <sup>(1)</sup>

(1) Options granted pursuant to the ESOS 2015 – I. For details, please see chapter ‘Capital Structure’ beginning on page 86.

30. Our Company has not issued any Equity Shares out of revaluation reserves.
31. Any over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearer multiple of the minimum Allotment lot while finalizing the Allotment, subject to minimum Allotment being equal to [●] Equity Shares, which is the minimum Bid size in this Issue. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue as a result of which the post-Issue paid up capital after the Issue would also increase by the excess amount of Allotments so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased so as to ensure that 20% of the post-Issue paid up capital is locked-in.
32. The Issue is being made for at least 10% of the post Issue paid-up capital pursuant to Rule 19(2)(b)(iii) of SCRR read with Regulation 41(1) of the ICDR Regulations. Our Company is eligible for the Issue in accordance with Regulation 26(1) of the ICDR Regulations. Further, the Issue is being made through the Book Building Process where in 50% of the Issue shall be available for allocation to QIBs on a proportionate basis. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue will be available for allocation to Retail Individual Investors, subject to valid Bids being received at or above the Issue Price. The Allotment of Equity Shares to each Retail Individual Investor shall not be less than minimum Bid Lot, subject to availability of Equity Shares in Retail Category, and the remaining available Equity Shares, if any, shall be Allotted on proportionate basis. Our Company may, in consultation with the GCBRLMs and BRLMs, allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Allocation

Price, on a discretionary basis, out of which at least one-third will be reserved for allocation to domestic Mutual Funds only subject to Bids received at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Category. Such number of Equity Shares representing 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price.

33. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or a combination of categories, at the discretion (including Employee Reservation Portion) of our Company, GCBRLMs and BRLMs and the Designated Stock Exchange in accordance with ICDR Regulations. Under-subscription in the Employee Reservation Portion will be added back to the Net Issue portion.
34. Neither the Promoters, nor members of the Promoter Group, nor Directors or their relatives have financed the purchase of Equity Shares by any other person, other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus with SEBI.
35. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of registering the Red Herring Prospectus with the RoC and the Bid/Issue Closing Date, if any, shall be reported to the Stock Exchanges within 24 hours of such transaction.

## SECTION IV: PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue comprises the Fresh Issue and Offer for Sale.

#### Offer for Sale

The proceeds from Offer for Sale (net of Issue related expenses incurred by the Selling Shareholders) will go to the Selling Shareholders and our Company will not receive any proceeds except reimbursement of Issue expenses incurred by the Company on behalf of the Selling Shareholders.

#### Objects of the Fresh Issue

Our Company proposes to utilize the funds which are being raised through the Fresh Issue for the following objects:

- (a) Retirement of certain outstanding lease liabilities and consequent acquisition of aircraft;
- (b) Purchase of ground support equipment for our airline operations; and
- (c) General corporate purposes,

(collectively referred to herein as the “Objects”).

In addition, we expect to receive the benefits of listing of the Equity Shares on the Stock Exchanges.

The existing activities, including the lease liabilities and activities for which the Net Proceeds shall be utilized in the future and identified for the Objects, are enabled by the objects clause of the Memorandum of Association.

#### Issue Proceeds and Net Proceeds

The details of the proceeds of the Issue are summarized in the table below:

Particulars	Amount (in ₹ million) <sup>(1)</sup>
Gross Proceeds of the Fresh Issue	12,722
(Less) Fresh Issue related expenses <sup>(1)</sup>	[●]
<b>Net Proceeds<sup>(1)</sup></b>	<b>[●]</b>

<sup>(1)</sup>To be finalised upon determination of the Issue Price.

#### Utilization of the Net Proceeds

The proposed utilization of the Net Proceeds is set forth in the table below:

Particulars	Amount (in ₹ million)
Retirement of certain outstanding lease liabilities and consequent acquisition of aircraft	11,656.63
Purchase of ground support equipment for our airline operations	333.69
General corporate purposes	[●]

The fund requirements for the Objects are based on internal management estimates.

#### Deployment of Net Proceeds

We currently propose to deploy the Net Proceeds in accordance with the schedule set forth below:

Particulars	(in ₹ million)			
	Fiscal 2016	Fiscal 2017	Fiscal 2018	Total
Retirement of certain outstanding lease liabilities and consequent acquisition of aircraft	11,656.63	Nil	Nil	<b>11,656.63</b>
Purchase of ground support equipment for our airline operations	105.30	113.20	115.19	<b>333.69</b>

General corporate purposes	[●]	[●]	[●]	[●]
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In view of the competitive environment in the industry in which we operate, we may have to revise our business plan from time to time and consequently our capital requirements may also change. Our historical capital expenditure may not be reflective of our future capital expenditure plans. We may have to revise our estimated costs, fund allocation and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. For further details, please see the section “*Risk Factors – Our management will have flexibility in temporarily investing the Net Proceeds of the Fresh Issue*” beginning on page 19.

In case of any increase in the actual utilization of funds earmarked for the Objects or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met by way of means available to us, including by way of incremental debt or internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes in accordance with applicable laws.

### Details of the Objects of the Issue

#### 1. Retirement of certain outstanding lease liabilities and consequent acquisition of aircraft

We commenced operations in August 2006. Our Company had placed a firm order of 100 aircraft in 2005, all of which have been delivered. For details, please see chapter “*Our Business*” beginning on page 160. Our Company has entered into different structures for leasing arrangements for the aircraft. Our Company proposes to retire certain of our lease obligations and utilize ₹11,656.63 million towards this Object. We believe that this would improve our leverage capacity and thereby improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business in the coming years.

Our Company has entered into arrangements with Unicorn Funding Limited (ECA borrower and intermediate lender) for the financing of three aircraft, as identified under this Object. Further, our Company has taken five aircraft on lease from Indiaer Leasing 1 Limited, as identified under this Object. Details of the arrangement and utilization of Net Proceeds under this Object are provided below:

Lender and Documentation Details	Purpose	Amount Sanctioned* (in ₹million)	Amount Outstanding as on December 31, 2014** (in ₹ million)	Pre-payment / Lease Retiral Date	Amount Outstanding as on Pre-payment / Lease Retiral Date and Proposed to be Paid from Net Proceeds (in ₹million)***
Unicorn Leasing Limited (borrower and lessor), Unicorn Funding Limited (ECA borrower and intermediate lender), JP Morgan Chase Bank N.A. 5437 (Original ECA lender) and JP Morgan Europe Limited (Facility Agent and Security Trustee)  Pursuant to All Parties Agreement dated January 18, 2013	Financing the purchase of the aircraft with MSN	1,819.41	1,816.91	March 31, 2016	1,632.77



Lender and Documentation Details	Purpose	Amount Sanctioned* (in ₹million)	Amount Outstanding as on December 31, 2014** (in ₹ million)	Pre-payment / Lease Retiral Date	Amount Outstanding as on Pre-payment / Lease Retiral Date and Proposed to be Paid from Net Proceeds (in ₹million)***
Unicorn Leasing Limited (borrower and lessor), Unicorn Funding Limited (ECA borrower and intermediate lender), JP Morgan Chase Bank N.A. (Original ECA lender) and JP Morgan Europe Limited (Facility Agent and Security Trustee)  Pursuant to All Parties Agreement dated January 27, 2013	Financing the purchase of the aircraft with MSN 5460	1,761.55	1,824.86	March 31, 2016	1,642.19
Unicorn Leasing Limited (borrower and lessor), Unicorn Funding Limited (ECA borrower and intermediate lender), JP Morgan Chase Bank N.A. (Original ECA lender) and JP Morgan Europe Limited (Facility Agent and Security Trustee)  Pursuant to All Parties Agreement dated February 8, 2013	Financing the purchase of the aircraft with MSN 5476	1,761.55	1,832.97	March 31, 2016	1,650.35
Aircraft lease agreement dated August 24, 2009 between Indiaer Leasing 1 Limited (as lessor) and our Company (as lessee)	Retirement of lease obligation with respect to aircraft with MSN 4008	1,631.51	1,479.63	February 18, 2016	1,253.66
Aircraft lease agreement dated November 18, 2009 between Indiaer Leasing 1 Limited (as lessor) and our Company (as lessee)	Retirement of lease obligation with respect to aircraft with MSN 4113	1,618.87	1,543.25	February 18, 2016	1,316.37
Aircraft lease agreement dated December 18, 2009 between Indiaer Leasing 1 Limited (as lessor) and our Company (as lessee)	Retirement of lease obligation with respect to aircraft with MSN 4156	1,631.52	1,564.62	February 18, 2016	1,337.45
Aircraft lease agreement dated February 15, 2010 between Indiaer Leasing 1 Limited (as lessor) and our Company (as lessee)	Retirement of lease obligation with respect to aircraft with MSN 4216	1,621.28	1,607.61	February 18, 2016	1,379.82
Aircraft lease agreement dated May 25, 2010 between Indiaer Leasing 1 Limited (as lessor) and our Company (as lessee)	Retirement of lease obligation with respect to aircraft with MSN 4312	1,611.57	1,672.71	February 18, 2016	1,444.02
<b>Total</b>					<b>11,656.63</b>

\* The amounts were sanctioned in USD and were converted at the exchange rate prevailing at the time of capitalization.

\*\*The respective amounts have been calculated at an exchange rate of 1 USD = ₹63.04, as at December 31, 2014 (source: Based on exchange rates communicated by HDFC Bank Limited to our Company). Consequently, the aforementioned amounts outstanding may be higher than the sanctioned amounts.

\*\*\*Amount outstanding under arrangements with Unicorn Funding Limited (ECA borrower and intermediate lender) is as of March 31, 2016, and for arrangements with Indiaer Leasing 1 Limited, is as of February 18, 2016. Furthermore, the respective amounts have been calculated at an exchange rate of 1 USD = ₹63.61, as at June 1, 2015 (source: www.rbi.org.in).

JP Morgan Chase Bank N.A. (Original ECA lender) and JP Morgan Europe Limited (Facility Agent and Security Trustee) are foreign affiliates of our BRLM, J.P. Morgan India Private Limited.

There are no pre-payment liabilities applicable to our Company under the various arrangements mentioned above.

Upon retirement of lease liabilities with Unicorn Funding Limited, the ownership of the aircraft shall stand transferred automatically from Unicorn Funding Limited to our Company. However, with respect to the arrangements entered into with Indiaer Leasing 1 Limited, our Company shall exercise the option to acquire the ownership of such aircraft, simultaneous with the retirement of the lease liabilities through separate legal agreements. Any costs or consideration to be paid by our Company, if any, pursuant to entering such separate legal agreements with Indiaer Leasing 1 Limited, will be funded through existing identifiable internal accruals of our Company.

#### *Computation of costs*

The estimated cost for this Object is ₹11,656.63 million. The actual amount spent for each aircraft may vary depending on the timing of the retirement and other commercial factors governing the arrangements with the particular lessor.

#### *Means of finance*

We intend to meet the entire funding requirement for this Object from the Net Proceeds. In the event any additional payments are required to be made for this Object, it shall be made from our existing, identifiable internal accruals.

Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Net Proceeds and our internal accruals.

## **2. Purchase of ground support equipment for our airline operations**

Our Company proposes to deploy an aggregate amount of ₹333.69 million towards purchase of certain ground support equipment for our airline operations, such as ramp coaches, tractors, ground power units and push-backs. The purchase of such equipment will depend on factors including, but not limited to, number of aircraft inducted in our fleet, any new airports we operate on, specific requirements of airport operators or as may be required under law and depending on the need for replacement of existing equipment. The break-up of the equipment and the related costs which are to be funded from the Net Proceeds are provided below:

<b>Equipment</b>	<b>Units</b>	<b>Estimated Cost Per Unit (in ₹)</b>	<b>Estimated Cost (in ₹ million)</b>
Ramp coaches	26	5,400,000.00*	140.40
Tractors	13	1,984,455.00**	25.80
Ground power units	47	2,505,597.90**	117.76
Push-backs	9	5,525,164.60**	49.73
		<b>Total</b>	<b>333.69</b>

\*Based on quotations dated June 17, 2015 from Ashok Leyland Limited. The quotations are inclusive of VAT at 12.5%.

\*\*Based on quotations dated June 16, 2015 from TLD MEAI FZE. Further, the respective amounts have been calculated at an exchange rate of 1 USD = ₹63.61 and 1 Euro = ₹69.63, as at June 1, 2015 (source: www.rbi.org.in). These quotations are not inclusive of VAT. Any expenses to be incurred towards payment of statutory duties, such as VAT, customs duty, among others, will be funded from the existing identifiable internal accruals of our Company.

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any amount towards this Object.

#### *Means of finance*

We intend to meet the entire funding requirement for this Object from the Net Proceeds. In the event any additional payments are required to be made for this Object, it shall be made from our existing identifiable internal accruals.

Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Net Proceeds and our internal accruals.

### 3. General corporate purposes

Our Company proposes to deploy the balance of the Net Proceeds aggregating ₹[●] million towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with the ICDR Regulations, including but not limited to, meeting funding requirements for expansion of our business operations, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilizing any surplus amounts.

#### Bridge Financing Facilities

We have not raised any bridge loans from any bank or financial institution as of the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

#### Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. Expenses in relation to the Issue will be borne by our Company and each of the Selling Shareholders in proportion to the Equity Shares contributed to the Issue respectively, provided that listing fees, auditor's fees, expenses relating to the legal counsels to the Company and the BRLMs will be borne solely by the Company and expenses relating to the legal counsel to the Selling Shareholders will be borne by the respective Selling Shareholder.

The break-up for the Issue expenses is as follows:

S. No.	Activity	Amount* (in ₹ Million)	Percentage of Total Estimated Issue Expenses*	Percentage of Issue Size*
1.	GCBRLMs' and BRLMs' fees and commission (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
2.	Commission / processing fee for SCSBs and Bankers to the Issue	[●]	[●]	[●]
3.	Brokerage and selling commission for Registered Brokers	[●]	[●]	[●]
4.	Registrar to the Issue	[●]	[●]	[●]
5.	Other advisors to the Issue	[●]	[●]	[●]
6.	Other-			
7.	Listing fees, SEBI filing fees, book building software fees	[●]	[●]	[●]
8.	Printing and stationary	[●]	[●]	[●]
9.	Advertising and marketing expenses	[●]	[●]	[●]
10.	Miscellaneous	[●]	[●]	[●]
	<b>Total Estimated Issue Expenses</b>	[●]	[●]	[●]

\* To be completed at the time of filing of the Prospectus and on determination of Issue Price and other details.

#### Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company will have significant flexibility to temporarily invest the Net Proceeds in interest/ dividend bearing liquid debt instruments including investments in debt mutual funds and other financial products, such as principal protected funds, listed debt instruments, rated debentures or deposits with banks/ other entities including deposits with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

### **Monitoring of Utilization of Funds**

Our Company has appointed [●] as the Monitoring Agency in relation to the Issue. Our Audit Committee and our Board of Directors will monitor the utilization of the Net Proceeds. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details for such Net Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement will be certified by the statutory auditors of our Company.

In accordance with Clause 43A of the Listing Agreement, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations, if any, in the utilization of Issue Proceeds to the Stock Exchanges. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act, 2013 and applicable rules. The postal ballot notice shall simultaneously be published in one English national daily and one Hindi national daily, with Hindi being the regional language of Delhi where the Registered Office is located. In accordance with the Companies Act, 2013 and applicable rules, our Promoters or controlling shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard. For further details, please see the section *“Risk Factors – The Company’s management will have broad discretion over the use of the Net Proceeds, and the Net Proceeds might not be applied in ways that increase the value of your investment”* beginning on page 37.

### **Appraising Entity**

The Objects of this Issue have not been appraised by any bank, financial institution or other external agency.

### **Other Confirmations**

No ‘second-hand’ equipment is proposed to be purchased out of the Net Proceeds. The prices for the equipment proposed to be purchased as set out above are as per the quotations received from the respective suppliers which are valid until a certain period of time. The prices of equipment from such suppliers may change after the expiry of the validity of such quotations. We will obtain fresh quotations at the time of actual placement of the order for the respective equipment. The actual cost would thus depend on the prices finally settled with the suppliers and to that extent may vary from the above estimate. The cost of acquisition of equipment could also change in the event suppliers of such equipment are changed for any reasons. The Promoters, Directors, Key Management Personnel, senior management personnel and the Group Entities do not have any existing or anticipated interest

in the proposed acquisition of the equipment and items or in the entity from whom we have obtained quotations for the same.

No part of the proceeds of the Fresh Issue will be paid by our Company as consideration to the Promoters, the Directors, the Key Management Personnel, members of our Promoter Group or Group Entities.

## BASIS FOR ISSUE PRICE

The Issue Price of ₹ [●] will be decided by our Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs on the basis of assessment of market demand for the offered Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹ 10 per share and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the higher end of the Price Band.

Investors should also refer to the sections “*Risk Factors*” and “*Financial Information*” and the chapter “*Our Business*” beginning on pages 19, 253 and 160, respectively, to get a more informed view before making the investment decision.

### QUALITATIVE FACTORS

Some of the qualitative factors which form the basis of the Issue Price are:

1. Disciplined execution of low cost business model;
2. Creating and sustaining unique structural advantages distinguished from other low-cost carriers;
3. One of the lowest cost carriers globally with a track record of consistent profitability, strong cash flow generation and balance sheet and liquidity position;
4. Largest airline in India by domestic passenger volume with significant depth and breadth of network in key markets;
5. Ability to leverage the strength of our Promoters and management with experience through industry cycles;
6. Ability to attract and retain talented employees and management; and
7. Strong brand recognition and award winning service.

For a detailed discussion of the above qualitative factors, which form the basis for computing the Issue Price, please see the section “*Risk Factors*” and the chapter “*Our Business*” beginning on pages 19 and 160, respectively.

### QUANTITATIVE FACTORS

Information presented in this section is derived from our Company’s restated financial statements for fiscal years 2014, 2013 and 2012, prepared in accordance with the Indian GAAP, the Companies Act and the ICDR Regulations. For more details on the financial information, please see the section “*Financial Information*” beginning on page 253.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

#### 1. Basic and Diluted Earnings Per Share (“EPS”)

As per restated financial statements:

Period	Basic Earnings Per Share ( ₹ )	Diluted Earnings Per Share ( ₹ <sup>1</sup> )	Weights
Nine month period ended December 31, 2014	23,480	20,972	
Fiscal 2014	15,418	13,771	3
Fiscal 2013	25,517	22,791	2
Fiscal 2012	4,580	4,090	1
<b>Weighted Average</b>	<b>16978</b>	<b>15164</b>	

<sup>(1)</sup> The above does not consider the Equity Share split and / or bonus issue that occurred on June 25, 2015.

Note:

EPS can be defined as below:

Basic EPS: Net Profit available to Equity Shareholders *divided* by weighted average number of Equity Shares outstanding during the year.

Diluted EPS: Net Profit available to Equity Shareholders *divided* by weighted average number of Equity Shares outstanding during the year *plus* Potentially Dilutive Shares.

Net Profit available to Equity Shareholders: Net Profit available to Equity Shareholders has been defined as Restated Profit after tax.

The EPS has been calculated in accordance with Accounting Standard 20 – “Earnings Per Share” issued by the Institute of Chartered Accountants of India.

**2. Price Earning Ratio (“P/E”) in relation to the Price Band of ₹[●] to ₹[●] per Equity Share**

1. P/E based on Basic EPS for the year ended March 31, 2014:

As per restated financial statements:

Particulars	P/E
P/E based on Basic EPS of [●] for the year ended March 31, 2014 at the Floor Price	[●]
P/E based on Basic EPS of [●] for the year ended March 31, 2014 at the Cap Price	[●]

2. P/E based on Diluted EPS for the year ended March 31, 2014:

As per restated financial statements:

Particulars	P/E
P/E based on Diluted EPS of [●] for the year ended March 31, 2014 at the Floor Price	[●]
P/E based on Diluted EPS of [●] for the year ended March 31, 2014 at the Cap Price	[●]

**3. Return on Net Worth (“RoNW”)**

As per restated financial statements:

Period	RoNW (%)	Weight
Nine month period ended December 31, 2014	75.60%	[●]
Fiscal 2014	112.53%	[●]
Fiscal 2013	201.35%	[●]
Fiscal 2012	57.78%	[●]
<b>Weighted Average</b>	[●]	[●]

Note 1: Return on Net Worth has been computed as Net Profit available to Equity Shareholders divided by Net Worth.

Note 2: Net Worth has been computed as sum of share capital and reserves less revaluation reserve and miscellaneous expenditure (to the extent not written off/adjusted).

Note 3: Net Profit available to Equity Shareholders has been defined as Restated Net Profit after tax.

**4. Minimum Return on Net Worth required to maintain pre-Issue EPS for the year ended March 31, 2014**

As per restated financial statements:

- The minimum return on increased net worth required to maintain pre-Issue Basic EPS for the year ended March 31, 2014 is [●] at the Floor Price and [●] at the Cap Price.
- The minimum return on increased net worth required to maintain pre-Issue Diluted EPS for the year ended March 31, 2014 is [●] at the Floor Price and [●] at the Cap Price.

## 5. Net Asset Value per Equity Share

As per restated financial statements:

- Net Asset Value per Equity Share each as on nine month period ended December 31, 2014: ₹ 30,938
- Net Asset Value per Equity Share each as on March 31, 2014: ₹ 13,582
- Net Asset Value per Equity Share each after the Issue: ₹ [●]
- Issue Price per Equity Share: ₹ [●]

Note: Net Asset Value per Equity Share has been computed as Net Worth for Equity Shareholders divided by the weighted average number of Equity Shares outstanding during the year.

The Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

## 6. Comparison with Industry Peers

Name of the Company	Face Value per equity share ( ₹ )	For the year ended March 31, 2015			
		EPS ( ₹ )	P/E	RoNW (%)	NAV ( ₹ )
Jet Airways India Limited	10	-184.64	n/m	n/m	n/m
SpiceJet Limited	10	-13.38	n/m	n/m	n/m

Source: Company filings

\*P/E, RoNW and NAV are denoted as n/m for Jet Airways India Limited and SpiceJet Limited as it is negative

The peer group listed companies as stated above are engaged in the air transportation business.

Investors should read the section “*Risk Factors*” beginning on page 19 and the section “*Financial Statements*” beginning on page 253 to have a more informed view.

The Issue Price of ₹ [●] per Equity Share is [●] times the face value of ₹10 per equity share. The Issue Price has been determined by the Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. The GCBRLMs and the BRLMs believe that the Issue Price of ₹ [●] is justified in view of the above parameters. Prospective investors should also review the entire Red Herring Prospectus, including, in particular, the sections “*Risk Factors*” and “*Financial Information*” and the chapters “*Industry Overview*” and “*Our Business*” beginning on pages 19, 253, 134 and 160, respectively, to obtain a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the section “*Risk Factors*” beginning on page 19 or any other factors that may arise in the future and you may lose all or part of your investments.



## STATEMENT OF TAX BENEFITS

### STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO INTERGLOBE AVIATION LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,  
The Board of Directors  
InterGlobe Aviation Limited  
Level 1, Tower C, Global Business Park  
Mehrauli-Gurgaon Road  
Gurgaon 122 002, Haryana

Date: 28 June 2015

Dear Sirs,

**Subject: Statement of possible tax benefits ('the Statement') available to InterGlobe Aviation Limited ('the Company') and its shareholders prepared in accordance with the requirement in SCHEDULE VIII – CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended ('the Regulations')**

We hereby report that the enclosed Annexure prepared by the Company, states the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act, 2015 (i.e. applicable for financial year 2015-16, relevant to the assessment year 2016-17) presently in force in India as on the signing date. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover the possible tax benefits available to the Company and shareholders. Further, the preparation of the Statement and its contents is the responsibility of the Management. We were informed that, this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the offer of sale.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been/ would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

The enclosed annexure is intended for your information and for inclusion in the Draft Red Herring Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

**For B S R & Co. LLP**

*Chartered Accountants*

ICAI firm registration number: 101248W / W-100022

**Jiten Chopra**

*Partner*

Membership No.: 092894

Place: Gurgaon

## **ANEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

Outlined below are the possible tax benefits available to the Company and its shareholders under the direct tax laws in force in India (*i.e.* applicable for the Financial Year 2015-16 relevant to the assessment year 2016-17). These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill.

### **UNDER THE INCOME TAX ACT, 1961 (“THE ACT”)**

#### **A. BENEFITS TO THE COMPANY UNDER THE ACT:**

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

##### **1. Special tax benefits available to the Company**

There are no special tax benefits available to the Company.

##### **2. General Tax Benefits available to the Company**

###### **a) Business income**

- The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per the provisions of Section 32 of the Act. Unabsorbed business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation if any, for an assessment year can be carried forward and set off against any sources of income in the same assessment year or any subsequent assessment years as per the provisions of Section 32(2) read with section 72 of the Act.
- As per the provisions of Section 35D of the Act, any specified preliminary expenditure incurred, after 31 March 1998 by an Indian company before the commencement of its business or after commencement of its business, in connection with the extension of an undertaking or setting up a new unit, shall be allowed a deduction of an amount equivalent to one-fifth of such expenditure for each of the five successive financial years beginning with the financial year in which the extension of the undertaking is completed or the new unit commences production or operation. However, any expenditure in excess of 5% of the cost of the project or the capital employed in the business of the Company, shall be ignored for the purpose of computing the deduction allowable under section 35D of the Act.
- As per the provisions of Section 35DD of the Act, any expenditure incurred by an Indian Company, on or after 1 April 1999, wholly and exclusively for the purpose of amalgamation or demerger of an undertaking, shall be allowed a deduction of an amount equal to one-fifth of such expenditure for each of five successive financial years beginning with the financial year in which the amalgamation or demerger takes place.
- As per the provisions of Section 35DDA of the Act, if a Company incurs any expenditure in any financial year by way of payment of any sum to an employee in connection with his voluntary retirement, in accordance with any scheme or schemes of voluntary retirement, the Company would be eligible to claim a deduction for one-fifth of the amount so paid in computing the profits and gains of the business for that financial year, and the balance shall be deducted in equal installments for each of the four immediately succeeding financial years.
- As per the provisions of Section 35CCD of the Act, if a Company incurs any expenditure (not being in the nature of cost of any land or building) on any skill development project notified by the Central Board of

Direct Taxes in this behalf in accordance with the guidelines as may be prescribed, then, the Company shall be allowed a deduction of sum equal to one and one-half times of such expenditure.

- As per the newly inserted explanation to Section 37 of the Act, any expenditure incurred by the Company on the activities relating to Corporate Social Responsibility ('CSR') referred to in section 135 of the Companies Act, 2013 shall not be deemed to be an expenditure incurred by the Company for the purpose of the business or profession. However, CSR expenditure which is of the nature described in provisions of section 30 to 36 of the Act shall be allowed as deduction under respective sections, subject to fulfillment of conditions, if any, specified therein.
- As per the provisions of Section 72(1) of the Act, if the net result of the computation of income from business is a loss to the Company, not being a loss sustained in a speculation business, such loss can be set off against any other income and the balance loss, if any, can be carried forward for eight consecutive assessment years immediately succeeding the assessment year for which the loss was first computed and shall be set off against business income.
- As per the provisions of Section 72A of the Act, pursuant to business re-organizations, such as amalgamation, demerger, etc., the successor company shall be allowed to carry forward any accumulated tax losses/ unabsorbed depreciation of the predecessor company subject to fulfillment of prescribed conditions.

b) MAT credit

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ("MAT") paid for any assessment year commencing on or after 1 April 2006. The amount of credit available shall be the difference between MAT paid under section 115JB of the Act and taxes payable on total income computed under other provisions of the Act. MAT credit shall be allowed for set-off for subsequent assessment years to the extent of difference between the tax payable as per the normal provisions of the Act and the taxes payable under Section 115JB of the Act for that assessment year.
- MAT credit is eligible for carry forward and set-off for up to 10 years succeeding the assessment year in which the MAT credit arises.

c) Capital gains

(i) Computation of capital gains

- Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. All capital assets, being security (other than a unit) listed in a recognized stock exchange in India or a unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond, held by an assessee for more than twelve months, immediately preceding the date of transfer, are considered to be long-term capital assets, capital gains arising from the transfer of which are termed as long-term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty-six months, immediately preceding the date of transfer, to be considered as long-term capital assets.
- Short Term Capital Gains ('STCG') means capital gains arising from the transfer of a capital asset, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond, held for twelve months or less, immediately preceding the date of transfer.
- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less, immediately preceding the date of transfer.

- LTCG arising on transfer of a long term capital asset, being an equity share in a company [i.e. for the period of more than twelve months] or units of an equity oriented fund or a unit of a business trust shall be exempt from tax under section 10(38) of the Act provided that the transaction of sale of such equity share or unit is entered into on or after 1 October 2004 and such transaction is chargeable to Securities Transaction Tax ("STT"), subject to conditions specified under that Chapter.
- Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining the book profits in accordance with the provisions of Section 115JB of the Act.
- As per the second proviso to section 10(38) of the Act, the provisions of the said clause shall not apply in respect of any income arising from transfer of units of a business trust which were acquired in consideration of a transfer referred to in Section 47(xvii) of the Act. However, the said proviso has been omitted in the Finance Act, 2015 with effect from 1 April 2016.
- As per provisions of Section 48 of the Act, LTCG arising from the transfer of capital assets, other than bonds or debentures (excluding capital indexed bonds issued by the Government), is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration. Further, expenditure incurred wholly and exclusively for the transfer is also deductible.
- As per the provisions of Section 112 of the Act, capital gains [not covered under section 10(38) of the Act] are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities (other than a unit) or zero coupon bonds exceeds 10% of the LTCG (without indexation benefits), the excess tax shall be ignored for the purpose of computing the tax payable by the Company.
- However, Section 112 has been amended by Finance (No.2) Act of 2014 to allow concessional tax rate of 10% on capital gain only to listed securities (other than units) and zero coupon bond. Further, such long term capital gain would be reduced from the gross total income before computing deductions under chapter VIA and such deductions shall be allowed as if the gross total income so reduced were the gross total income of the assessee.
- As per the provisions of Section 111A of the Act, STCG arising from the transfer of a short term capital asset, being an equity share in a Company or unit of an equity oriented fund as specified under Section 10(38) of the Act or a unit of a business trust, is subject to tax at the rate of 15% provided that the transaction of sale of such equity share or unit is entered into on or after 1 October 2004 and such transaction is chargeable to STT, subject to conditions specified under that Chapter.
- STCG arising from the transfer of short term capital asset, being an equity share in a Company or a unit of an equity oriented fund as specified under Section 10(38) of the Act or a unit of a business trust, is subject to tax at the rate of 30% provided that the transaction is not chargeable to STT.
- As per the second proviso to Section 111A(1) of the Act, the provisions of this section shall not apply in respect of any income arising from the transfer of units of a business trust which were acquired by the Company in consideration of a transfer referred to in Section 47(xvii) of the Act. However, the said proviso has been omitted in the Finance Act, 2015 with effect from 1 April 2016.
- As per the Finance Act, 2015, the tax rates mentioned above stands increased by surcharge, payable at the rate of 7% where the taxable income of a domestic company exceeds Rs.

10,000,000 but does not exceed Rs. 100,000,000. Such surcharge rate would stand increased to 12% where the taxable income of the domestic company exceeds Rs. 100,000,000. Further, education cess and secondary and higher education cess on the tax on total income and surcharge at the rate of 2% and 1% respectively is payable by all categories of taxpayers.

- As per the provisions of Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:
  - where full value of consideration on account of transfer of any asset forming part of block of assets, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
  - where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gains from income-tax:

- Under Section 54EC of the Act, capital gains arising from transfer of long term capital assets [other than those exempt under section 10(38) of the Act] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gains are invested within a period of six months after the date of transfer, in bonds redeemable after three years and issued on or after 1 April 2007, by:
  - National Highway Authority of India ('NHAI') constituted under Section 3 of National Highway Authority of India Act, 1988; and
  - Rural Electrification Corporation Limited ('REC'), a company formed and registered under the Companies Act, 1956.
- Where a part of the capital gain is reinvested, the exemption shall be available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs. 5,000,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempt is taxable as capital gains in the year of transfer/ conversion.
- The characterization of the gain/ losses, arising from sale/ transfer of shares/ units as business income or capital gains would depend on the nature of holding and various other factors.

d) Securities Transaction Tax ('STT')

- As per the provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

e) Dividends

- As per the provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities or units, where such securities or units are bought or acquired within a period of three months prior to the record date and such securities or unit are sold or transferred within three or nine months respectively from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt.
- Further, any amount declared, distributed or paid by the Company by way of dividends on or after 1 April 2003, whether out of current or accumulated profits, shall be charged to additional income tax at the rate of 15% (plus applicable surcharge and education cess). Credit in respect of dividend distribution tax paid by a subsidiary of the Company could be available while determining the dividend distribution tax payable by the Company as per provisions of Section 115-O(1A) of the Act, subject to fulfillment of prescribed conditions.

A company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company.

- In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividends needs to be grossed up by the rate of tax prescribed in section 115-O(1) of the Act. Resultantly, the effective rate of tax will be 20.358% of the amount of dividends declared, distributed or paid by the Company.
- Any income received from distribution made by any mutual fund specified under section 10(23D) of the Act or from the administrator of the specified undertaking or from the units of specified company referred to in Section 10(35) of the Act, is exempt from tax in the hands of the Company under section 10(35) of the Act. However, as per section 94(7) of the Act, losses arising from the sale/ redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent of the amount of income claimed exempt.
- As per the provisions of Section 115BBD of the Act, dividend received by an Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess). It is amended by the Finance (No.2) Act, 2014 that the benefits of this provision will not have any sunset clause i.e. will not be restricted to any particular assessment year as against the earlier provisions which extend the benefits only till 31 March 2014.

f) Other Provisions

- As per the provisions of Section 80G of the Act, the Company is entitled to claim deduction either for whole of the sum paid as donation to specified funds or institutions or fifty percent of the sum paid, subject to limits and conditions as provided in Section 80G(5) of the Act.

Additionally, as per the Finance Act, 2015, a Company is entitled to claim 100% deduction on contribution made towards:

- Swachh Baharat Kosh or Clean Ganga Fund (wherein the company making donation to Clean Ganga Fund is a resident) which are set up by the Central Government and such sum is other than the sum spent in pursuance of CSR under Section 135(5) of the Companies Act, 2013; and
- National Fund for Control of Drug Abuse constituted under Section 7A of the Narcotic Drugs and Psychotropic Substances Act, 1985.

## **B. Benefits to the shareholders of the Company under the Act**

### a) Dividends exempt under section 10(34) of the Act

- As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the members/ shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% (plus applicable surcharge and education cess) on the amount distributed as dividend. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities or units, where such securities or units are bought or acquired within a period of three months prior to the record date and such securities or units are sold or transferred within three or nine months respectively from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt.
- In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividend needs to be grossed up by the rate of tax prescribed in section 115-O(1) of the Act. Resultantly, the effective rate of tax will be 20.358% of the amount of dividends declared, distributed or paid by the Company.

### b) Capital gains

#### (i) Computation of capital gains

- Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. All capital assets, being a security (other than a unit) listed in a recognized stock exchange in India or a unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for more than twelve months, immediately preceding the date of transfer, are considered to be long-term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty-six months, immediately preceding the date of transfer, to be considered as long-term capital assets.
- STCG means capital gains arising from the transfer of capital assets being a security (other than a unit) listed in a recognized stock exchange in India or a unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held for twelve months or less, immediately preceding the date of transfer.
- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less, immediately preceding the date of transfer.
- LTCG arising on transfer of a long term capital asset, being an equity share in a company [i.e. for the period of more than twelve months] or units of an equity oriented fund or a unit of a business trust shall be exempt from tax under section 10(38) of the Act provided that the transaction of sale of such equity share or unit is entered into on or after 1 October 2004 and such transaction is chargeable to STT, subject to conditions specified under that Chapter.



- As per provisions of Section 48 of the Act, LTCG arising from the transfer of capital assets, other than bonds or debentures (excluding capital indexed bonds issued by the Government), is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration. Further, expenditure incurred wholly and exclusively for the transfer is also deductible.
- In respect of a non-resident shareholder, as per the first proviso to section 48 of the Act, the capital gains arising from the transfer of a capital asset being shares or debentures in an Indian company, shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains so computed shall be reconverted into Indian currency.
- Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders.
- As per the provisions of Section 112 of the Act, LTCG not exempt under section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceeds 10% of the LTCG (without indexation benefits), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

Further, in respect of a non-resident shareholder, the amount of capital gains arising from transfer of unlisted securities shall be taxable at the rate of 10% without giving effect to first and second proviso to section 48 of the Act.

- As per the provisions of Section 111A of the Act, STCG arising from the transfer of a short term capital asset, being an equity share in a Company or unit of an equity oriented fund as specified under Section 10(38) of the Act or a unit of a business trust, is subject to tax at the rate of 15% provided that the transaction of sale of such equity share or unit is entered into on or after 1 October 2004 and such transaction is chargeable to STT, subject to conditions specified under that Chapter. No deduction under Chapter VIA is allowed from such income.
- STCG arising from the transfer of short term capital asset, being an equity share in a Company or a unit of an equity oriented fund as specified under Section 10(38) of the Act or a unit of a business trust, is subject to tax at the rate as applicable (plus applicable surcharge and cess) provided that the transaction is not chargeable to STT.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gain from income-tax:

- When the company is liable to pay tax on book profits under section 115JB of the Act, the income exempt in terms of section 10(38) of the Act will form part of book profits while computing the book profit under section 115JB of the Act.
- Section 54EC of the Act, capital gains arising from transfer of long term capital assets are exempt from capital gains tax if such capital gain are invested within a period of six months after the date of transfer, in specified bonds issued by NHAI and REC, subject to conditions specified therein.
- Where a part of the capital gain is reinvested, the exemption shall be available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs. 5,000,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempt shall be taxable as capital gains in the year of transfer/ conversion.
- The characterization of the gain/ losses, arising from sale/ transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').
- As per the provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before or two years after the date of transfer, for purchase of a new residential house, or for construction of a residential house property, in India, within three years from the date of transfer, subject to conditions and to the extent specified therein.
- As per provisions of Section 56(2)(vii)/ 56(2)(viiia) of the Act and subject to exception provided therein, where an individual or HUF, a firm or company (not being company in which public are substantially interested) receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section is not applicable for exceptions provided in respective proviso therein.
- As per the provisions of Section 115QA of the Act, the Company will be liable to tax on the distributed income at the rate of 20% (plus applicable surcharge and education cess). The term distributed income has been defined to mean, the difference between the consideration paid by the Company on buy back of shares as reduced by the amount which was received by the Company for issue of such shares.

#### c) Tax treaty benefits

- As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial.

#### d) Non-resident Indian taxation

- Special provisions in case of Non-Resident Indian ('NRI') in respect of income/ LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:
  - NRI means an individual being a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
  - Under the provisions of section 115E of the Act, any capital gains arising to a NRI on transfer of shares held in an Indian Company for a period exceeding 12 months shall [in cases not covered under section 10(38) of the Act] be taxed at a concessional flat rate of 10% (plus applicable surcharge, educational cess and secondary & higher education cess on Income-tax) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to section 48 of the Act, subject to satisfaction of certain conditions. Further, income from investment [other than dividend exempt under section 10(34) of the Act] and income from long term capital gains [other than gain exempt under section 10(38) of the Act] from assets (other than specified foreign assets) is taxable at the rate of 20% (plus applicable surcharge, educational cess and secondary & higher education cess on Income-tax). No deduction is allowed from such income in respect of any expenditure or allowance or deduction under Chapter VIA of the Act.
  - As per the provisions of Section 115F of the Act, LTCG [not covered under Section 10(38) of the Act] arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is reinvested in specified assets or in savings certificate referred to in Section 10(4B) of the Act within six months of the date of transfer, subject to the extent and conditions specified in that section.
  - If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently; if the specified assets or saving certificates referred in Section 10(48) of the Act are transferred or converted into money within three years from the date of their acquisition.
  - Under the provisions of section 115G of the Act, it shall not be necessary for a NRI to furnish his return of income if his only source of income is investment income or long term capital gains or both and tax deductible at source under provisions of Chapter XVII-B has been deducted from such income.
  - Under the provisions of section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
  - Under the provisions of section 115-I of the Act, a NRI may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under Section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and the tax liability arising thereon.

### **C. Benefits available to Foreign Institutional Investors ("FIIs") under the Act**

- a) Dividends exempt under section 10(34) of the Act

- As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the shareholder from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% (plus applicable surcharge and education cess) on the amount distributed as dividend. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities or units, where such securities or units are bought or acquired within a period of three months prior to the record date and such securities or units are sold or transferred within three or nine months respectively from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt.
- In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividends needs to be grossed up by the rate of tax prescribed in section 115-O(1) of the Act. Resultantly, the effective rate of tax will be 20.358% of the amount of dividends declared, distributed or paid by the Company.

b) LTCG exempt under section 10(38) of the Act

- LTCG arising to shareholder on transfer of long term capital asset being equity shares of the company [i.e. capital asset held for the period of more than twelve (12) months] or units of an equity oriented fund or a unit of a business trust will be exempt from tax under section 10(38) of the Act provided that the transaction is entered in on or after 1 October 2004 and STT has been paid on such transfer.
- It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn exempt income is not allowed as deduction while determining taxable income.

c) Capital gains

- As per the provisions of Section 111A of the Act, STCG arising on sale of short term capital asset, being equity shares in a company or units of equity oriented mutual fund or a unit of a business trust, shall be chargeable to tax at the rate of 15% provided the transaction is chargeable to STT. Further, short term capital gain would be reduced from the gross total income before computing deductions under chapter VIA and such deductions shall be allowed as if the gross total income so reduced were the gross total income of the taxpayer.
- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115O of the Act) received in respect of securities (other than units referred to in Section 115AB of the Act) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). However, any income by way of interest referred to in section 194LD of the Act shall be taxed at the rate of 5%.
- In case there is any income by way of short-term capital gain (except that referred to in section 111A of the Act), the whole of such amount should be included in the total income and taxed at the rate of 30%. Capital gain arising on transfer of long term capital assets, being shares in a company [not covered under Section 10(38) of the Act], are taxed at the rate of 10% (plus applicable surcharge, if any and education cess). Such capital gains would be computed without giving effect to the first and second proviso to Section 48 of the Act. No deduction under chapter VIA should be allowed in respect of the incomes referred above, while calculating Total Income from the Gross total income.
- The benefits of exemption under section 54EC of the Act mentioned above in case of the Company is also available to FIIs.
- As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from

such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

d) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of DTAA between India and the country in which shareholder has fiscal domicile to the extent they are more beneficial to the non-resident.

e) Computation of book profit under Section 115JB

- The Finance Act, 2015 excludes capital gains and corresponding expenditure relating to income from capital gains arising on transaction in securities (other than short term capital gains arising on transactions on which STT is not chargeable), accruing or arising to a foreign company which has invested in such securities provided that income tax is payable on such capital gains at a rate less than the rate stated in Section 115JB (1) of the Act.

**D. Benefits available to Venture Capital Companies/ Funds under the Act:**

In terms of section 10(23FB) of the Act, all venture capital companies/ fund registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on any income from investment in a venture capital undertaking. Further, the Finance Act, 2015 has inserted a proviso providing that nothing contained in this clause shall apply in respect of any income of a venture capital fund or venture capital company, being an "investment fund" of the previous year relevant to the assessment year beginning on or after 1<sup>st</sup> April 2016.

"Investment fund" has been defined under in clause (a) of Explanation 1 to Section 115UB of the Act to mean any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992.

**E. Benefits available to Investment Fund under the Act:**

The Finance Act, 2015 has inserted Chapter XII-FB in the Act which provides for special taxation regime for Category I and Category II Alternative Investment Funds referred to as "investment fund" as per clause (a) of Explanation 1 to Section 115UB of the Act. Further, the said Act has also inserted Section 10(23FBA) in terms of which income of any investment fund other than income chargeable under the head "Profits and gains of business or profession" shall be exempt from income tax.

**F. Benefits available to Mutual Funds under the Act:**

In terms of Section 10(23D) of the Act, all Mutual funds set up by public sector banks or public sector financial institutions or Mutual Funds registered under the Securities and Exchange Board of India Act/ Regulations there under or Mutual Funds authorized by the Reserve Bank of India, subject to the conditions specified, are eligible for exemption from income taxes on all their income, including income from investment in the shares of the company.

The Finance Act, 2015 has inserted clause (xviii) to Section 47 of the Act according to which any transfer by a unit holder of a capital asset, being a unit or units, held by him in the consolidating scheme of a mutual fund, made in consideration of the allotment to him of a capital asset, being unit or units, in the consolidated scheme of the mutual fund shall not be considered as transfer for the purpose of Section 2(47) of the Act.

**UNDER THE WEALTH TAX ACT, 1957**

Wealth tax is applicable if the net wealth (as defined) of a company or an individual or HUF exceeds Rs. 30 Lakhs as on the valuation date (*i.e.* 31 March of the relevant financial year). Wealth tax shall be charged in respect of the net wealth of every company or an individual or HUF at the rate of 1% of the amount by which net wealth exceeds Rs. 30 lakhs.

Shares of the company held by the shareholders will not be treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, Wealth Tax will not be applicable thereon.

However, the Finance Act, 2015 has abolished the levy of wealth tax under the Wealth Tax Act, 1957 with effect from 1 April 2016 and this will no longer be applicable.

#### **UNDER THE GIFT TAX ACT, 1958**

Gift made after 1 October 1998 is not liable for any gift tax, and hence, gift of shares of the company would not be liable for any gift tax.

#### **Notes:**

- i. All the above benefits are as per the Current Tax Laws and any change or amendment in the laws/regulation, which when implemented would impact the same.
- ii. The possible tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.

## SECTION V: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section is derived from a report dated April 2, 2015 that we commissioned the Center for Asia Pacific Aviation India Private Limited (“CAPA”), to prepare and a report dated December 24, 2014 that we commissioned The S-A-P Group (“SAP”), to prepare, as well as from various governmental agencies, market research reports and other publicly available sources, including various operating statistics for the Indian civil aviation industry published by the Directorate General of Civil Aviation, Government of India (the “DGCA”), and the Airports Authority of India (“AAI”); the International Monetary Fund’s “World Economic Outlook”, April 2015; data published in this Draft Red Herring Prospectus which is reused by permission of the Economic Intelligence Unit (the “EIU”), in respect of projected Real Gross Domestic Product (“Real GDP”), growth for select regions and countries, household income data and foreign tourist arrivals forecasts; historic and projected Indian population data from the National Commission on Population, Ministry of Health and Family Welfare of India; information on certain rail travel and air fares as on February 19, 2015 obtained from the travel website [www.cleartrip.com](http://www.cleartrip.com) (“Cleartrip”); and Airbus’ Global Market Forecast 2014-2033 (the “Airbus Report”). Neither we nor any other person connected with the Issue has verified this information. Prospective investors are advised not to unduly rely on the information in this section when making their investment decisions.*

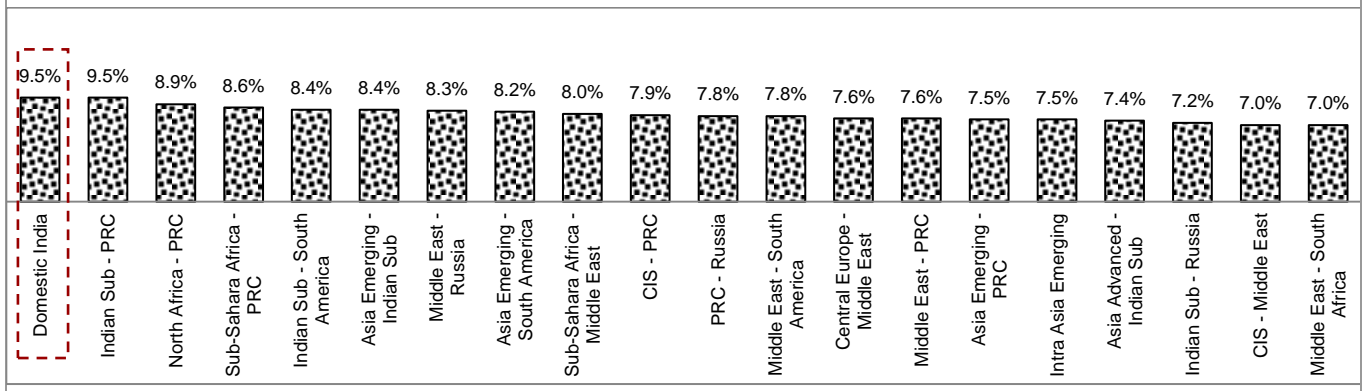
*We commissioned the report from CAPA (the “CAPA Report”), and the report from SAP (the “SAP Report”), for the purpose of confirming our understanding of the industry in connection with the Issue. Neither we nor any other person connected with the Issue has verified the information in the CAPA or SAP Reports. CAPA has advised that: The report is prepared for general information only, and although high standards have been used in its preparation, CAPA is not responsible for any loss or damage arising from use of the CAPA Report. SAP has advised that: The report is prepared for general information only, and although high standards have been used in its preparation, SAP is not responsible for any loss or damage arising from use of the SAP Report. Prospective investors are advised not to unduly rely on these reports when making their investment decision. The CAPA and SAP Reports contain publicly reported information from various carriers which may not be determined on the same basis and may not be comparable. The information in the CAPA and SAP Reports should not be viewed as a basis for investment and references to CAPA, SAP, the CAPA Report, and the SAP Report should not be considered CAPA’s or SAP’s opinion as to the value of any security or the advisability of investing in us.*

*In this section, a reference to “CY” means Calendar Year and a reference to “FY” means Fiscal Year. The Calendar Year ends on December 31 of each year, and the Fiscal Year for the Company and the other Indian carriers referred to in this section ends on March 31 of each year.*

#### **Overview of the Indian Air Travel Market**

India is one of the world’s largest and fastest-growing air travel markets, according to the CAPA Report. Historically, the Indian air travel market was comprised of individuals in relatively high income brackets as well as corporate travellers. Additionally, many members of the Indian middle class did not have a viable option to meet their long distance travel requirements as surface transportation infrastructure was relatively poor and air travel was relatively expensive, according to the CAPA Report. Starting in 2003, the Indian government introduced several measures to further liberalize the air travel market, including a reduction in fuel excise taxes, elimination of the 15% Inland Travel Tax and the awarding of new airline licenses to private operators. Since 2003, a number of LCCs have entered the Indian air travel market and stimulated prices through their low-cost business models. By using price stimulation as a core business strategy, LCCs were able to cater to India’s middle class segment, according to the CAPA Report. In the decade that followed, Indian air travel entered a period of considerable growth. By CY2014, India’s air travel market had become the sixth largest in the world as measured by total domestic seats (97.3 million) and ninth largest in the world by total domestic and international seats (155.9 million), according to the CAPA Report. Going forward, domestic India is forecast to be the world’s fastest growing airline origin-and-destination market, based on revenue passenger kilometers (“RPKs”), growing at an average annual rate of 9.5% between 2013 and 2033, according to the Airbus Report.

**Top 20 Airline Origin-and-Destination Routes in the World (Ranked by RPK CAGR 2013-2033)**

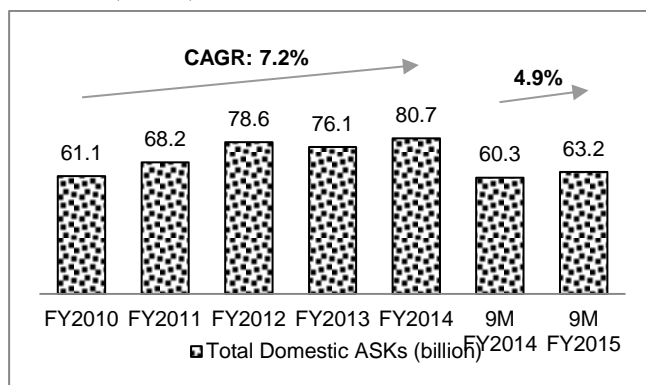


Source: Airbus 2014 Global Market Forecast (Flying on Demand 2014 – 2033)

### Indian Air Travel Market Growth and Growth Drivers

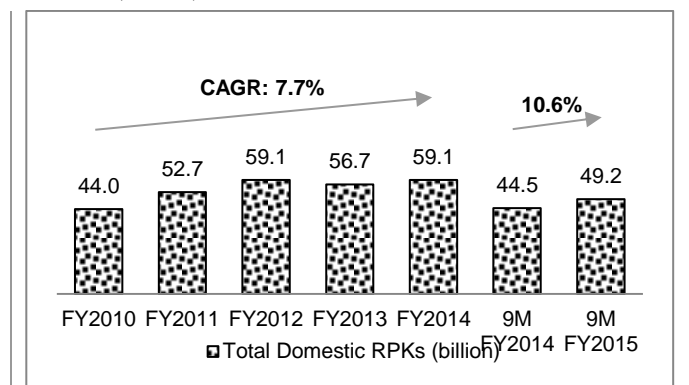
The Indian air travel market experienced rapid growth beginning in 2003 following liberalizing actions by the Indian Government, which is reflected in the growth of domestic passenger volume at a CAGR of 19.4% between FY2004 and FY2010, according to DGCA data. Following the global financial crisis, between FY2010 and FY2014, domestic passenger volume grew at a CAGR of 7.6%, according to DGCA data. Over the same period, domestic carrier capacity, as measured in available seat kilometers, or ASKs, grew at a CAGR of 7.2%, while domestic passenger traffic, as measured by RPKs, grew at a higher CAGR of 7.7%. This growth was attributable to increased tourism and business-related travel, as well as the stimulation of new traffic demand through low fares offered by LCCs, according to the CAPA Report.

**Available Seat Kilometers of Domestic Scheduled Services (billion)**



Source: DGCA

**Revenue Passenger Kilometers of Domestic Scheduled Services (billion)**

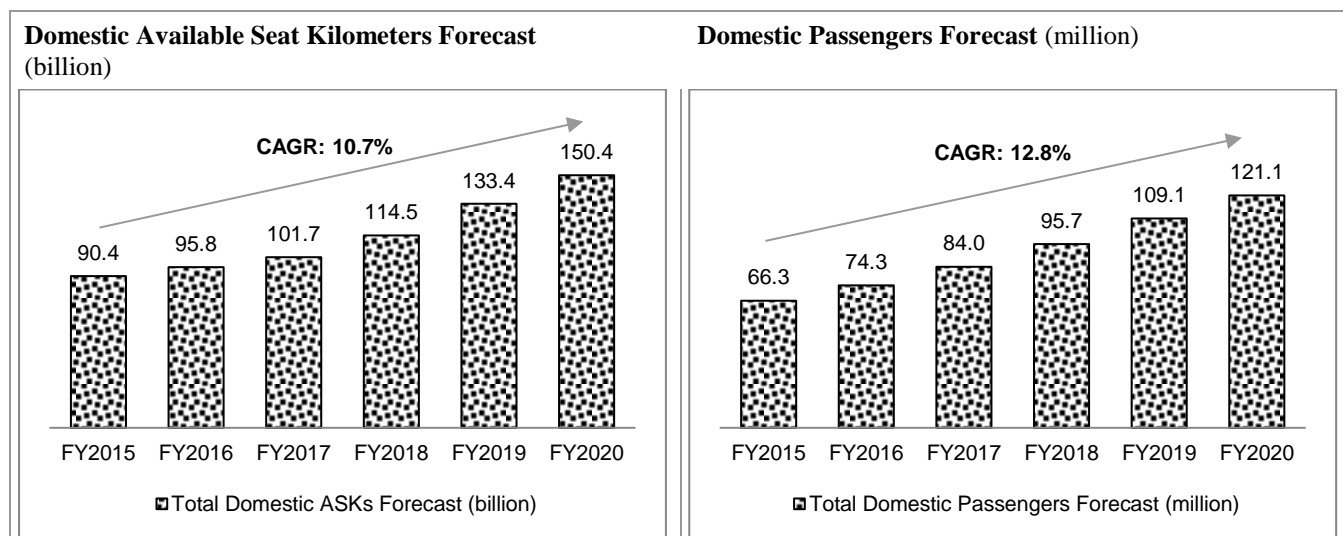


Source: DGCA

Note: The above 9M FY2015 ASK and RPK data do not include AirAsia India since they were not reported by the DGCA.



Going forward, the Indian air travel market is expected to enter a period of accelerated growth. Between FY2015 and FY2020, domestic ASKs are forecast to grow at a CAGR of 10.7%, while domestic passenger volume is forecast to grow at a CAGR of 12.8%, according to the CAPA Report.



Source: CAPA

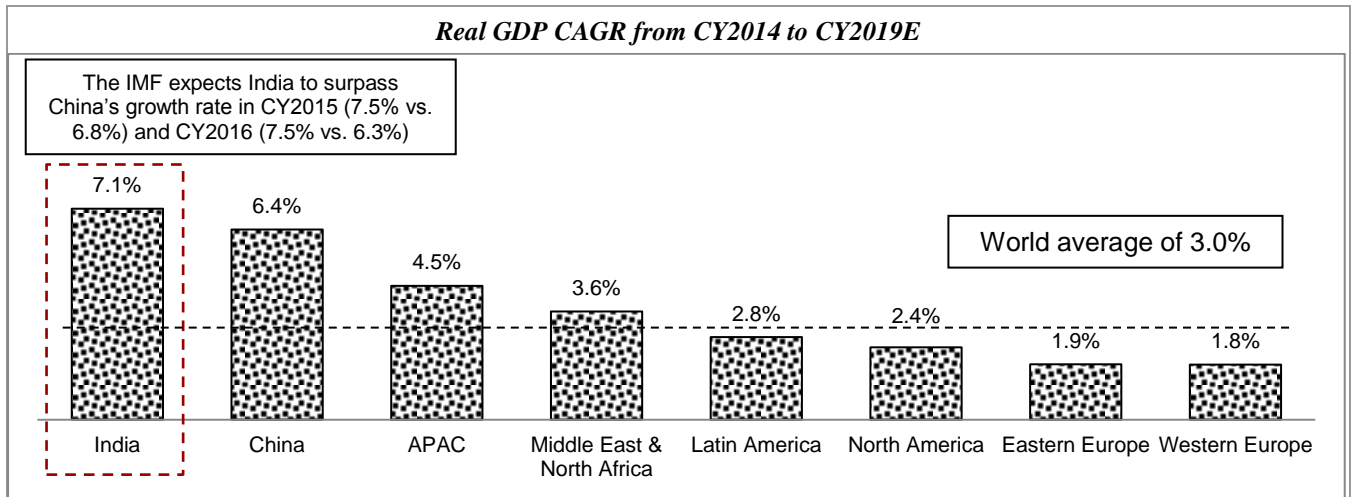
Source: CAPA

This period of accelerated growth is expected to be driven by numerous factors, according to the CAPA Report, including:

- strong economic growth;
- continued population growth;
- expansion of the middle class;
- strong growth in tourism;
- rail travel substitution;
- increasing aircraft penetration from currently low penetration levels;
- expansion in aviation infrastructure; and
- an increasingly favorable regulatory environment.

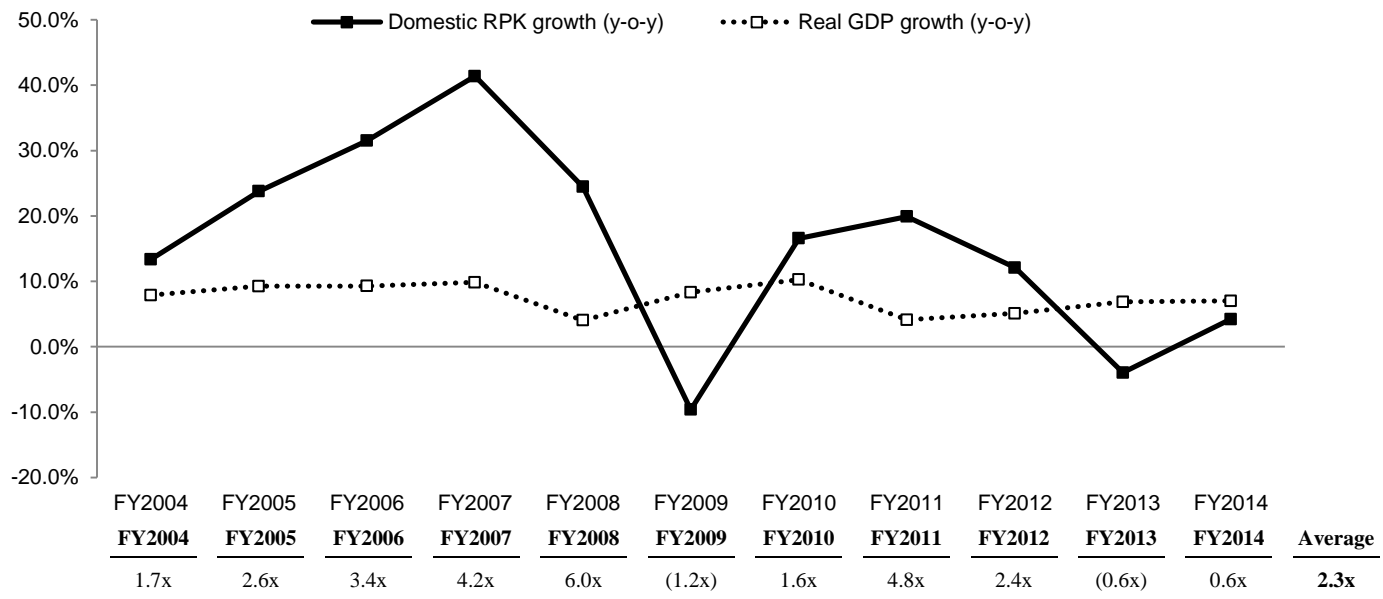
### **Strong Economic Growth**

India is expected to be one of the fastest growing major economies in the world over the next four years, with Real GDP expected to grow at a CAGR of 7.1% between CY2014 and CY2019, according to the EIU. This rate of Real GDP growth exceeds that of China, APAC, and the world over the same period, which are forecast to grow at a CAGR of 6.4%, 4.5%, and 3.0%, respectively. The IMF expects India to surpass China's Real GDP growth rate in CY2015 and CY2016, with respective growth rates of 7.5% compared to 6.8% and 7.5% compared to 6.3%.



*Source:* Figures for 2014 are estimates by the EIU. Figures for 2015 to 2019 are forecast by the EIU, as of latest available in March and April 2015. IMF, World Economic Outlook, April 2015.  
 Note: APAC includes China.

The following chart compares the relationship between Real GDP growth and domestic RPK growth in India from FY2004 to FY2014. RPK growth was an average of 2.3x Real GDP growth during this period. In FY2009, RPK growth was negative, among other reasons, due to an increase in oil prices, which resulted in higher fares, according to the CAPA Report. In FY2013, domestic RPK growth was negative, among other reasons, due to the ceasing of Kingfisher's operations, which resulted in a temporary decline in passenger traffic, according to the CAPA Report.



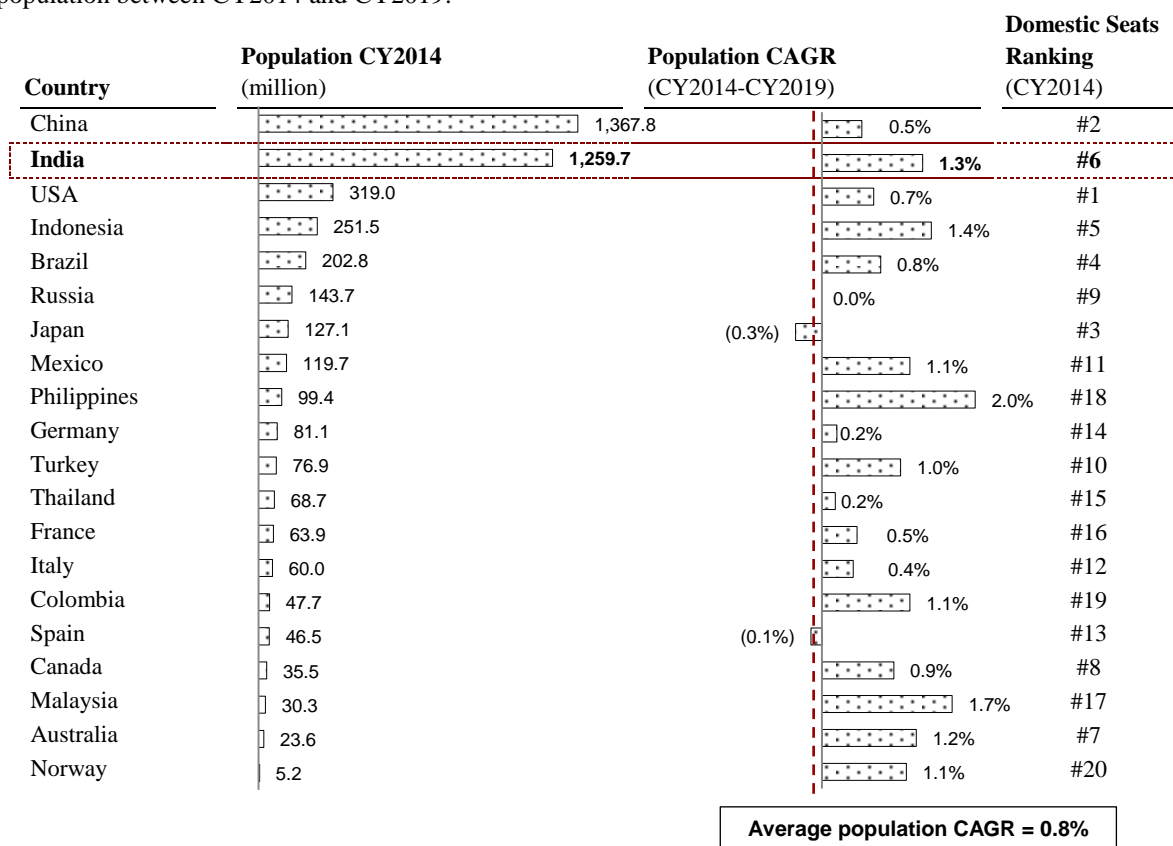
*Source:* DGCA for Domestic RPK growth. Figures for Real GDP growth from 2004 through 2013 are actual from the EIU, Figure for 2014 Real GDP growth is estimated by the EIU as of latest available in April 2015.  
 Note: Table at the bottom of the chart indicates the RPK multiplier: Domestic RPK y-o-y growth % divided by Real GDP y-o-y growth %. Domestic RPK is the kilometers traveled by Indian carriers on scheduled domestic services.

### Continued Population Growth

India is the second most populous country in the world with 1.26 billion people through CY2014, according to the IMF. The IMF projects that India's population will grow at a CAGR of 1.3% to reach 1.34 billion by the end of CY2019. The expected growth in India's population between CY2014 and CY2019 is higher than the average growth in population of the top 20 domestic air travel markets in the world. The increase in the Indian population is expected to be a continued driver of growth in the Indian air travel market, according to the CAPA

Report.

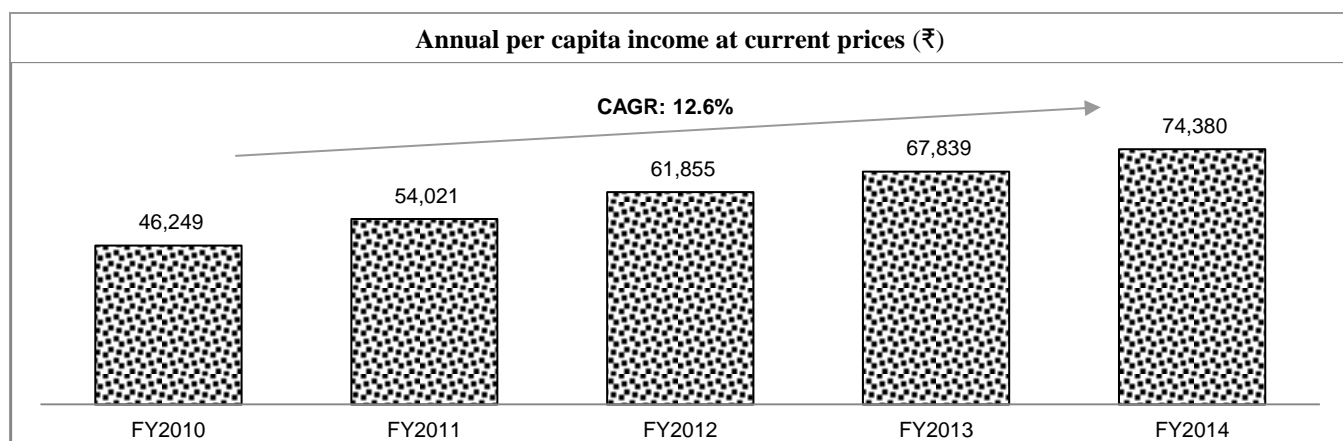
The table below compares, for the top 20 domestic air travel markets in the world as measured by annual domestic seats capacity as of CY2014, the total population as of CY2014 and forecast annual growth in population between CY2014 and CY2019.



Source: Population data for all countries, actual and estimates, are from the IMF, World Economic Outlook, April 2015. CY2014 population data is actual for all countries except India, Indonesia, Russia, Germany, Turkey, Colombia, Canada and Australia, for which data has been estimated by the IMF. CY2015 to CY2019 population data for all countries are estimates by the IMF. Domestic seats ranking is from CAPA.

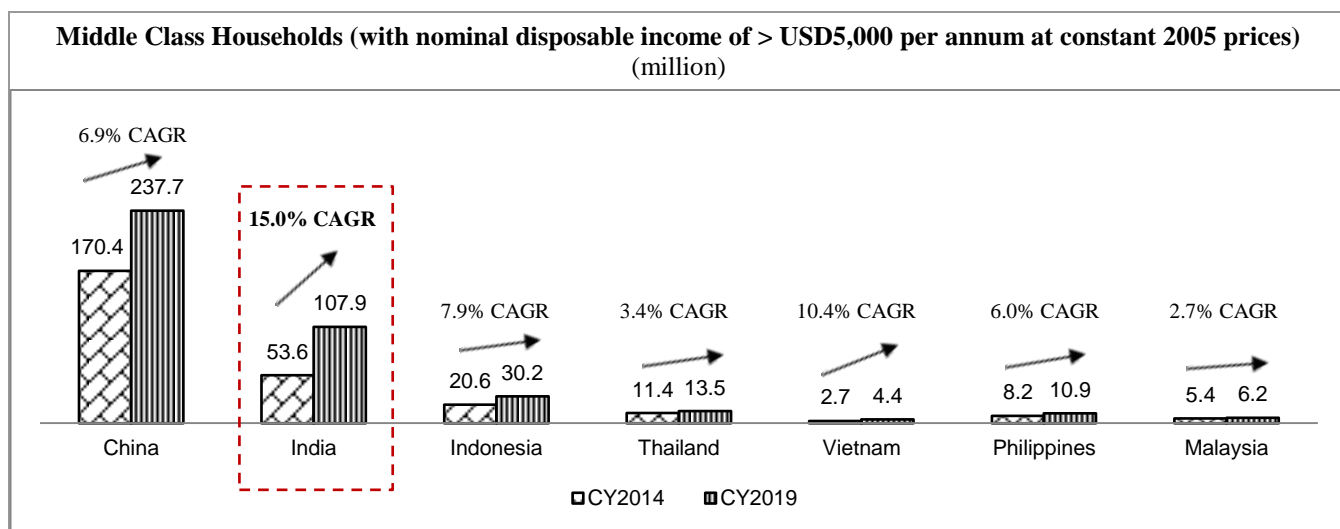
### Expansion of the Middle Class

Consistent with the trend of overall economic expansion in approximately the last decade, India's annual per capita income has grown at a CAGR of 12.6%, from ₹ 46,249 in FY2010 to ₹ 74,380 in FY2014, according to data from the Ministry of Statistics and Programme Implementation.



Source: Ministry of Statistics and Programme Implementation, India (as pulled from the Ministry of Statistics and Programme Implementation website as of April 2015)

India's growth in per capita income and overall population has caused the rapid expansion in the size of India's middle class, defined as households with a disposable income of more than USD 5,000 per year (more than ₹ 0.3 mm per year), according to the CAPA Report. The number of Indian middle class households is expected to increase from 53.6 million in CY2014 and reach 107.9 million households by CY2019, according to the EIU, implying a CAGR of 15.0%. In addition, Mumbai and New Delhi are expected to become the 25<sup>th</sup> and 30<sup>th</sup> largest cities by household disposable income globally by CY2030, according to the Oxford Economics Global Cities 2030. The following table sets forth historical and forecast information with respect to the number of middle class households in selected Asian developing economies for the years CY2014 and CY2019, as reported by the EIU.

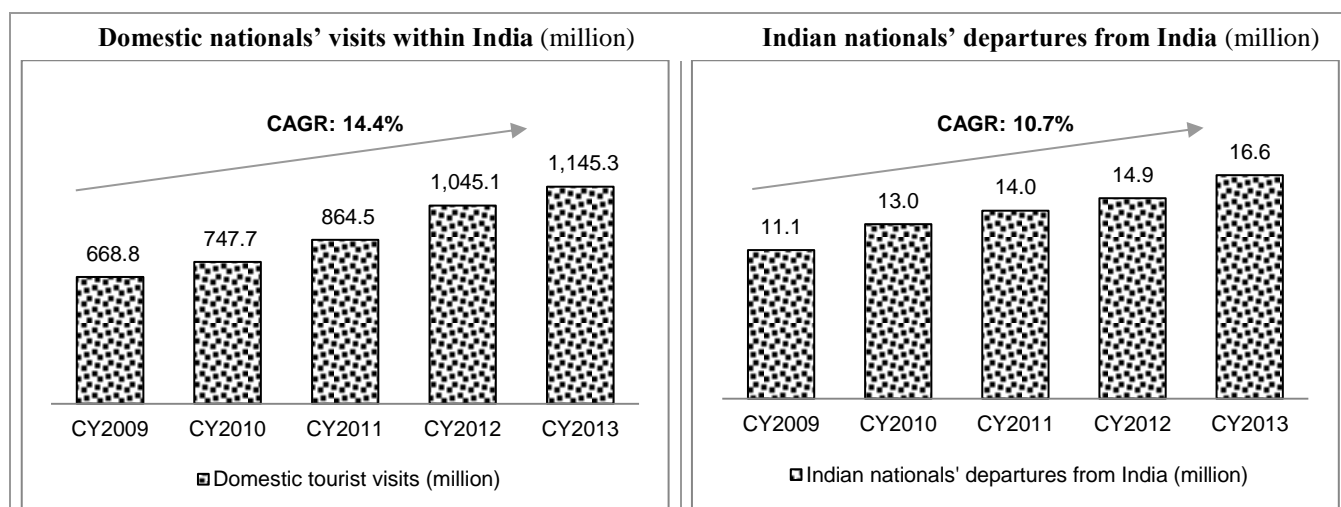


Source: Figures for CY2014 are estimates by the EIU. Figures for CY2019 are forecast by the EIU, as of latest available in January and February 2015.

### Strong Growth in Tourism

The tourism industry in India is fast-growing and an increasingly significant contributor to India's economy, according to the CAPA Report. The total contribution of travel and tourism to India's GDP was ₹ 6,631.6 billion in CY2013 (6.2% of GDP) and is forecast to rise by 7% per annum to ₹ 13,983.0 billion (6.8% of GDP) by CY2024, according to the World Travel and Tourism Council.

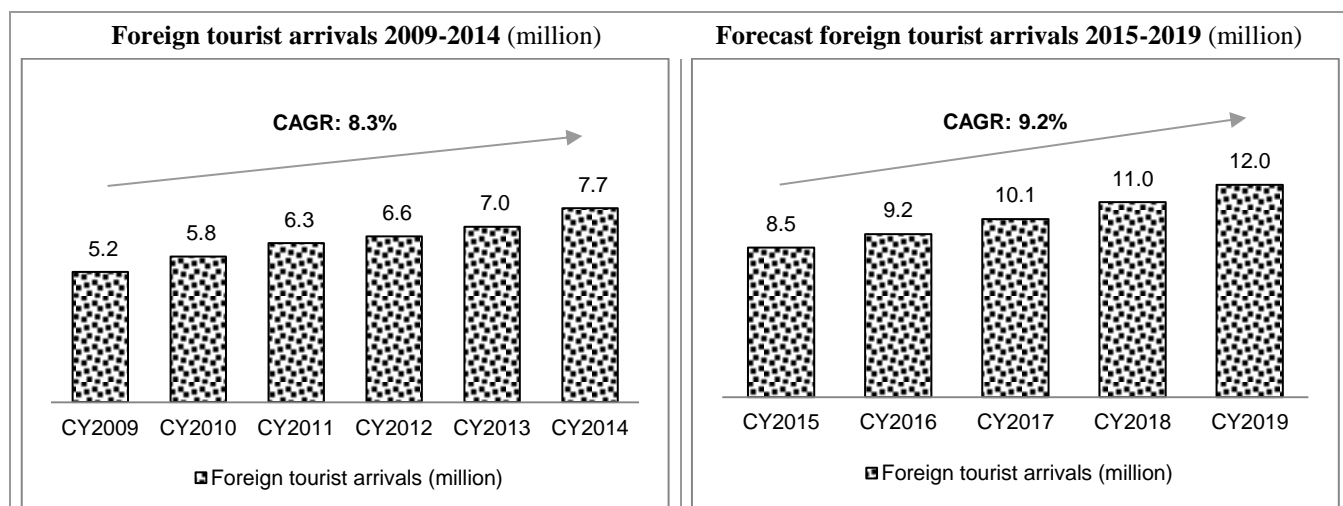
According to the Ministry of Tourism of India, the number of domestic tourist visits to India in CY2013 by all modes of transportation was 1,145.3 million and had grown at a CAGR of 14.4% from CY2009 to CY2013. During the same period, the number of Indian national departures increased at a CAGR of 10.7% to reach 16.6 million in CY2013.



Source: India Tourism Statistics, Ministry of Tourism

Source: India Tourism Statistics, Ministry of Tourism

Inbound international tourism has also shown robust growth and has the potential to grow significantly, according to the CAPA Report. According to the Ministry of Tourism of India, India witnessed 7.7 million foreign tourist arrivals in CY2014, which had grown at a CAGR of 8.3% during the period from CY2009 to CY2014. According to the EIU, the number of foreign tourist arrivals is expected to increase at a CAGR of 9.2% during the period from CY2015 to CY2019 to reach 12.0 million in CY2019. This is due to government initiatives to promote India as a tourist destination, such as successful implementation of the e-Tourist Visa program for passport holders of 43 countries, as well as the government’s plan to make electronic visas available to visitors from over 76 countries by June 2015 and eventually to visitors from over 150 countries.



Source: India Tourism Statistics, Ministry of Tourism

Source: EIU, as of latest available in February 2015

### Rail Travel Substitution

India has a very large rail travel market in terms of passengers carried, and India’s domestic air travel market of 61 million passengers carried in FY2014 represents a very small percentage of the total rail passengers carried, according to the CAPA Report. While the size of the rail travel market is not indicative of the potential addressable market for air travel, and while only a portion of rail travel can reasonably be expected to be substituted by air travel in the near future, the substitution of rail travel by air travel presents a significant growth opportunity, according to the CAPA Report.

Rising income levels are expected to cause the Indian middle class to increasingly prefer air travel to rail and road travel because of its convenience, shorter duration and competitive pricing, according to the CAPA Report. The chart below compares the duration of traveling one-way between New Delhi and Mumbai for rail with that of air travel by LCCs, on June 24, 2015.

### Comparison of duration of rail service versus LCC air service (one-way trip from New Delhi to Mumbai) on June 24, 2015

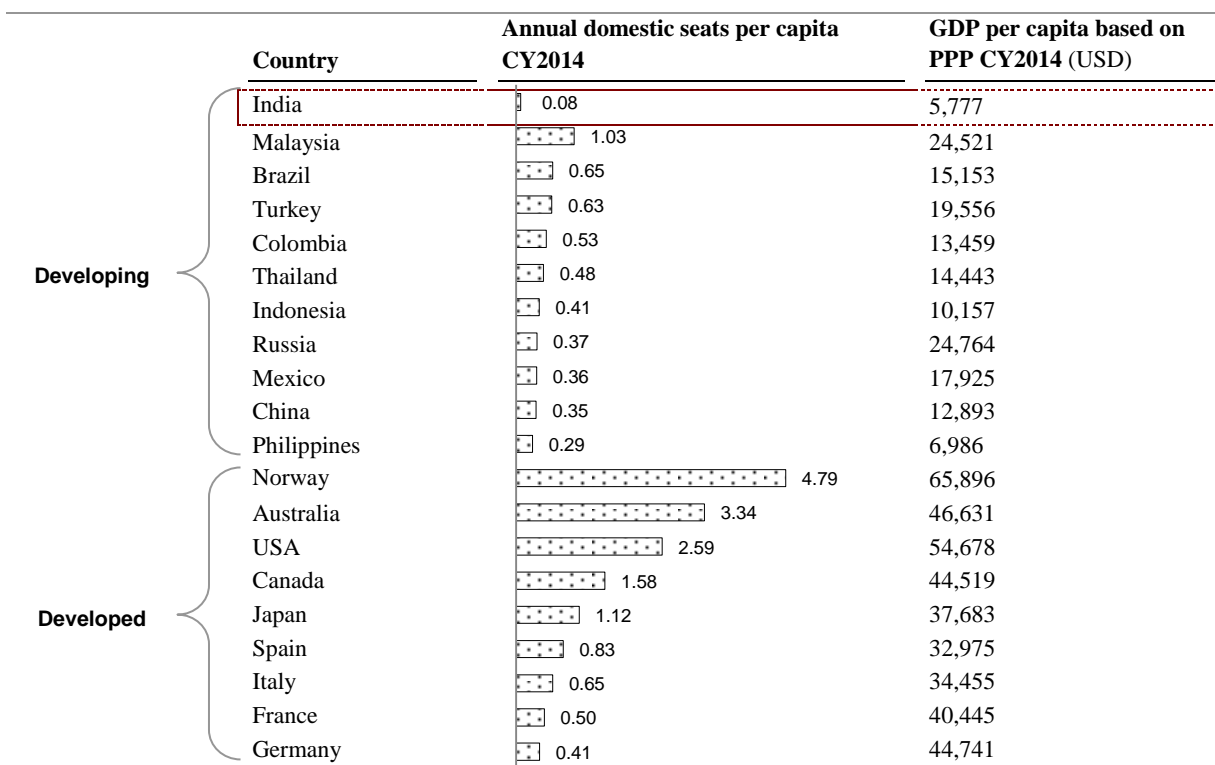
	Travel Duration
Average train	21h 55m
Fastest rail service	16h 10m
Average LCC	02h 07m

Source: Rail data from Cleartrip’s website and air data from respective carriers’ website for June 24, 2015 service as displayed on April 24, 2015

### Low Aircraft Penetration Rates

Despite its overall economic growth and the growth of its air travel market since the beginning of the market’s liberalization in 2003, India still has one of the lowest air travel penetration rates in the world, as defined by annual domestic carrier seats per capita, according to the CAPA Report. India’s penetration of 0.08 annual domestic seats per capita is low relative to other developing markets such as Brazil, Turkey, Indonesia and China, where penetration rates are between 0.35 and 0.65 annual seats per capita, according to the CAPA Report. Countries with higher GDP per capita have a higher number of domestic carrier seats per capita

compared to countries with lower GDP per capita, according to the CAPA Report. Economic wealth of a nation and air travel are closely correlated: penetration of air travel demand is greater in developed countries than in developing countries, and air travel is expected to improve with the rise of a country's wealth as measured by GDP per capita, according to the CAPA Report. The chart below shows the number of annual domestic seats per capita in India relative to the other top 20 domestic air travel markets in the world, which includes both developed and developing countries. According to the CAPA Report, the substantial gap between aircraft penetration rates in India and larger aviation markets suggests significant opportunity for growth.

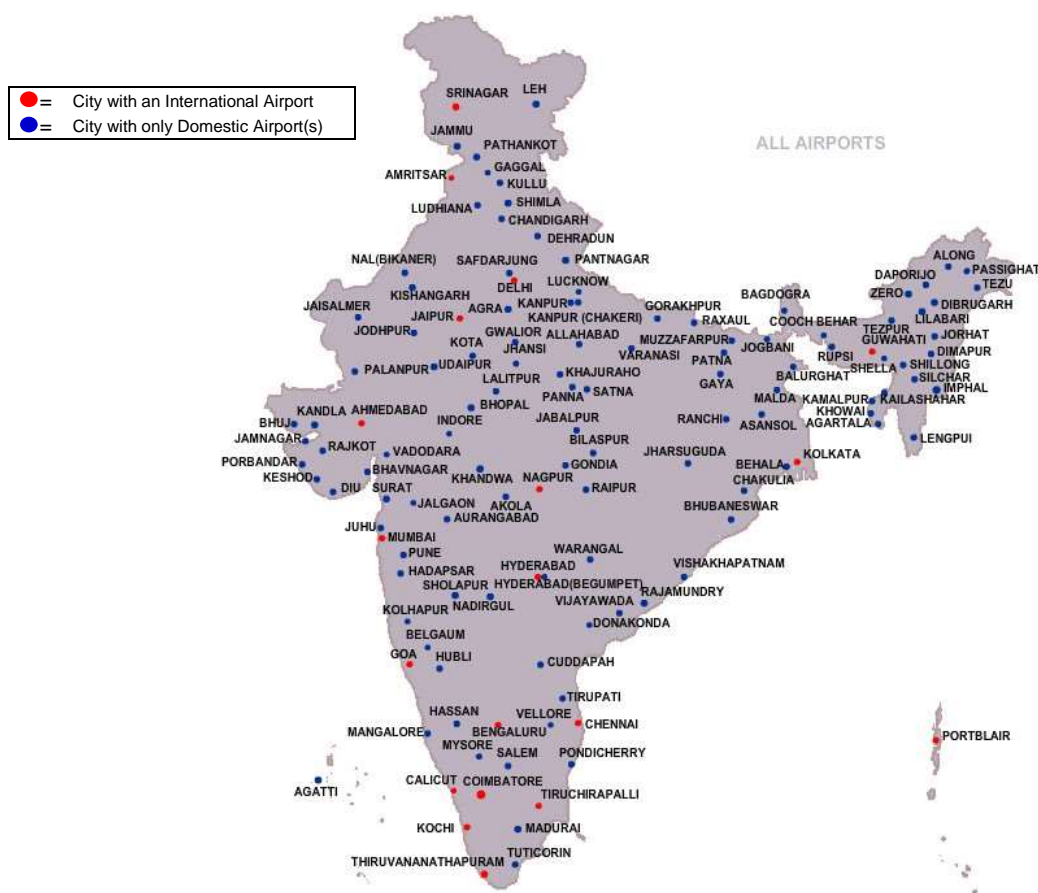


Source: CAPA

**Expansion in Aviation Infrastructure**

India continues to invest in aviation infrastructure to enable growth in air transport and India's aviation infrastructure is improving, according to the CAPA Report. Public-private partnerships, have yielded state-of-the-art greenfield airports in Hyderabad and Bengaluru, as well as new airport infrastructure investments in New Delhi and Mumbai, both of which have ranked among the top five airports (25 to 40 million passengers category) globally for airport service quality, according to Airports Council International. There are two ongoing greenfield airport public-private partnership tenders for the construction of new airports in Mumbai and Goa, according to the City and Industrial Development Corporation of Maharashtra Limited and the Government of Goa, respectively, and four ongoing brownfield airport public-private partnership tenders in Chennai, Kolkata, Ahmedabad and Jaipur, according to AAI.

As of January 2015, India had a combined total of over 130 airports according to AAI.



Source: Airports Authority of India  
Map not to scale

### ***Increasingly Favorable Regulatory Environment***

Upon implementation, the Government of India’s Draft Civil Aviation Policy is expected to result in a more favorable regulatory environment for the Indian aviation industry. Please see the chapter “*Key Industry Regulations and Policies in India*” beginning on page 189.

### **Benchmarking of IndiGo Against Major Indian Carriers and Global LCCs**

*The narratives and charts below present financial and operating performance statistics for major carriers in India and selected publicly-listed LCCs operating outside of India, according to the CAPA and SAP Reports.*

*Our financial information contained in this Draft Red Herring Prospectus has been prepared in accordance with Indian GAAP. The financial information of each carrier presented below has been compiled by SAP, and the operational information of each carrier presented below has been compiled by CAPA. Many of the carriers listed in the chart below are located outside India and prepare their financial statements under accounting principles other than Indian GAAP, such as US GAAP, IFRS or other accounting policies applicable in their respective jurisdictions. Therefore, our financial information may not be directly comparable to that of other carriers that prepare their financial statements under different accounting principles. We have not attempted to provide a reconciliation of our Company’s financial information to any other accounting principles or a reconciliation of the financial information of the other carriers presented in the chart below to Indian GAAP or any other accounting principles. We have also not attempted to quantify the impact of other accounting principles on our Company’s financial information or the financial information of the other carriers presented in the chart below or to quantify the impact of any differences in financial years among the various carriers*

presented. Any comparisons of the financial information prepared under different accounting principles by persons not familiar with such accounting principles may not be meaningful or reliable. In addition, the operating and financial information below has been taken from the most recent financial year of the respective carriers, which for the Indian carriers was either the year ended March 31, 2014 or 2015, but for other international carriers may be the year ended December 31, 2013. The difference in time period may also distort the comparability of our operating and financial information with that of other carriers outside of India. Prospective investors are advised not to unduly rely on the operating and financial information presented below when making their investment decisions.

All the charts in this section represent fiscal year-end (“FYE”), data, unless otherwise indicated. FYE dates are December 31, 2013 for Air Arabia, AirAsia Malaysia, Cebu Pacific, Gol, JetBlue, Pegasus, Southwest, Spirit Airlines, Thai AirAsia and WestJet, September 30, 2013 for EasyJet, and March 31, 2014 for Ryanair, IndiGo, Jet Airways, SpiceJet and GoAir. Financial data for Air India is as of FYE March 31, 2013 and operational data for Air India is as of FYE March 31, 2014. Exchange rates used as of the FYE dates as mentioned above for the respective carriers, as published by Reuters, are: 1USD = 59.91INR, 1USD = 44.44PHP, 1USD = 32.68THB, 1USD = 3.28MYR, 1USD = 0.62GBP, 1USD = 3.67AED, 1USD = 2.15TRY, 1USD = 0.72EUR, 1USD = 1.06CAD and 1USD = 2.36BRL. The exchange rate used for Air India is as of FYE March 31, 2014 which is 1USD = 59.91INR.

### Indian Air Travel Market Competitive Landscape

The Indian air travel market is serviced by domestic and international LCCs and full-service carriers (“FSCs”). Domestic carriers in India include LCCs such as IndiGo, SpiceJet, GoAir, Air India Express, and AirAsia India, as well as FSCs such as Jet Airways, Air India, Air Costa, Alliance Air and Vistara, according to the CAPA Report. These domestic carriers also compete with international and regional carriers, new entrants in the airline industry, Indian Railways, the state-owned railway company of India, and with different forms of road transportation, according to the CAPA Report.

The competitive landscape of the Indian air travel market has undergone meaningful change as carriers have entered and exited the market and current carriers have undergone considerable changes, such as in their composition, market share, load factors, and cities served, according to the CAPA Report. As of December 2011, Indian FSC Kingfisher had the second largest market share of the domestic air travel market by number of passengers, according to DGCA data. On October 20, 2012, Kingfisher ceased operations when the DGCA suspended its flight certificates; in February 2013, the DGCA revoked Kingfisher’s license for both domestic and international operations. In December 2014, Jet Airways formally discontinued its LCC arm, JetLite, by rolling out full-service products on all flights across its domestic network. Recent entrants to the Indian market include Air Costa, AirAsia India, Air Pegasus and Vistara. Air Costa and AirAsia India entered the market in 2013 and 2014, and as of December 2014 operated only four and three aircraft respectively, according to the CAPA Report. Vistara, a joint venture between the Tata Group and Singapore Airlines, obtained its Air Operator Permit from the DGCA in December 2014 and commenced operations with three aircraft in January 2015, according to the CAPA Report.

As of December 31, 2014, there were seven key carriers in the Indian airline industry. The table below provides their certain key operation parameters.

Carriers <sup>(a)(b)</sup>	Launch year	Domestic Market Share <sup>(1)</sup>	Fleet Type and Size <sup>(2)</sup>	Cities Served <sup>(3)</sup>	Domestic Cities Served <sup>(3)</sup>	Order Book/ Narrowbody / of which re-engined aircraft <sup>(4)</sup>
IndiGo	2006	32.8%	A320 family – 88 <b>Total – 88</b>	36	31	180/180/180 <sup>(7)</sup>
Jet Airways <sup>(5)</sup>	1993	21.2%	B737 family – 77 ATR72 – 18 A330 – 7 B777-300 – 5 <b>Total – 107</b>	72	50	65/50/50



Carriers <sup>(a)(b)</sup>	Launch year	Domestic Market Share <sup>(1)</sup>	Fleet Type and Size <sup>(2)</sup>	Cities Served <sup>(3)</sup>	Domestic Cities Served <sup>(3)</sup>	Order Book/ Narrowbody / of which re-engined aircraft <sup>(4)</sup>
Air India Limited <sup>(6)</sup>	1932	17.5%	B747-400 – 5 B777-200 – 3 B787-8 – 17 B777-300 – 12 A320 family – 61 B737-800 – 16 ATR42 – 4 ATR72 – 1 CRJ700 family – 4 <b>Total – 123</b>	107	69	22/7/0
SpiceJet	2005	17.4%	B737 family – 19 DHC-8Q-402(NG) – 15 <b>Total – 34</b>	47	39	42/42/42
GoAir	2005	9.5%	A320 – 19 <b>Total – 19</b>	22	22	72/72/72
Air Costa	2013	1.0%	ERJ170-100LR – 2 ERJ190-100STD – 2 <b>Total – 4</b>	9	9	50/0/0
AirAsia India	2014	0.6%	A320 – 3 <b>Total – 3</b>	7	7	0/0/0

Source: CAPA, DGCA

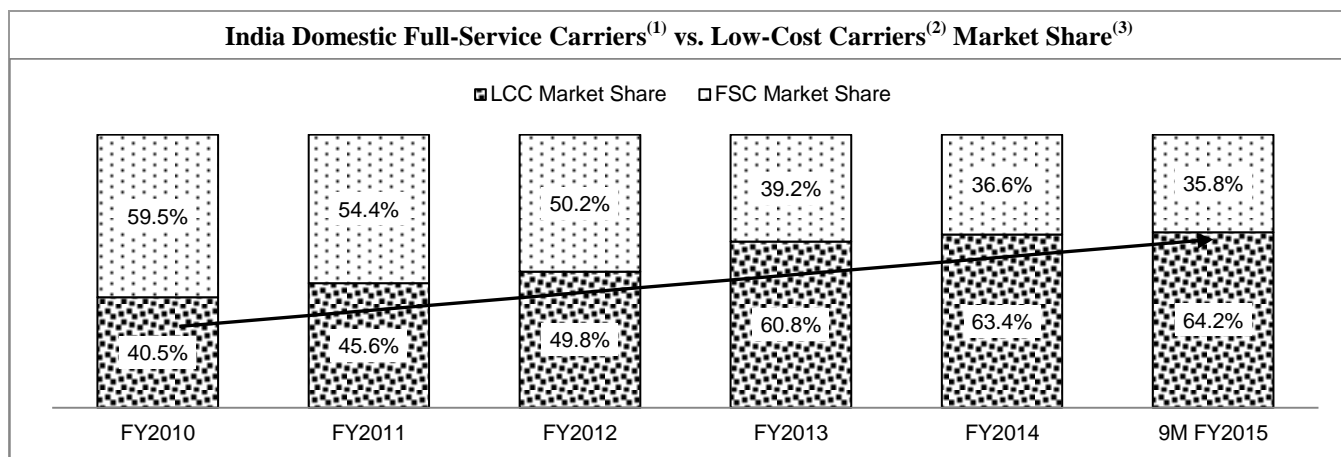
Note:

- (a) Vistara started operations on January 9, 2015. As on December 31, 2014, Vistara had taken delivery of two aircraft, although it had five aircraft on lease. As of December 31, 2014, Vistara had an orderbook of 15 aircraft all of which were narrowbodies, of which seven were re-engined variants, and Vistara had not officially taken delivery of three aircraft on which lease terms had commenced.
- (b) As at December 31, 2014, the following proposed start-up airlines had No-Objection Certificates, but were yet to receive their Air Operator's Permit: Air Carnival, Air Pegasus, Air One, Premier Airways, TruJet, Zav Airways and Zexus. Air Pegasus subsequently received its Air Operator's Permit in March 2015.
- (1) Domestic passengers carried during the nine months ended December 31, 2014.
- (2) Includes in-service fleet as of December 31, 2014.
- (3) As of December 18, 2014.
- (4) As of December 31, 2014.
- (5) Jet Airways includes JetLite.
- (6) Air India Limited (formerly known as NACIL) is comprised of (i) Air India, (ii) Air India Express, (iii) Indian Airlines and (iv) Alliance Air
- (7) Aircraft to be delivered between 2015 and 2028.

## Indian Air Travel Market

The following description of the Indian air travel market is from the CAPA Report.

The increase in the number of LCCs combined with macroeconomic factors such as India's relatively low per capita income and price-sensitive consumers have led LCCs to dominate India's air travel market. LCCs' share of the Indian air travel market has increased from 40.5% in FY2010 to 64.2% for the nine months ended December 31, 2014, according to DGCA data. This represents an approximate 60% increase in LCCs market share over FSCs market share between FY2010 and the nine months ended December 31, 2014.



Source: DGCA

Note:

- (1) FSCs include Jet Airways, Air India, Air Costa, Alliance Air, Kingfisher, Indian Airlines, Paramount and MDLR.
- (2) LCCs include IndiGo, SpiceJet, GoAir, JetLite, Air India Express, AirAsia India and Kingfisher (including Kingfisher Red and Air Deccan).
- (3) Based on % of total passengers flown by domestic LCCs as compared to % of total passengers flown by domestic FSCs. Air India Express data is not available for FY2013. JetLite's market share for the month of December 2014 has been classified under FSC instead of LCC because in December 2014, Jet Airways formally discontinued its LCC arm, JetLite, by rolling out full-service products on all flights across its domestic network.

In addition to macroeconomic and India consumer factors, the following factors have also contributed to the success of LCCs in India, according to the CAPA Report:

- the LCC business model, characterized by such features as single aircraft type fleets, aircraft with greater fuel efficiency and lower maintenance costs, faster turnaround times to increase aircraft utilization, and low debt positions;
- access to capital, when required, through promoter funding and, in some cases, sale-and-leaseback transactions;
- superior execution through sound management and strong delivery systems;
- competitive aircraft pricing and favorable maintenance and support contracts;
- structured systems, processes, and training; and
- liberalization of the Indian market.

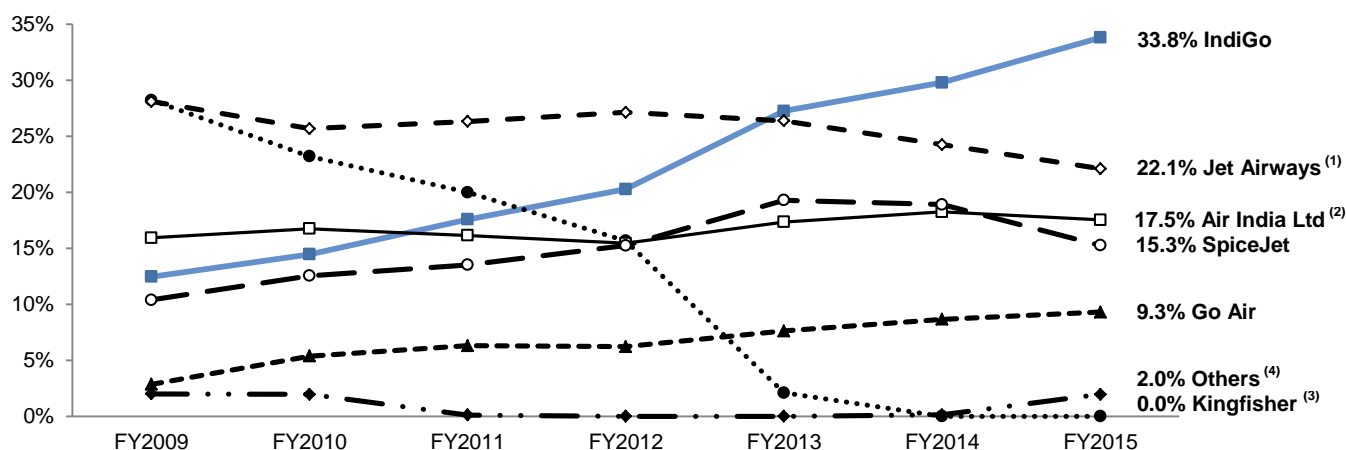
According to the CAPA Report, LCCs are expected to maintain a domestic market share of 65% to 70% of passenger volume, and LCC ticket price is expected to remain a key driver of demand as India is an extremely price sensitive market.

In addition to leisure travelers, LCCs have also gained acceptance among corporate travelers in India by meeting corporate market expectations for network density, frequency (particularly at peak hours), schedules offering same-day returns, on-time performance, reliability, new aircraft and quality service, according to the CAPA Report. LCCs have also been able to gain traction in the corporate market through the strategic decision to focus on increasing flight frequencies on metro routes, rather than seeking to stimulate untested, virgin markets, according to the CAPA Report.

#### ***Market share based on passenger volume***

The table below presents the evolution in market share of Indian carriers between FY2009 and FY2015, based on passenger volume, according to DGCA data. IndiGo's market share expanded from 12.5% to 33.8% during this period, while Jet Airways, the carrier with the second largest market share, fell from 28.1% to 22.1% over the same period. The CAPA Report attributes the trend in IndiGo's market share to market stimulation by low fares, launching of new routes in India where there were previously no flights (e.g. Mumbai-Srinagar) and winning of market share from FSCs and other LCCs.

**Historical Domestic Market Share of Indian Carriers (Based on Passenger Volume) from FY2009 to FY2015**



	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
<b>IndiGo</b>	<b>12.5%</b>	<b>14.5%</b>	<b>17.6%</b>	<b>20.3%</b>	<b>27.3%</b>	<b>29.8%</b>	<b>33.8%</b>
Jet Airways <sup>(1)</sup>	28.1	25.7	26.3	27.1	26.4	24.2	22.1
Air India Ltd. <sup>(2)</sup>	15.9	16.8	16.2	15.5	17.4	18.3	17.5
SpiceJet	10.4	12.6	13.5	15.2	19.3	18.9	15.3
GoAir	2.9	5.4	6.3	6.2	7.6	8.7	9.3
Kingfisher <sup>(3)</sup>	28.2	23.2	20.0	15.7	2.1	0.0	0.0
Others <sup>(4)</sup>	2.0	2.0	0.1	0.0	0.0	0.1	2.0
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: DGCA

Note:

(1) Jet Airways includes JetLite.

(2) Air India Ltd. is comprised of Air India, Air India Express, Indian Airlines and Alliance Air.

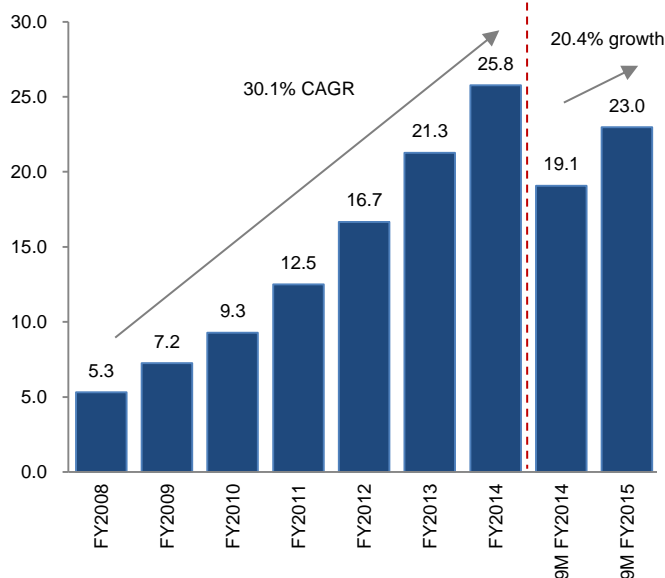
(3) Kingfisher's passenger volume in FY2009 includes Air Deccan's passenger volume. Kingfisher ceased operation in Q3 FY2013.

(4) Others include MDLR, Paramount, Air Costa, AirAsia India and Vistara.

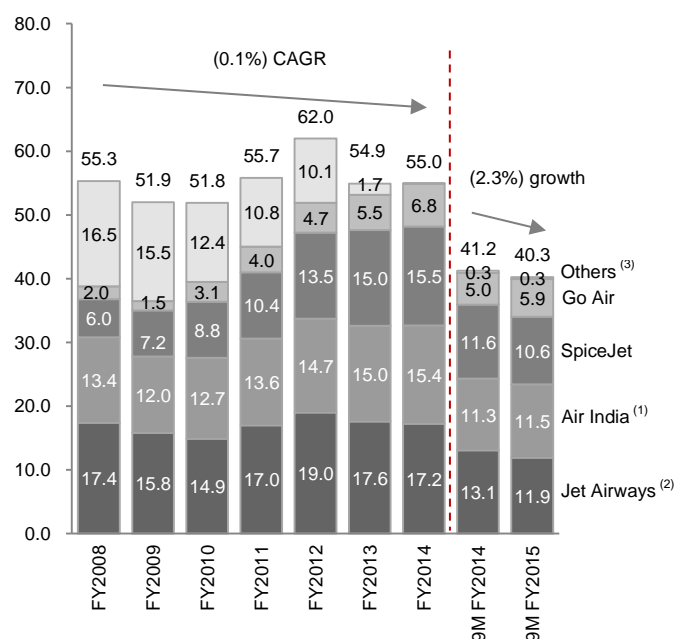
### Market share based on capacity

The table below presents the evolution in domestic ASKs of Indian carriers between FY2009 and the nine months ended December 31, 2014, according to DGCA data. IndiGo's domestic ASKs have increased from 5.3 billion in FY2009 to 25.8 billion in FY2014, growing at a CAGR of 30.1% over the same period, while all other Indian carriers collectively declined at a CAGR of 0.1% over the same period, according to DGCA data. IndiGo's domestic ASKs have increased from 19.1 billion in the nine months ended December 31, 2013 to 23.0 billion in the nine months ended December 31, 2014, growing at 20.4%, while all other Indian carriers collectively declined at 2.3% over the same period, according to DGCA data. As of the nine months ended December 31, 2014, IndiGo's market share based on ASKs was 36.3%, based on DGCA data.

**IndiGo Domestic ASKs (billion)**



**All Other Indian Carriers Domestic ASKs (billion)**



Source: DGCA

Note:

(1) Air India Express data is not available for FY2013.

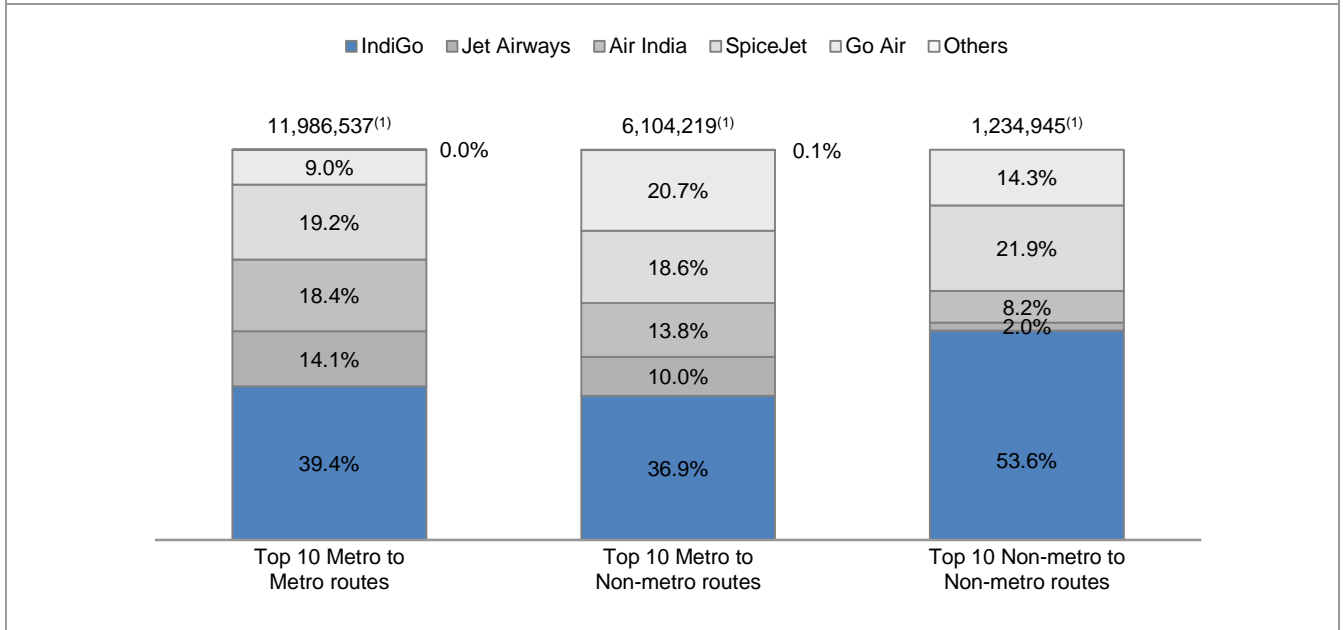
(2) Jet Airways includes JetLite.

(3) Others include Kingfisher (including Kingfisher Red and Air Deccan), MDLR, Paramount, Air Costa and 9M FY2015 data does not include AirAsia India since it was not reported by the DGCA.

### Market share based on traffic on metro and non-metro routes

The following table sets out the domestic market share by traffic of Indian carriers during the nine months ended December 31, 2014, for the top ten metro-to-metro, metro-to-non-metro and non-metro to non-metro routes in India, according to the CAPA Report. The top 10 metro-to-metro routes accounted for over 12.0 million passengers, by far the largest of the three categories, while the top 10 metro-to-non-metro routes accounted for over 6.1 million passengers. IndiGo had the largest market share in all three categories with 39.4% share of the top 10 metro-to-metro routes, 36.9% of the metro-to-non-metro routes, and 53.6% of the non-metro to non-metro routes for the nine months ended December 31, 2014.

**Segmental market share by passenger volume for the top 10 routes in each segment for the nine months ended December 31, 2014**



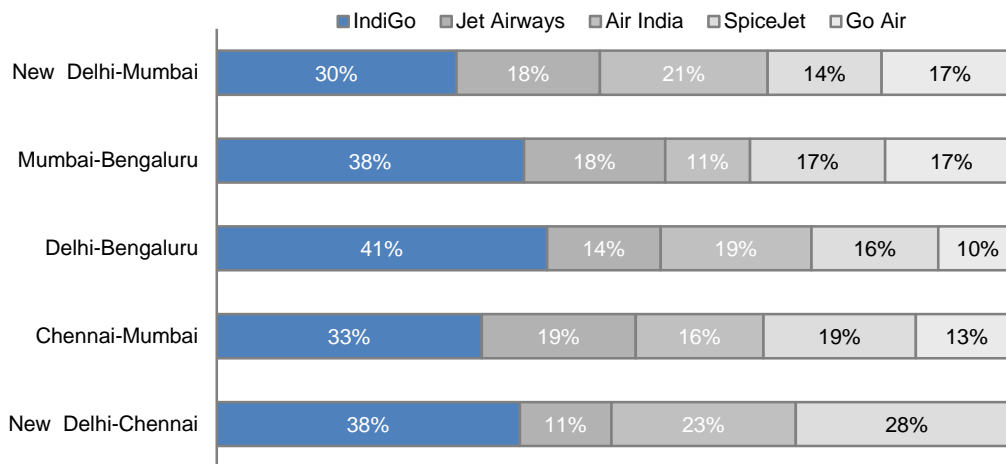
Source: CAPA

Note: Top 10 routes by traffic for the above three categories are calculated on the basis of two-way, non-stop, origin-destination traffic for the nine months ended December 31, 2014; Air India includes Alliance Air and Air India Express, Jet Airways includes JetLite, Others include Air Costa and AirAsia India.

(1) Number of passengers.

**Market share based on top five domestic routes by traffic**

IndiGo had the leading market share in all of the top five routes, measured by passenger volume, for the nine months ended December 31, 2014, according to the CAPA Report.



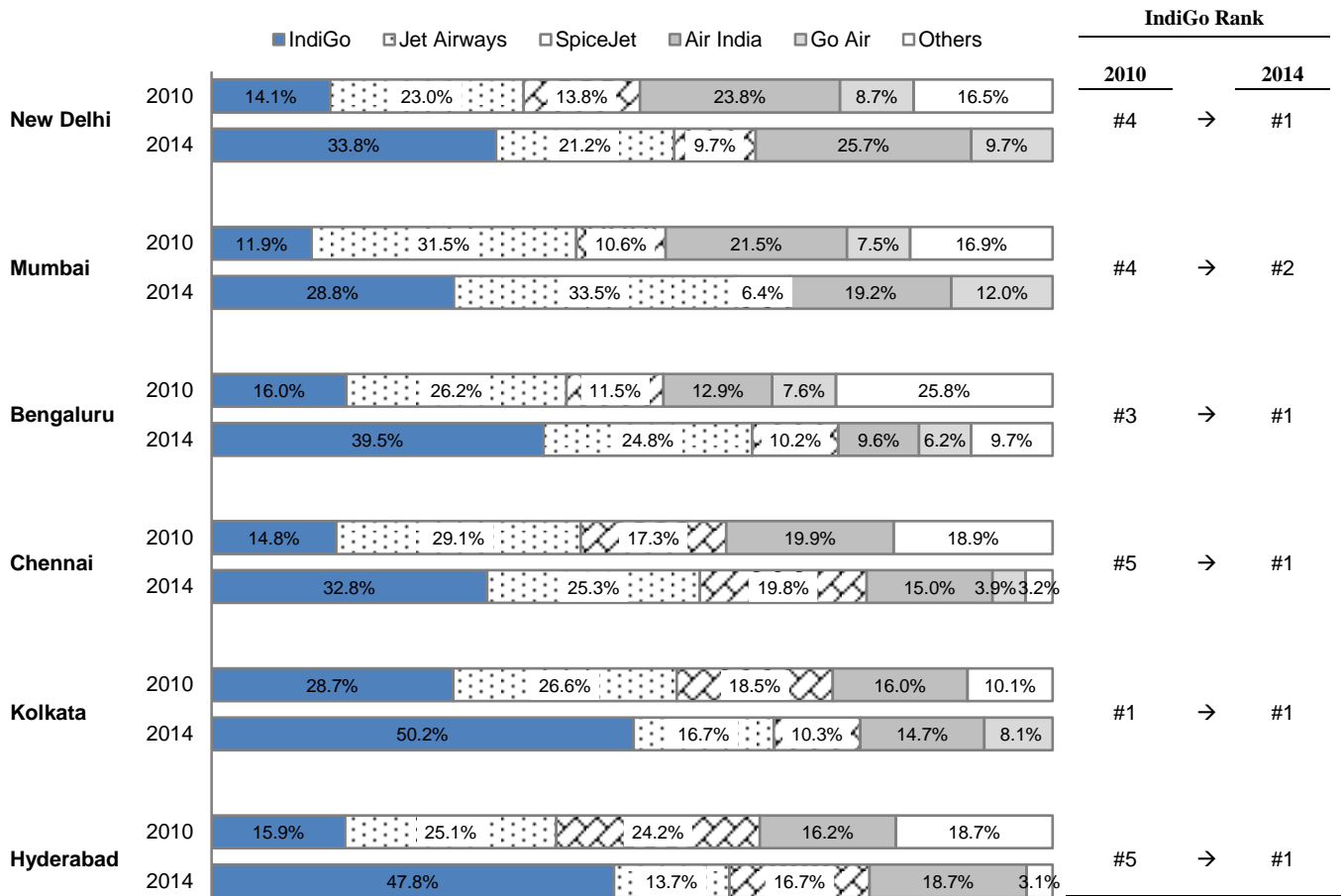
Source: CAPA

Note: Above percentages calculated on the basis of two-way, non-stop, origin-destination traffic for the nine months ended December 31, 2014; Air India includes Alliance Air and Air India Express, Jet Airways includes JetLite.

**Market share based on seat capacity at major airports**

In terms of market share at each of the six metro airports in India, in December 2014, IndiGo had the largest market share by seat capacity at five of the six metro airports, while Jet Airways had the largest market share at one of the six metro airports, according to the CAPA Report. The table below sets out the share of seat capacity among Indian carriers at India’s six metro airports for week commencing December 20, 2010 and week commencing December 22, 2014.

**Share of seat capacities at India’s six metro airports, December 2010 and December 2014**



Source: CAPA

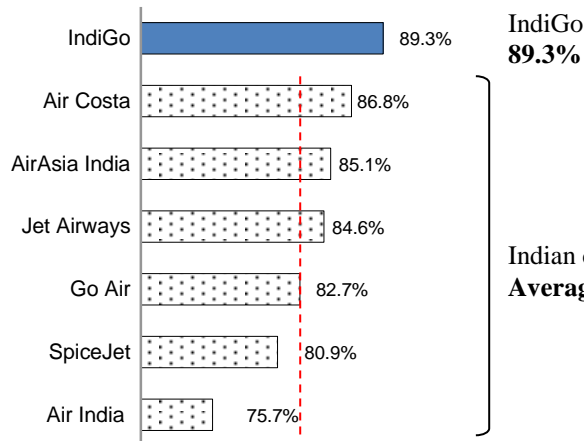
Note: Jet Airways includes JetLite; Others include Kingfisher, AirAsia India, Paramount, Alliance Air, Air Costa and domestic legs of Air India Express.

**Key operating metrics**

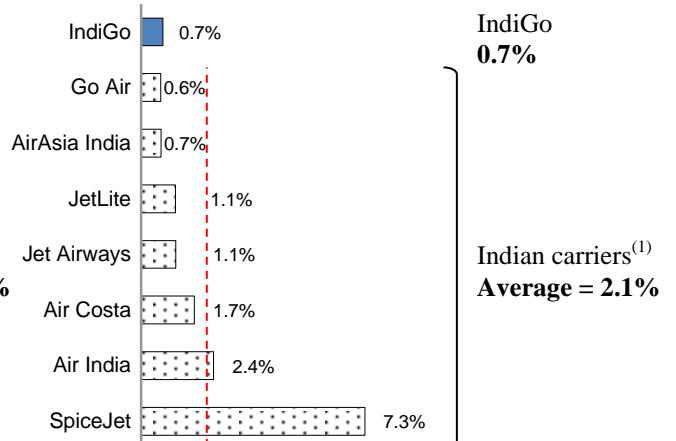
Operating metrics, including on-time departures and arrivals, flight cancellations, and number of complaints, are often used in the air travel industry to evaluate operating performance of carriers, according to the CAPA Report.

The below four key operating metrics charts have been prepared using all available data. Certain charts show fewer peers because data is not available or not available on a consistent basis.

**On-time performance<sup>(2)</sup> (9MFY2015)**



**Flight cancellation rate<sup>(3)</sup> (9MFY2015)**



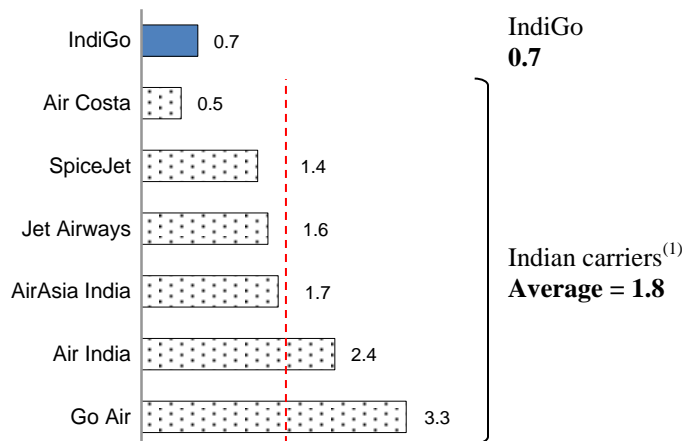
Source: CAPA

Note:

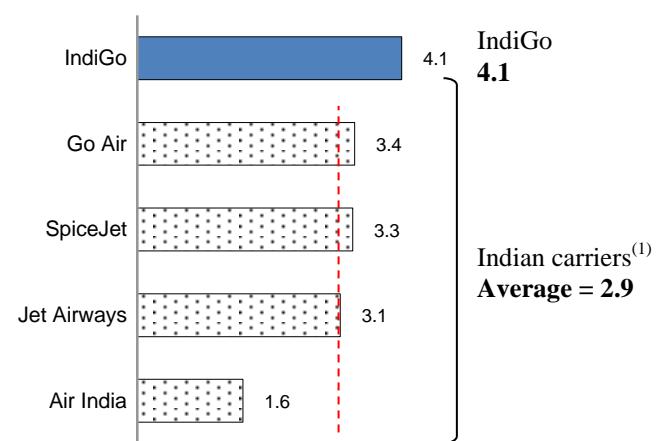
- (1) Indian carriers average excluding IndiGo.
- (2) On-time performance is for domestic departures calculated at four leading airports: New Delhi, Mumbai, Bengaluru and Hyderabad, which accounted for 47.6% of all-India domestic aircraft movements. GoAir did not operate at Hyderabad airport during this period. Air Costa did not operate at New Delhi and Mumbai airports during this period. AirAsia India did not operate at New Delhi, Mumbai and Hyderabad airports during this period and started service in June 2014. Jet Airways includes JetLite.
- (3) Flight cancellation rate is not available on the DGCA website for a two-month period from April 2014 to May 2014.

In terms of on-time performance and smallest percentage of cancelled flights, IndiGo ranked first and third, respectively, as compared to domestic peers, according to the CAPA Report.

**Number of Complaints per 10,000 pax<sup>(2)</sup> (9MFY2015)**



**ASKs/employee<sup>(3)</sup> (million) (FY2014)**



Source: CAPA; Jet Airways includes JetLite

Note:

- (1) Indian carriers average excluding IndiGo.
- (2) Number of complaints per 10,000 pax is not available on the DGCA website for a two-month period from April 2014 to May 2014.
- (3) Comparison does not include Air Costa, AirAsia India and Vistara as these airlines were not operational for full year FY2014.

In terms of lowest number of complaints, IndiGo ranked second as compared to domestic peers, according to the CAPA Report.

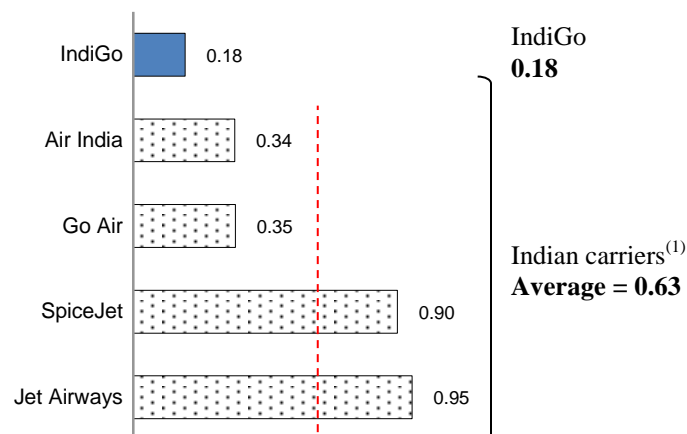
**Key cost metrics**

**Maintenance costs**

Maintenance costs are one of the main cost components for any carrier. The maintenance costs of a carrier are

impacted by its business model, fleet composition and overall fleet management, according to the SAP Report. The maintenance cost per ASK of the various Indian carriers for the FY2014 was US¢0.18 for IndiGo, US¢0.34 for Air India, US¢0.35 for GoAir, US¢0.90 for SpiceJet and US¢0.95 for Jet Airways, according to the SAP Report. IndiGo's maintenance costs are lowest among Indian carriers.

**Maintenance cost per ASK<sup>(2)</sup> (US¢) (FY2014)**



Source: SAP, except IndiGo data which is based on the Company's audited financials

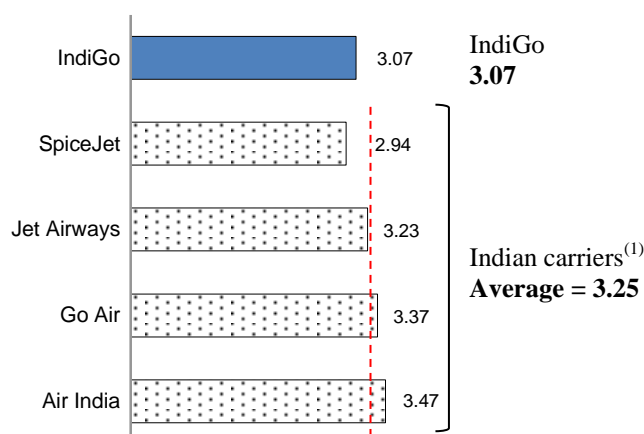
Note:

- (1) Indian carriers average excluding IndiGo; data for Air India is as of FY13.
- (2) Comparison does not include Air Costa, AirAsia India and Vistara as these airlines were not operational for full year FY2014.

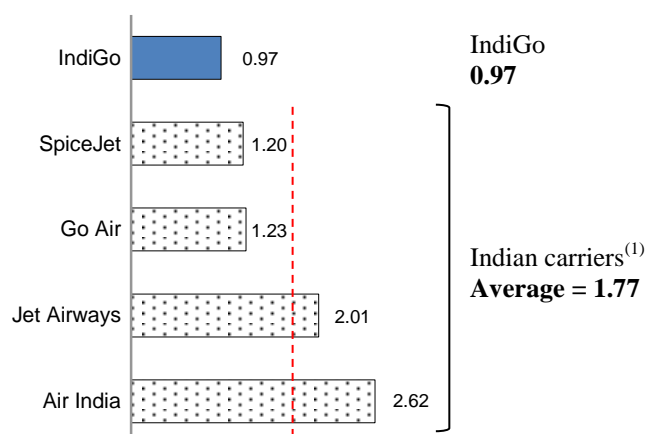
**Fuel costs and ownership costs**

The fuel cost per ASK for FY2014 was US¢2.94 for SpiceJet, US¢3.07 for IndiGo, US¢3.23 for Jet Airways, US¢3.37 for GoAir and US¢3.47 for Air India, according to the SAP Report. The ownership cost per ASK of the Indian carriers for FY2014 was US¢0.97 for IndiGo, US¢1.20 for SpiceJet, US¢1.23 for GoAir, US¢2.01 for Jet Airways and US¢2.62 for Air India, according to the SAP Report. IndiGo's ownership costs are lowest and fuel costs are second lowest, on a per ASK basis, among Indian carriers.

**Fuel cost per ASK<sup>(3)</sup> (US¢) (FY2014)**



**Ownership cost per ASK<sup>(2)(3)</sup> (US¢) (FY2014)**



Source: SAP, except IndiGo data which is based on the Company's audited financials

Note:

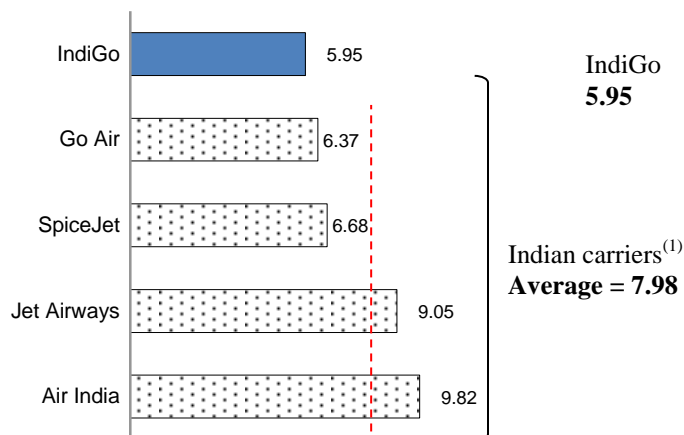
- (1) Indian carriers average excluding IndiGo; data for Air India is as of FY13.
- (2) Ownership cost includes aircraft rentals, lease rentals, depreciation and amortization, aircraft insurance and net interest expense (including working capital interest).
- (3) Comparison does not include Air Costa, AirAsia India and Vistara as these airlines were not operational for full year FY2014.



### Costs per ASK

CASK measures the unit costs of a carrier and is calculated as total costs divided by ASK. The CASK of the Indian carriers for the FY2014 was US¢5.95 for IndiGo, US¢6.37 for GoAir, US¢6.68 for SpiceJet, US¢9.05 for Jet Airways and US¢9.82 for Air India, according to the SAP Report. IndiGo's CASK is lowest among Indian carriers.

#### Costs per ASK<sup>(2)</sup> (US¢) (FY2014)



Source: SAP, except IndiGo data which is based on the Company's audited financials

Note:

(1) Indian carriers average excluding IndiGo; data for Air India is as of FY13.

(2) Comparison does not include Air Costa, AirAsia India and Vistara as these airlines were not operational for full year FY2014.

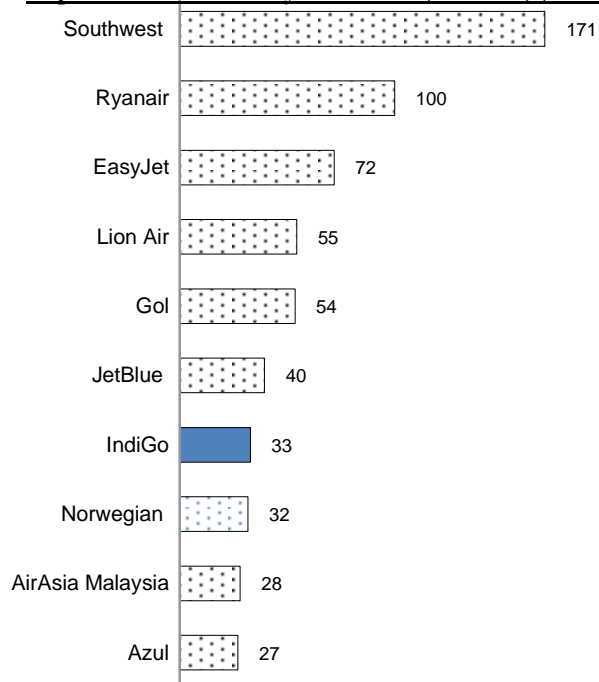
### Comparison versus key International LCCs and domestic Indian carriers

The next few pages compare IndiGo on various metrics of size, growth, cost competitiveness and profitability.

*Size*

IndiGo was the seventh largest LCC in the world by total seats for the calendar year ended December 31, 2014, according to the CAPA Report.

**Top 10 Global LCCs by total seats (CY2014) (million)**



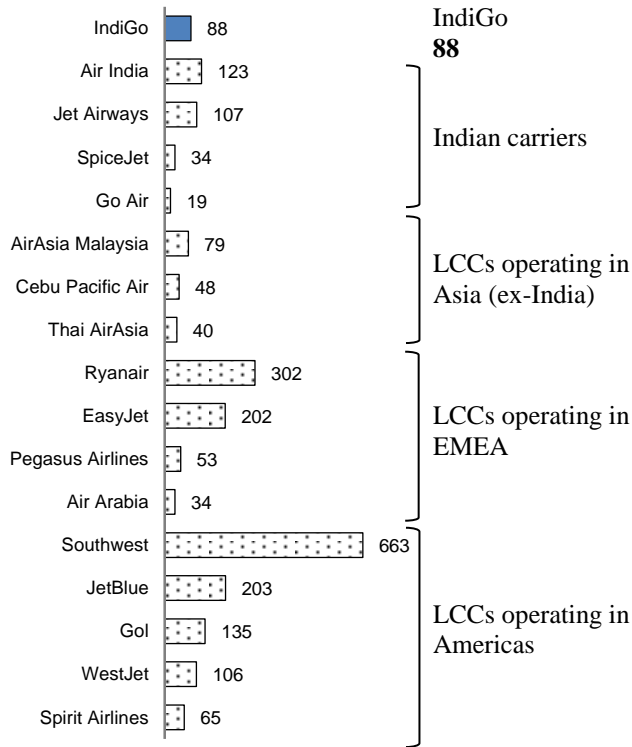
Source: CAPA

Note: Top global LCCs have been ranked based on CY2014 data on domestic and international seats.

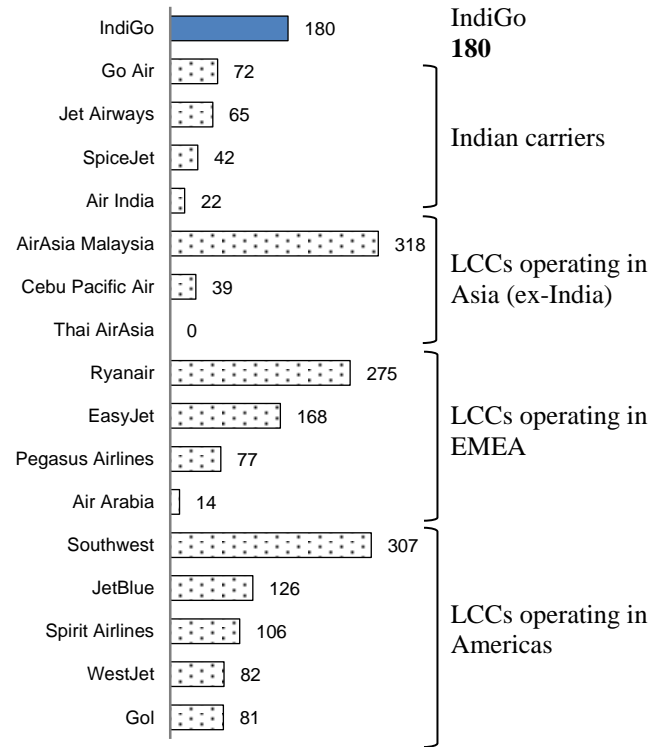
**Fleet size and orderbook**

According to the CAPA Report, the largest fleet of aircraft of an Indian carrier is operated by Air India, followed by Jet Airways and IndiGo. IndiGo maintains the largest orderbook of any Indian carrier with 180 aircraft on order.

**Fleet size**



**Orderbook**



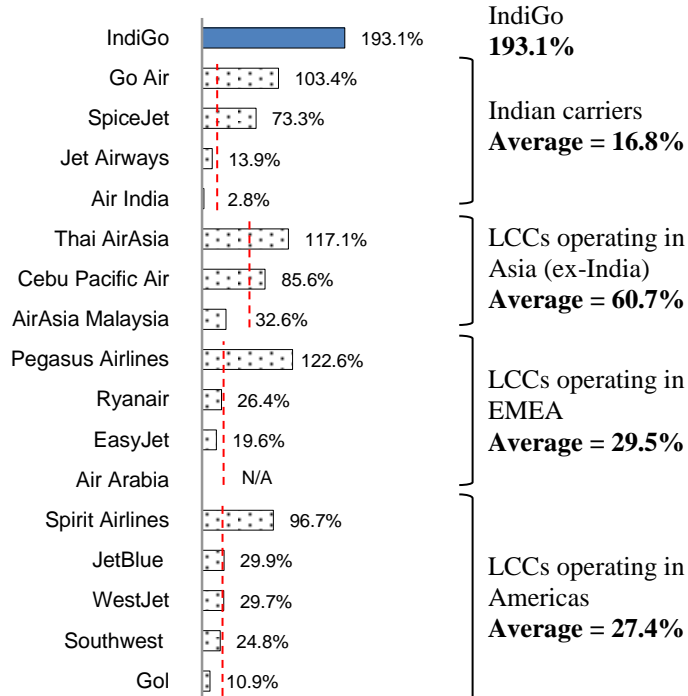
Source: CAPA

Note: Data as of December 31, 2014; fleet size includes only in-service fleet; Air India includes Alliance Air and Air India Express; Jet Airways includes JetLite; WestJet's regional subsidiary, WestJet Encore has 14 Q400 in-service and 16 on order which have not been included.

## Growth

According to the CAPA Report, IndiGo was the fastest growing carrier in India in terms of ASK growth between CY2010 and CY2014, followed by GoAir and SpiceJet.

### ASK growth CY2010 – CY2014



Source: CAPA for foreign carriers and DGCA for Indian carriers

Note: Data based on year ended December 31, 2010 and year ended December 31, 2014; averages in the above charts represent weighted averages.

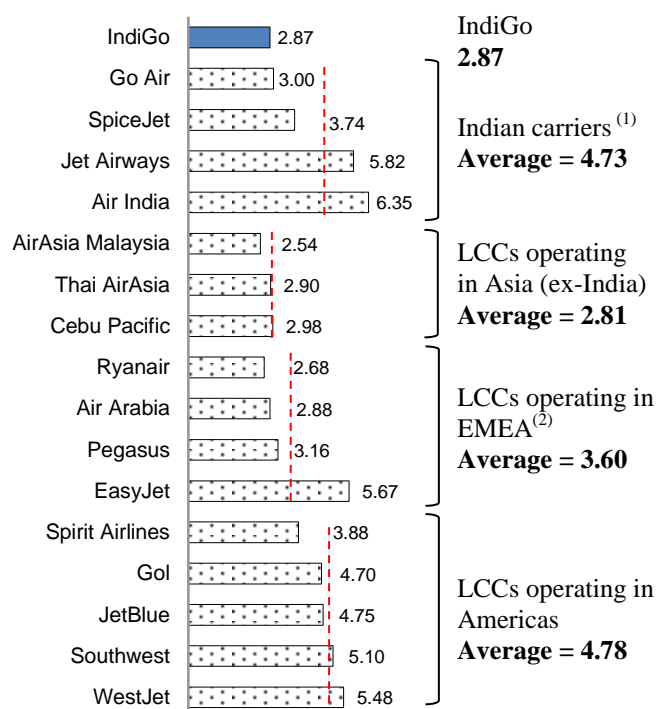
## Cost competitiveness

### Unit costs

CASK measures the unit costs of a carrier and is calculated as costs divided by ASK. CASK excluding fuel cost is an alternative measure for comparing cost management of carriers operating in different geographies, as fuel costs can vary between geographies due to taxation, government fuel pricing regulations and other reasons, according to the SAP Report. In India, jet fuel prices tend to be higher than many other countries due to higher taxation imposed by local governments, according to the SAP Report.

According to the SAP Report, IndiGo has the lowest CASK excluding fuel cost of US¢2.87 among the Indian carriers. IndiGo's CASK excluding fuel cost reduces further to US¢2.51 on the exclusion of maintenance reserves, according to the SAP Report. In comparison, GoAir, SpiceJet, Jet Airways and Air India have CASK excluding fuel costs of US¢3.00, US¢3.74, US¢5.82 and US¢6.35, respectively. Additionally, according to the SAP Report, the average CASK excluding fuel cost of LCCs operating in Asia, EMEA and the Americas was US¢2.81, US¢3.60 and US¢4.78, respectively.

**CASK (ex-fuel) (US¢)**



Source: SAP, except IndiGo data which is based on the Company's audited financials

Note:

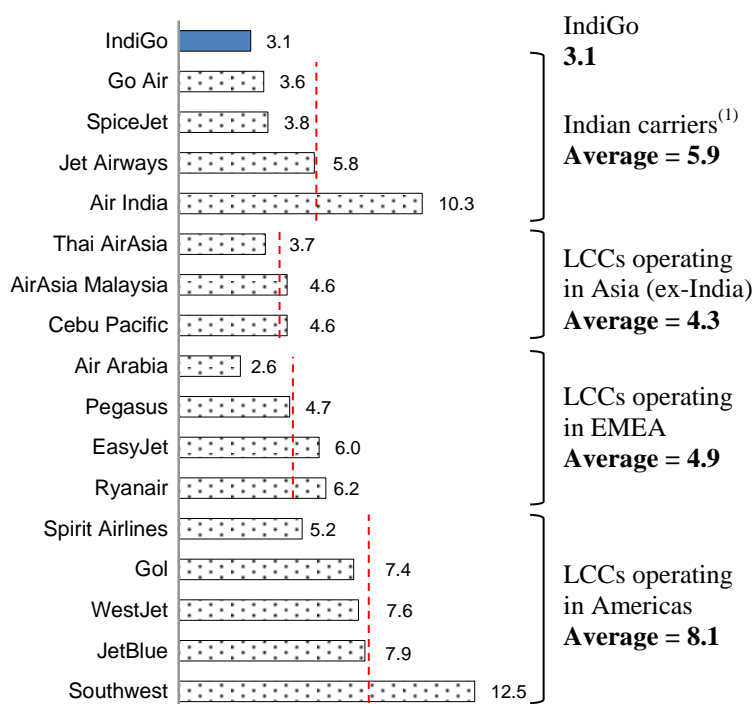
(1) Indian carriers average excluding IndiGo; data for Air India is as of FY2013.

(2) Based on latest audited financials except for EasyJet, which is based on fiscal year-end September 30, 2013 financials.

***Average fleet age***

The average age of a carrier's fleet is impacted by its business model, fleet composition and overall fleet management. Fleet age can impact the operating costs of a carrier, including fuel costs and maintenance costs, according to the CAPA Report. Among Indian carriers, IndiGo had the second youngest average fleet age of 3.1 years, followed by GoAir at 3.6 years, SpiceJet at 3.8 years, Jet Airways at 5.8 years, and Air India at 10.3 years, as of December 31, 2014, respectively, according to the CAPA report.

**Average fleet age (years)**



Source: CAPA

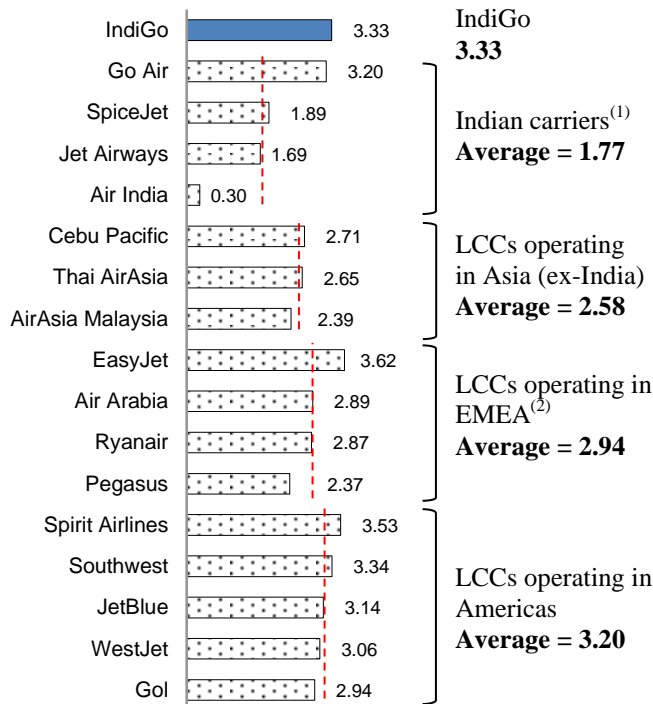
Note: Data is based on in-service fleet as of December 31, 2014 and is based on weighted average.

(1) Indian carriers average excluding IndiGo.

### Unit profitability

RASK, a measurement of unit revenue, minus CASK, is a measure of a carrier's unit profitability. Excluding fuel cost from the analysis provides an indicator of a carrier's unit profitability before taking in to account fuel costs, which can vary significantly from region to region, according to the SAP Report. IndiGo had the highest RASK minus CASK of any carrier in India and a level in line with LCCs operating in Asia during FY2014, according to the SAP Report. IndiGo's RASK minus CASK excluding fuel was the highest in India and higher than all of the LCCs operating in Asia in the peer group below during the most recent FY, according to the SAP Report.

**RASK minus CASK (ex-fuel) (US¢)**



Source: SAP, except IndiGo data which is based on the Company's audited financials

Note:

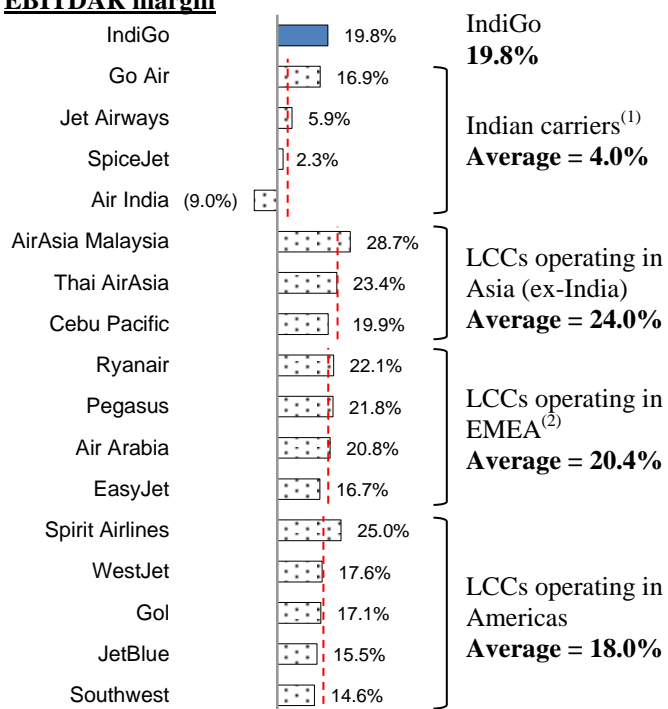
(1) Indian carriers average excluding IndiGo; data for Air India is as of FY2013.

(2) Based on latest audited financials except for EasyJet, which is based on fiscal year-end September 30, 2013 financials.

***Profit margins***

IndiGo was the most profitable carrier in India for FY2014, as measured by EBITDAR margins, with a margin of 19.8%, while GoAir, Jet Airways, SpiceJet and Air India had EBITDAR margins of 16.9%, 5.9%, 2.3% and (9.0%), respectively, during the same period, according to the SAP Report.

**EBITDAR margin**



Source: SAP, except IndiGo data which is based on the Company's audited financials

Note:

- (1) Indian carriers average excluding IndiGo; data for Air India is as of FY2013.
- (2) Based on latest audited financials except for EasyJet, which is based on fiscal year-end September 30, 2013 financials.



## OUR BUSINESS

### Overview

We operate IndiGo, India's largest passenger airline with a 33.8% market share of domestic passenger volume for fiscal 2015, according to the DGCA. We operate on a low-cost carrier, or LCC, business model and focus primarily on the domestic Indian air travel market. We were the seventh largest low-cost carrier globally in terms of seat capacity in 2014, according to CAPA. We continuously focus on maintaining our cost advantage and a high frequency of flights while striving to fulfil our simple brand message of providing "low fares, on-time flights and a hassle-free experience" to our passengers.

We commenced operations in August 2006 with a single aircraft, and have grown our fleet to 96 aircraft as of April 30, 2015, all of which are Airbus A320 aircraft. We currently have an order book of 180 A320neo aircraft and expect to take delivery of 15 additional aircraft, including nine A320neos, by March 31, 2016. As of April 30, 2015, the average age of our aircraft was 3.26 years. As of December 31, 2014, the average age of our aircraft was 3.1 years, which, according to CAPA, was the second youngest average fleet age among Indian carriers and one of the youngest fleets of any LCC globally.

As of the week ended April 30, 2015 we operated scheduled services to 33 airports in India, with a maximum of 593 domestic flights per day. We operated scheduled services to 31 airports in India, with an average of 515 domestic flights per day, for the month ending December 31, 2014, resulting in more passenger flights in India than any other airline, according to CAPA. We also had the highest market share in each of the top five domestic routes in India by traffic in the nine months ended December 31, 2014, according to CAPA.

We primarily operate in India's domestic air travel market, which is forecast to be the world's fastest growing airline by origin-and-destination market between 2013 and 2033, estimated to grow at an average annual rate of 9.5%, according to Airbus. India was the ninth largest aviation market in the world by total domestic and international seat capacity in 2014, according to CAPA. Additionally, India has achieved strong and sustained growth in air traffic over the last ten years. Passenger volumes for domestic air traffic have increased at a CAGR of 19.4% between fiscal 2004 and fiscal 2010 and a CAGR of 7.6% between fiscal 2010 and fiscal 2014, according to CAPA.

From fiscal 2010 to fiscal 2015, our domestic passenger volume increased at a CAGR of 29.3% from 6.6 million domestic passengers in fiscal 2010 to 23.7 million domestic passengers in fiscal 2015, according to the DGCA. Our market share of domestic passenger volume increased from 14.5% in fiscal 2010 to 33.8% in fiscal 2015, according to the DGCA.

We are committed to achieving industry-leading on-time performance and operational reliability. Our average on-time performance was 86.7% in fiscal 2015 and 88.2% in fiscal 2014. We had operational reliability ratings of 99.95% in fiscal 2015 and 99.94% in fiscal 2014, according to Airbus. In 2014, Airbus awarded us its "Best Operational Excellence" award in the large fleet category based on the number of aircraft in the fleet, daily utilization rate, technical reliability and the number of delays caused due to operational reasons over a two-year period of operations. We had the second highest load factor on domestic scheduled services in fiscal 2015, according to the DGCA, and the second lowest level of complaints per 10,000 passengers for the period from June to December 2014, according to CAPA. We have received industry accolades in recognition of the quality of our airline service, including the award for "Best Low-Cost Airline in Central Asia & India" at the SkyTrax World Airline Awards for six consecutive years from 2010 to 2015.

InterGlobe Enterprises (including our Company), was ranked among the "Best Companies to Work For" in India in 2014 for the seventh consecutive year by a study done by the Great Places to Work<sup>®</sup> Institute in partnership with The Economic Times. No other airline was included in these rankings during this period. We have the highest employee productivity among the Indian carriers that were operational during the full fiscal year 2014 as measured by ASKs per employee, according to CAPA.

Our firm orders for 100 A320 aircraft in June 2005 and 180 A320neo aircraft in June 2011 were each the largest single order of aircraft from Airbus at the time of the order, according to Airbus. We have taken delivery of all 100 aircraft under our 2005 order as of November 3, 2014, two years ahead of the initially scheduled final delivery date.

We were one of the first airlines globally to order the A320neo aircraft, according to Airbus. According to Airbus, A320neo aircraft are expected to consume up to 15% less fuel than current generation A320 aircraft without sharklets, which will further reduce our fuel consumption per flight as these aircraft enter our fleet from fiscal 2016 onwards.

We believe that the magnitude of our 2005 and 2011 aircraft orders helped us to negotiate favorable terms with Airbus and our other aircraft-related suppliers and service providers, which provides us with a structural cost advantage by reducing the overall costs associated with the acquisition, maintenance and operation of our aircraft.

We believe that we have considerable flexibility to prudently manage the expansion of our fleet. Our firm orders with Airbus, subject to negotiation with Airbus, may allow us to advance or defer deliveries; a number of the 100 aircraft delivered under our 2005 order were advanced deliveries from their initially scheduled delivery dates and we did not defer any aircraft deliveries under our 2005 order. We have extended the operating leases of 24 of our current aircraft, seven of which had been scheduled to be redelivered to our lessors in fiscal 2015.

Our total revenue has increased to ₹ 114,321.18 million in fiscal 2014, growing at a CAGR of 43.9% since fiscal 2010. Our EBITDAR increased to ₹ 22,044.41 million in fiscal 2014, growing at a CAGR of 27.5% since fiscal 2010. Please see the chapter “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Our Results of Operations*” beginning on page 336. We achieved positive net profit in fiscal 2009 and have remained profitable in each subsequent fiscal year through fiscal 2014. No other Indian airline has consistently remained profitable over the same period, according to CAPA.

We had the lowest CASK of all Indian carriers in fiscal 2014, and amongst one of the lowest CASK excluding fuel expenses compared with publicly-listed LCCs globally, according to SAP. Our airline had the highest profitability as measured by RASK minus CASK for any airline in India and is at a level in line with LCCs operating in Asia during the most recently completed fiscal year, according to SAP. Please see the chapter “*Industry Overview—Cost Competitiveness—Unit Profitability*” beginning on page 157. We have used our consistent profitability to reinvest in our business to build scale and efficiencies and to provide returns to our shareholders. We believe we have a strong balance sheet. As of December 31, 2014, we had total indebtedness of ₹ 40,028.21 million and ₹ 24,746.03 million of net debt (net of free cash). As of December 31, 2014, all of our indebtedness is aircraft related, and we did not have any working-capital-related indebtedness.

We believe that our fleet expansion strategy along with our profitability and strong balance sheet will enable us to strengthen and sustain our market leading position in India’s large and fast-growing air travel market. We also believe that our focus on providing customers with affordable air travel, on-time performance and hassle-free customer service positions us well for profitable and sustainable growth within the Indian market.

## **Our Strengths and Strategies**

We believe that our strengths have resulted in competitive advantages for our airline, which are difficult to replicate and which we intend to sustain by executing our strategies. Our key strengths and strategies are as follows:

***We are the largest domestic passenger airline in India and we will continue to focus on enhancing our market position.***

- *Largest market share in one of the largest and fastest growing aviation markets in the world*

We are the domestic market leader in India, one of the largest and fastest growing aviation markets in the world, with a 33.8% market share of domestic passenger volume in fiscal 2015, which has grown from 14.5% in fiscal 2010, according to the DGCA. India was the ninth largest air travel market by number of domestic and international seats in 2014, according to CAPA. India’s domestic passenger traffic is expected to grow at a CAGR of 12.8% between fiscal 2015 and fiscal 2020, according to CAPA.

- *Depth and breadth of network in key markets*

As of the week ended April 30, 2015, we operated scheduled services to 33 airports in India, with a maximum of 593 domestic flights per day. We operated scheduled services to 31 airports in India, with an average of 515 domestic flights per day, for the month ending December 31, 2014, resulting in more

passenger flights in India than any other airline, according to CAPA. We also had the highest market share in each of the top five domestic routes in India by traffic in the nine months ended December 31, 2014, according to CAPA. We intend to continue to strengthen the depth of our network by adding flights in our existing key markets and selectively adding routes and destinations that we believe will enhance the breadth of our service in a sustainable and profitable manner.

***Maintain disciplined execution of the low-cost carrier business model.***

We believe that a disciplined execution of low-cost carrier principles has helped us to lower our operating costs. We believe that this provides us with an advantage over some of our LCC competitors in India who operate hybrid business models between low-cost and full-service airlines, such as the inclusion of meals and beverages in the ticket prices for non-corporate passengers, offering business class seats and operating multiple aircraft types.

- *Single aircraft type*

We employ a single type of airframe and engine within our current fleet, which we believe reduces our expenses related to maintenance, spare parts, operation, crew training and labor, as well as helping us to more efficiently manage crew rosters.

- *High aircraft utilization*

Our aircraft utilization in block hours was 11.4 hours per day per aircraft in fiscal 2014, which was among the highest of any airline in India, according to CAPA. We maintain high aircraft utilization rates by keeping a low turnaround time between our flights. Additionally, we operate a point-to-point route network with no interlining or code-sharing with other airlines for passenger traffic, which further helps to reduce turnaround time.

- *High operational reliability*

Our operational reliability was 99.95% in fiscal 2015, according to Airbus. In 2014, Airbus awarded us its “Best Operational Excellence” award in the large fleet category based on the number of aircraft in the fleet, daily utilization rate, technical reliability and the number of delays caused due to operational reasons over a two-year period of operations. We had an average domestic on-time performance of 89.3% in the nine months ended December 31, 2014 at four of India’s leading airports (New Delhi, Mumbai, Bengaluru and Hyderabad), which is higher than any other Indian carrier at these airports, according to CAPA.

- *No-frills product*

We have strived to achieve significant cost reductions by scrutinizing every aspect of our business to remove non-essential costs without compromising passenger safety, security or on-time performance. We offer a single class of economy service, which allow our A320 aircraft to have the maximum seating capacity of 180 seats. Unlike most full-service carriers, we do not offer a frequent flyer program, free lounges or include food and beverages in our ticket price for non-corporate passengers. These items have helped to further reduce our cost base.

- *Low distribution costs*

We seek to reduce our distribution costs by increasing direct sales via our website, airport, call center and mobile app and scaling down commissions paid to online and traditional travel agents. Approximately 20.9% of our ticket sales were made through these direct channels in fiscal 2015. We adjusted the commissions paid to online travel agents in January 2015.

- *Ancillary revenues*

Ancillary revenues are typically a highly profitable income stream and have been a key growth driver for us, growing at a CAGR of 43.0% from fiscal 2010 to fiscal 2014. We believe there is substantial potential to further grow these revenues as our ancillary revenue as a percentage of operating revenue remains substantially lower than most international low-cost carriers, according to SAP. Our ancillary

revenue was ₹ 11,553.32 million in fiscal 2014, representing 10.4% of our revenue from operations. We intend to continue to enhance our existing ancillary revenue streams as well as develop new streams of ancillary revenue upon obtaining regulatory approvals.

***We have a structural cost advantage which we expect to maintain.***

- *Largest Airbus aircraft orders in history enabling favorable terms on aircraft, engines and components.*

Our firm orders of 100 A320 aircraft in June 2005 and 180 A320neo aircraft in June 2011 were each the largest single order of aircraft from Airbus at the time of the order, according to Airbus. We were one of the first airlines globally to order the A320neo aircraft, according to Airbus. Based on current announced production rates, Airbus has just over 8.5 years of current backlog for the A320 family of aircraft, according to Airbus.

We believe that the magnitude of our 2005 and 2011 aircraft orders helped us to negotiate favorable terms with Airbus and our other aircraft-related suppliers and service providers, which provides us with a structural cost advantage by reducing the overall costs associated with the acquisition, maintenance and operation of our aircraft.

We receive non-refundable incentives from manufacturers upon the delivery of aircraft and engines and upon the achievement of certain milestones. The application of these purchase incentives to our operating leases results in a net reduction in our aircraft rental payments which is amortized over the initial terms of the operating leases.

- *Young, modern and fuel-efficient fleet*

As of December 31, 2014, the average age of our aircraft was 3.1 years, which, according to CAPA, was the second youngest average fleet age among Indian carriers and one of the youngest fleets of any LCC globally. We maintain our young fleet by predominantly entering into short-term sale and leaseback operating leases for the aircraft we have ordered from Airbus, typically ranging from three to six years. We actively seek to maintain a young fleet because we believe it leads to better reliability in terms of aircraft performance, lower maintenance costs, improved fuel-efficiency, higher flight dispatch reliability and higher passenger appeal.

The A320 aircraft delivered to us by Airbus since January 2013 have been equipped with wing-tip “sharklets” which consume less fuel than aircraft without sharklets, according to Airbus. In 2008, we upgraded to IAE SelectOne engines, which we believe consume less fuel than our previous engines. In March 2011, we began to use the Pratt & Whitney EcoPower Engine Wash process for our engines, which we believe results in incremental fuel savings. As a result of these and other measures, we have been able to reduce our fuel consumption per block hour by 3.0% from fiscal 2010 to fiscal 2015.

According to Airbus, the new A320neo aircraft are expected to consume up to 15% less fuel than current generation A320 aircraft without sharklets, which will further reduce our fuel consumption per block hour as these aircraft enter our fleet from 2015 onwards.

***Maintain our award-winning service and strong brand recognition***

- *Award-winning service*

We aim to provide courteous, hassle-free and affordable service to our passengers. We have continuously received industry accolades since our inception in recognition of the quality of our airline service, including being awarded the “Best Low-cost Airline in Central Asia & India” at the SkyTrax World Airline Awards for six consecutive years from 2010 to 2015. We were also recognized as India’s favorite airline for 2012, 2013 and 2014 by TripAdvisor’s Annual India Air Travel Survey, which also recognized us as having the best value for money of any Indian carrier in the 2014 survey. Among all Indian carriers, we have the second highest load factor on domestic scheduled services for fiscal 2015, according to the DGCA, and the second lowest number of complaints per 10,000 passengers for the period from June to December 2014, according to CAPA.

- *Strong brand recognition*

We strive to be the most trusted airline brand in India. We believe that we have achieved strong recognition of the IndiGo brand and our simple brand message of providing “low fares, on-time flights and a hassle-free experience” to our passengers. We believe that we have achieved recognition of our brand largely through our consistent operational performance resulting in recommendations from satisfied passengers as sales promotion and advertising expenses accounted for less than 1% of our total expenses for fiscal 2014 and the nine months ended December 31, 2014.

***Maintain consistent profitability and strong cash flow generation, balance sheet and liquidity position.***

- *Consistent profitability*

We are the only Indian carrier to consistently remain profitable for the last six fiscal years ending in fiscal 2014, according to CAPA. Our airline had the highest profitability as measured by RASK minus CASK for any airline in India and is at a level in line with LCCs operating in Asia, according to SAP. Please see the chapter “*Industry Overview—Cost Competitiveness—Unit Profitability*” beginning on page 157. We have used our consistent profitability to reinvest in our business to build scale and efficiencies. These investments include an upgraded reservation system, upgraded crew rostering system, implementing a new revenue management system, upgrading our operations control center, cargo-related operational and financial software, revenue accounting software and employee training facilities.

- *Strong balance sheet*

We believe that we have a strong balance sheet which we believe provides us with a number of competitive advantages, such as lower finance costs and better financial terms from aircraft lessors and suppliers of aircraft components. As of December 31, 2014, we have total indebtedness of ₹ 40,028.21 million and ₹ 24,746.03 million of net debt (net of free cash of ₹ 15,282.18 million). As of December 31, 2014 all of our indebtedness was aircraft related and we did not have any indebtedness for working-capital. We believe that the strength of our balance sheet provides us with a competitive advantage by allowing us the flexibility to fund future growth and not be constrained by reliance on non-aircraft financing sources.

- *Strong cash flow generation and liquidity position*

We have generated strong cash flows from operations for the six fiscal years from 2009 to 2014. This has enabled us to further invest in our business and pay dividends to our shareholders in four of the past five fiscal years ending in fiscal 2015.

We believe our strong liquidity position protects us from unforeseen shocks such as a sudden decline in air travel demand or sudden spikes in aircraft fuel prices, which can put negative pressure on operating cash flows. We had ₹ 43,186.52 million of total cash as of December 31, 2014 and a total-cash-to-LTM, or last twelve months, being 2014, revenue of 31% as of December 31, 2014. Our liquidity position enables us to consistently pay our suppliers on time, allowing us to benefit from supplier discounts. In addition, our liquidity position enables us to purchase imported fuel, which require advance payments and is less expensive than fuel purchased domestically in India.

***Attract and retain talented employees and management and leverage the strength of our Promoters.***

- InterGlobe Enterprises (including our Company), was ranked among “Top Companies to Work For” in India in 2014 for the seventh consecutive year by a study done by the Great Places to Work<sup>®</sup> Institute in partnership with The Economic Times. No other airline was included in these rankings during this period.
- We have the highest employee productivity among the Indian carriers that were operational during the full fiscal year 2014 as measured by ASKs per employee, according to CAPA. Please see the chapter “*Industry Overview*” beginning on page 134 for more information. We do not have any unionized employees.

- We have continuously been able to hire sufficient pilots to keep pace with the expansion of our operations and growth of our fleet. Our average attrition rate for pilots is 7.1% per year from fiscal 2010 to fiscal 2015. As a result of our rotation and training schedules, we average 14 pilots per aircraft as of April 30, 2015.
- Our management team has a strong background at leading global airlines, hospitality and travel-related businesses, and many of whom have been promoted within our Company. We believe that our management team has the depth and capability to expand our operations in accordance with our business model.
- We believe that our management team provides us with extensive knowledge and understanding of the Indian business environment. Our management team delivered profitable results in our second full fiscal year after commencing our operations, and we have remained profitable in each fiscal year since. Our management team has successfully guided the airline through industry down cycles as well as periods of fuel price and exchange rate volatility.
- We benefit from the support and experience of our Promoters, Mr. Rahul Bhatia and Mr. Rakesh Gangwal. Mr. Bhatia holds leadership positions in several companies in the travel and hospitality industries, such as InterGlobe Enterprises, AAPC India Hotel Management Private Limited and Galileo India Private Limited. Mr. Gangwal has over 30 years of experience in the airline industry, including over 15 years of senior management experience at several leading airlines, such as US Airways, United Airlines and Air France. Most notably, Mr. Gangwal was the Chief Executive Officer of US Airways and the Chairman and Chief Executive Officer of Worldspan. Please see the chapter “*Our Promoters and Group Companies—Our Individual Promoters*” beginning on page 222.

## Financial Data

The following table presents our key financial information for the periods presented.

	Fiscal Year Ended March 31,					Nine Months Ended December 31,
(₹ in millions except per ASK data)	2010	2011	2012	2013	2014	2014
Passenger ticket revenue	23,259.89	33,909.86	49,873.04	82,666.57	99,239.83	89,427.37
Ancillary revenue	2,765.35	4,356.65	5,680.34	9,253.44	11,553.32	11,176.34
Other operating revenue	29.57	67.69	93.22	111.29	372.69	416.97
<b>Revenue from operations</b>	<b>26,054.81</b>	<b>38,334.20</b>	<b>55,646.60</b>	<b>92,031.30</b>	<b>111,165.84</b>	<b>101,020.68</b>
Other income	276.14	380.31	232.60	364.67	291.79	51.96
<b>Total revenues<sup>(1)</sup></b>	<b>26,330.95</b>	<b>38,714.51</b>	<b>55,879.20</b>	<b>92,395.97</b>	<b>111,457.63</b>	<b>101,072.64</b>
<b>RASK<sup>(2)</sup></b>	<b>2.84</b>	<b>3.10</b>	<b>3.10</b>	<b>3.70</b>	<b>3.72</b>	<b>3.92</b>
Operating expenses <sup>(3)</sup>	20,749.15	31,215.46	55,157.66	83,094.95	106,116.36	90,877.50
Depreciation and Amortization	459.96	628.70	665.23	856.20	2,260.08	2,203.19

Finance costs	505.88	449.91	514.27	578.01	1,225.77	911.14
<b>Total expenses</b>	<b>21,714.99</b>	<b>32,294.07</b>	<b>56,337.16</b>	<b>84,529.16</b>	<b>109,602.21</b>	<b>93,991.83</b>
Less: Finance income	(345.79)	(727.06)	(1,207.00)	(2,006.37)	(2,863.55)	(2,525.26)
<b>Total expenses net of finance income</b>	<b>21,369.20</b>	<b>31,567.00</b>	<b>55,130.16</b>	<b>82,522.79</b>	<b>106,738.66</b>	<b>91,466.57</b>
<b>CASK<sup>(4)</sup></b>	<b>2.30</b>	<b>2.53</b>	<b>3.06</b>	<b>3.30</b>	<b>3.56</b>	<b>3.55</b>
<b>RASK – CASK</b>	<b>0.53</b>	<b>0.57</b>	<b>0.04</b>	<b>0.40</b>	<b>0.16</b>	<b>0.37</b>
Yield per passenger (passenger revenue in ₹ / revenue passenger kms)	3.13	3.19	3.36	4.08	4.29	4.41

<sup>(1)</sup> Total revenue excludes finance income.

<sup>(2)</sup> RASK is calculated based on total revenues excluding finance income, divided by ASKs.

<sup>(3)</sup> Operating expenses includes aircraft fuel expenses, aircraft and engine rentals, purchase of stock in trade, changes in inventories of stock in trade, employee benefits and other expenses.

<sup>(4)</sup> CASK is calculated based on total expenses net of finance income, divided by ASKs.

## Operating Data

The following table presents our key operational data for the periods presented.

	Fiscal Year Ended March 31,					Nine Months Ended December 31,	
	2010	2011	2012	2013	2014	2013	2014
RPK (in millions)							
International	-	-	1,107	3,084	3,435	2,550	2,356
Domestic	7,429	10,634	13,719	17,176	19,701	14,826	17,934
ASK (in millions)							
International	-	-	1,345	3,714	4,207	3,166	2,832
Domestic	9,286	12,491	16,661	21,263	25,760	19,074	22,968
Number of Scheduled Passenger Carried (in millions)							
International	-	-	0.4	1.2	1.5	1.1	1.1
Domestic	6.6	9.5	12.3	15.7	18.1	13.6	16.9
Passenger Load Factor (%)							

	Fiscal Year Ended March 31,					Nine Months Ended December 31,	
	2010	2011	2012	2013	2014	2013	2014
International	-	-	82.3%	83.0%	81.6%	80.6%	83.2%
Domestic	80.0%	85.1%	82.3%	80.8%	76.5%	77.7%	78.1%
Block Hours							
International	-	-	11,468	31,317	35,701	26,763	20,826
Domestic	93,487	125,553	167,784	214,823	261,952	192,844	237,576
Daily Aircraft Utilization (Block hours per day)	11.6	10.7	10.4	11.1	11.4	11.5	11.4
Number of Scheduled Destinations Served as of period end							
International	-	-	5	5	5	5	5
Domestic	22	25	27	28	31	30	31
Total Number of Flights							
International	-	-	2,822	8,015	10,146	7,632	7,081
Domestic	51,520	70,217	95,594	123,222	148,342	109,625	133,923
Number of aircraft at year/period end	25	39	55	66	77	73	88

### Our Route Network

For the week ended April 30, 2015, we operated scheduled services to 33 airports in India, with a maximum of 593 domestic flights per day. We operated scheduled services to 31 airports in India, with an average of 515 domestic flights per day, for the month ending December 31, 2014, resulting in more passenger flights in India than any other airline, according to CAPA.

We consider a route as air travel service from one airport to another and flight frequency as the number of flights on any particular route during any period. For instance, air travel service from New Delhi to Mumbai is considered a route and the number of flights from New Delhi to Mumbai in any particular period is considered the flight frequency for such period. Our network strategy is based on the optimum resource utilization of our fleet, crew, manpower and other resources. Our route network is point-to-point as opposed to hub-and-spoke.

We had the highest market share in each of the top five domestic routes in India by traffic for the nine months ended December 31, 2014, according to CAPA.

A map showing our domestic and international routes as of April 30, 2015, is set forth below.





The following table sets out certain information regarding our total departures, routes operated and airports served by our domestic operations for the periods indicated.

	Fiscal Year Ended March 31,					
	2010	2011	2012	2013	2014	2015
Total departures during Period	51,520	70,217	95,594	123,222	148,342	183,149
Number of routes operated at end of period	53	66	81	87	103	114
Number of airports served at end of period	22	25	27	28	31	32

Our point-to-point structure enables us to manage our portfolio of routes effectively on the basis of individual route profitability. We analyze the financial performance of each route in terms of load factor and desired revenue objectives, including cash generation, operating profit, RASK and CASK, on a monthly basis, which enables us to initiate corrective measures to improve a route's performance when necessary.

Our route network is focused on major passenger routes within India. Our top five routes by capacity for fiscal 2015 were Mumbai-New Delhi, Bengaluru-Mumbai, Bengaluru-New Delhi, Kolkata-New Delhi and Bengaluru-Hyderabad. On the New Delhi-Mumbai route, the largest domestic route by capacity, we had the highest capacity as well as traffic of any airline for the nine months ended December 31, 2014, according to CAPA.

Our load factor, as measured in Revenue Passenger Kilometers ("RPK"), divided by Available Seat Kilometers ("ASK"), for domestic and international operations combined was 80%, 85%, 82%, 81%, 77% and 80% in fiscal 2010, 2011, 2012, 2013, 2014 and 2015, respectively.

We believe that we have maintained high utilization of our aircraft through efficient schedule management. For fiscal 2010, 2011, 2012, 2013, 2014 and 2015, our average aircraft utilization for each day was 11.6 hours, 10.7 hours, 10.4 hours, 11.1 hours, 11.4 hours and 11.4 hours, respectively. In fiscal 2014, our average aircraft utilization was higher than the average of 9.4 hours for all other Indian carriers in fiscal 2014, according to CAPA.

As of April 30, 2015, we used nine aircraft hubs (defined as airports where we have overnight parking slots for our aircraft) in New Delhi, Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad, Jaipur, Pune and Ahmedabad. Our access to landing overnight parking slots at these nine hubs helps us to originate flights from these cities and to enhance our aircraft utilization and the efficiency of our maintenance services. Our use of overnight

parking slots in Jaipur has resulted in us receiving aircraft fuel tax incentives from the state Government of Rajasthan.

### ***Domestic Route Selection and Development Strategy***

We intend to develop a portfolio of routes which have the potential to deliver high passenger load factors at attractive yields. When selecting a potential route, we typically choose a destination that has a population in excess of one million people and has the potential to service other key cities, and also consider whether the route is a good fit with our existing network, the attractiveness of alternative modes of transport for the route (such as rail) and whether the route has proven to be successful for our competitors. We also consider economic indicators to identify the growth opportunities in a particular market.

We strive to achieve high frequencies on key business routes to offer preferred flight times to business travelers and to offer a maximum amount of routes and frequencies from the airports at which we operate. We generally refrain from operating from airports with limited flight options.

We believe that our airline's low-cost model and adherence to the criteria mentioned above when selecting new domestic routes have allowed us to successfully open new markets as well as enter mature markets. The following table provides certain operating data for the periods indicated with respect to our New Delhi-to-Srinagar service, a relatively unestablished commercial airline route on which we commenced service in March 2010 and where our passenger volume has grown by a CAGR of 58% from fiscal 2011 to fiscal 2015.

	<b>New Delhi – Srinagar Non-Stop Service</b>				
	<b>Fiscal Year Ended March 31,</b>				
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Daily Frequency	1	4	6	6	8
Average fare (₹)	2,365	2,951	3,658	3,723	3,399
Load factor (%)	88%	92%	89%	87%	86%
Passengers	72,421	238,769	341,623	349,353	449,754

The following table provides certain operating data for the periods indicated with respect to our New Delhi to Kolkata service, a well-established commercial airline route on which we commenced service in August 2006.

	<b>New Delhi – Kolkata Non-Stop Service</b>				
	<b>Fiscal Year Ended March 31,</b>				
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Daily Frequency	9	10	11	12	15
Average fare (₹)	3,915	4,269	5,457	5,789	5,555
Load factor (%)	87%	82%	83%	80%	75%
Passengers	522,454	534,283	614,137	652,656	755,101

We intend to expand our route portfolio with a view to increase the breadth and depth of our service. While we intend to increase frequencies on current routes, we also intend to focus on new routes from existing destinations.

### ***International Routes***

The flight range of our aircraft gives us the flexibility to service international destinations in South Asia, Southeast Asia and the Middle East. We commenced our international operations on September 1, 2011, on the New Delhi-Dubai route. Since then, we have grown our international operations to 210 flights per week offering 5,400 seats per day, as of April 30, 2015, between India and five international destinations: Dubai, Muscat,

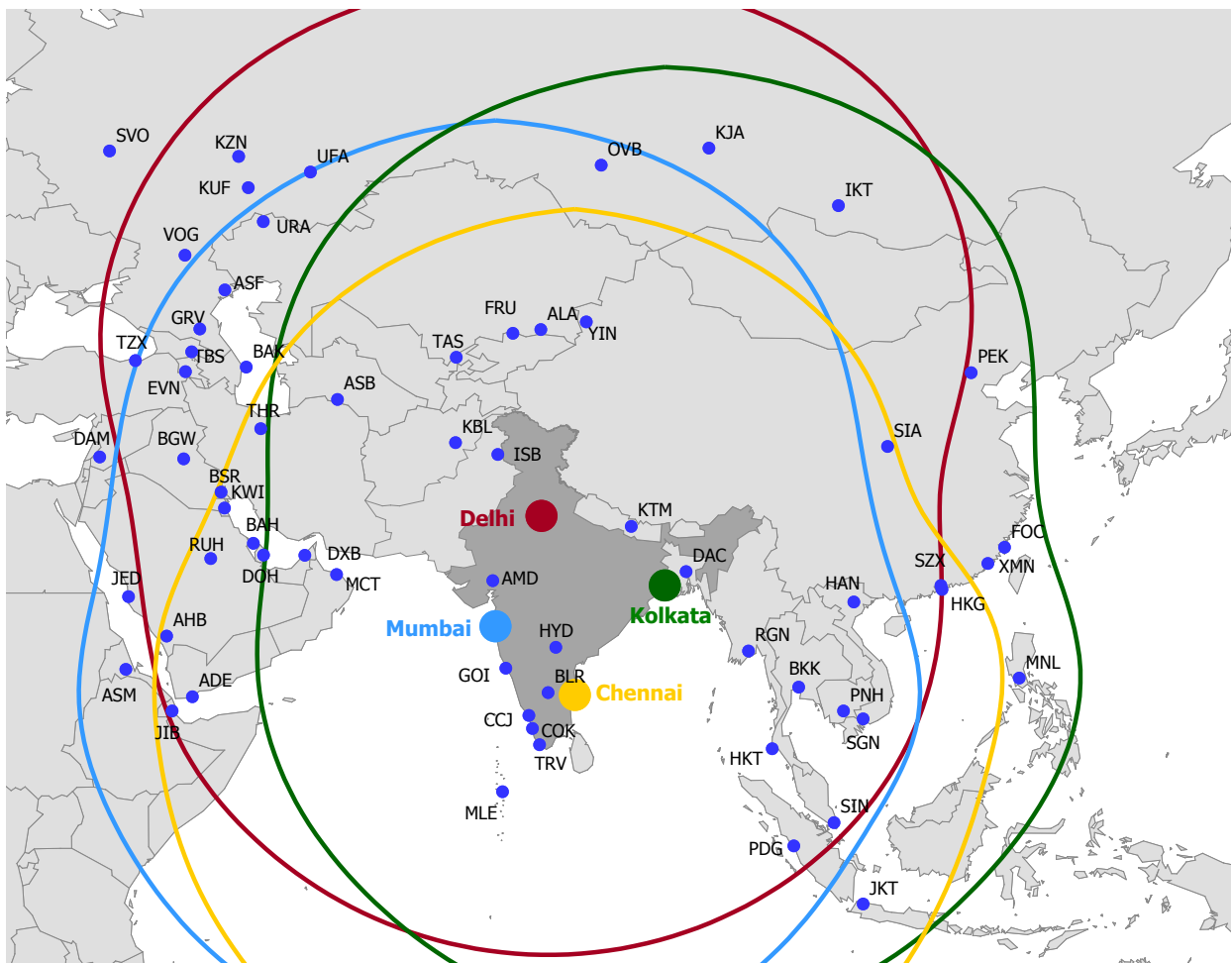
Bangkok, Singapore and Kathmandu. In addition, we operated two additional relief flights per day between Kathmandu and Delhi on April 27, 2015, April 28, 2015 and April 29, 2015 following the earthquakes in Nepal. We commenced daily Bengaluru-Dubai flights on December 15, 2014, and daily Kozhikode-Dubai flights on January 2, 2015.

Consistent with our domestic strategy, our international strategy revolves around the basic principles of the LCC business model, including point-to-point traffic. We strive to offer convenient connections between the domestic and international flights on our network without creating any complexities of transfers or additional check-in procedures. Additionally, our pricing and distribution strategy on international routes are consistent with those on our domestic routes.

In selecting destinations for international expansion, we target routes which offer a minimum density of 50,000 passengers per sector and attractive yields. The availability of landing rights and slots is also an important consideration for the selection of international destinations. To reduce the costs of parking our aircraft overnight, we have focused our international operations on flights under five hours which return on the same day. Routes which do not meet our operational and financial parameters have been discontinued. Examples of this include the New Delhi-Singapore route which has since been replaced by the Chennai-Singapore route as well as the New Delhi-Bangkok route which was discontinued in September 2014 and has been replaced by a second flight on the Kolkata-Bangkok route.

The flying ranges of an Airbus A320 and an Airbus A320neo aircraft from New Delhi, Mumbai, Kolkata and Chennai are illustrated below.

Airbus A320 Flying Range From Key Indian Cities<sup>(1)</sup>



Source: Airbus

Note:



Traffic (RPKs) <sup>1</sup>	7,429	10,634	43.1%	14,826	39.4%	20,260	36.6%	23,135	14.2%	17,377	20,290	16.8%
Passenger load factor (%) (RPK/ASK)	80.0%	85.1%	5.1 ppt	82.3%	(2.8) ppt	81.1%	(1.2) ppt	77.2%	(3.9) ppt	78.1%	78.6%	0.5 ppt
Passengers carried (in thousands)	6,555	9,467	44.4%	12,752	34.7%	16,888	32.4%	19,569	15.9%	14,692	17,995	22.5%

Note:

- (1) Measured in million kilometer

### Customers

Since commencing air travel operations in 2006, we have carried 100.1 million passengers as of March 31, 2015. Our passenger volume for fiscal 2010, 2011, 2012, 2013, 2014 and 2015 was 6.6 million, 9.5 million, 12.8 million, 16.9 million, 19.6 million and 25.2 million, respectively. Our customers are a mix of individual and corporate customers.

We derive our operating revenues primarily from passenger ticket revenue. The remainder of our operating revenues, which includes revenue from ancillary products and services, is comprised of revenues from special service requests, excess baggage, ticket modification and cancellation, lounge usage, convenience fees, cargo services, tours and packages, in-flight sales, advertisements and commissions from insurance sales.

The following table sets out our passenger ticket revenue, ancillary revenue and other operating revenue as a percentage of total revenues from operations from fiscal 2010 through the nine month period ended December 31, 2014.

( ₹ in millions)	Fiscal Year Ended March 31,										Nine Months Ended December 31,	
	2010	%	2011	%	2012	%	2013	%	2014	%	2014	%
Passenger ticket revenue	23,259.89	89.3	33,909.86	88.5	49,873.04	89.6	82,666.57	89.8	99,239.83	89.3	89,427.37	88.5
Ancillary revenue <sup>1</sup>	2,765.35	10.6	4,356.65	11.4	5,680.34	10.2	9,253.44	10.1	11,553.32	10.4	11,176.34	11.1
Other operating revenue	29.57	.1	67.69	0.1	93.22	0.2	111.29	0.1	372.69	0.3	416.97	0.4
Total revenue from operations	26,054.81	100.0	38,334.20	100.0	55,646.60	100.0	92,031.30	100.0	111,165.84	100.0	101,020.68	100.0

Note:

- (1) Includes special service requests, excess baggage, ticket modification and cancellation, lounge use income, convenience fee, cargo services, tours and packages, in-flight sales, advertisements and commission from insurance sales.

We launched our corporate customer program in April 2008. Under this program, we offer volume discounts for tickets sold to corporate customers, which includes meals, beverages and preferred seating.

### Fares and Booking Management

We practice dynamic pricing and revenue management in line with the established practices of LCCs globally. Our average fare for fiscal 2010, 2011, 2012, 2013 and 2014 and for the nine months ended December 31, 2014 was ₹ 3,548, ₹ 3,582, ₹ 3,911, ₹ 4,895, ₹ 5,071 and ₹ 4,969 respectively. In line with the typical LCC model, our fares are generally at their lowest the further in advance of the travel date that a particular booking is made and typically increases thereafter based on overall demand and vacant seats remaining on an aircraft. We follow typical revenue management principles to generate the desired load factors and revenue numbers, taking into consideration pricing, demand, competition, seasonality, traffic trends and flight timings. We do not overbook our flights. Our fares are established to be particularly attractive to price-sensitive leisure and business travelers. We publish a band of our fares on our website as is required by the DGCA for all airlines in India.

## Ancillary Products and Services

Our revenue from ancillary products and services is comprised of (i) revenue from ancillary passenger related services, consisting of special services requests (including seat selection, charges for infants and assistance for unaccompanied minors), excess baggage and ticket modifications or cancellations including expiry of credit shell, excess baggage, lounge income and convenience fee and (ii) revenue derived from products and services that are ancillary to our airline passenger services, consisting of cargo services, in-flight sales, commissions from insurance sales, advertisement, and our tours and packages business.

The following table sets out our revenues from each of our ancillary products and services as a percentage of total revenues from ancillary products and services for the periods indicated.

Ancillary Products and Services ( ₹ in millions)	Fiscal Year Ended March 31,										Nine Months Ended December 31,	
	2010	%	2011	%	2012	%	2013	%	2014	%	2014	%
Sale of service												
(a) Revenue from Ancillary Passenger related services	934.38	34%	1,508.03	35%	2,075.43	37%	3,936.81	43%	5,394.52	47%	5,294.82	47%
(b) Cargo services	1,565.40	57%	2,451.26	56%	2,903.72	51%	4,102.94	44%	4,859.78	42%	4,774.03	43%
(c) Tours and packages	–	–	1.37	0%	61.78	1%	121.67	1%	142.03	1%	121.10	1%
Sale of product												
In-flight sales	256.02	9%	383.57	9%	610.07	11%	1,022.28	11%	1,047.38	9%	895.96	8%
Other operating revenue												
Advertisement	9.55	0%	12.42	0%	23.29	0%	62.14	1%	106.97	1%	88.50	1%
Commission	–	–	–	–	6.05	0%	7.60	0%	2.65	0%	1.92	0%
<b>Total Revenues from Ancillary Products and Services</b>	<b>2,765.35</b>	<b>100%</b>	<b>4,356.65</b>	<b>100%</b>	<b>5,680.34</b>	<b>100%</b>	<b>9,253.44</b>	<b>100%</b>	<b>11,553.32</b>	<b>100%</b>	<b>11,176.34</b>	<b>100%</b>

### Ancillary Passenger Services

Our charges for most of our ancillary passenger related services differ between our domestic and international routes with the exception of our flights to Kathmandu, where domestic rates are applied. Domestic rates are applied to our flights to Kathmandu. Our revenue from ancillary passenger related services primarily consists of the following as of April 30, 2015:

- *Special Service Request*
  - a. *Seat selection* — Through our “SeatPlus” service, passengers can select their preferred seats on their flights by paying a fee. Pricing differs by the location of the seat selected. For a premium seat selection in the emergency row or the first row of our aircraft, we charge a fee of ₹ 600 per seat on domestic routes and ₹ 800 per seat on international routes. For window and aisle seats, we charge a fee of ₹ 200 or ₹ 300 per seat on domestic routes and ₹ 300 or ₹ 400 per seat on international routes depending on row chosen.
  - b. *Assistance for unaccompanied minors* — Children between ages five and 12 are accepted for travel without an accompanying adult for an additional fee of ₹ 1,500 on domestic routes and ₹ 3,000 on international routes.
  - c. *Charges for infants* — We charge ₹ 1,000 on domestic routes and ₹ 2,000 on international routes.

- *Excess baggage* — Passengers may check-in luggage without additional payment up to a limit of 15 kilograms for domestic flights and either 20 or 30 kilograms for international flights. For check-in luggage in excess of these amounts, we charge passengers ₹ 250 per kilogram on domestic routes and ₹ 525 per kilogram on international routes. Through our “IndiBags” service, we offer passengers reduced rates for the advance payment of excess luggage charges on our website.
- *Ticket modification and cancellation* — As of April 1, 2015, our fees for ticket modification or cancellation vary according to the amount of time before the flight when the change or cancellation is made.

### ***Other Ancillary Products and Services***

We generate additional revenue through the provision of other products and services that are ancillary to our core airline passenger services, consisting of the following:

- *Cargo Services* — We commenced our domestic cargo transport operations in March 2007. All of our cargo services are belly cargo services offered on our passenger aircraft. We seek to offer cargo services without compromising our flight turnaround times. Customers for our cargo transport operations include a number of prominent corporations in India, and are offered the ability to transport their cargo on our aircraft for a fee based on a combination of (i) the weight and / or type of the items transported on our aircraft and (ii) the distance such items are transported.
- *Tours and Packages* — We launched our “GetPacking” product in May 2011, which offers customers the ability to purchase business and vacation packages, including airfare and hotel bookings, on our website.
- *In-flight Sales* — Our flight-related services include in-flight sales of a wide range of beverages and food, including soft drinks, juices, sandwiches, nuts, cookies and other packaged food items. Through our “IndiMeals” service, passengers have the option to purchase in-flight meals at fixed prices both prior to boarding as well as during their flight. We also provide our passengers with an in-flight catalogue to purchase merchandise such as perfumes, sunglasses, watches and other IndiGo-branded merchandise.
- *Advertisement* — We earn advertising revenue through various product and service promotions on our boarding passes, baggage tags and tray table tops, and in our tarmac coaches and inflight magazines.
- *Insurance* — In June 2009, we entered into an agreement with TATA AIG General Insurance Company Limited (“**TATA AIG**”) to offer travel insurance on our website through Travinsure, a general insurance program for our passengers provided by TATA AIG. Travinsure’s travel insurance products include coverage for accidental death, emergency medical expenses, emergency evacuation, baggage loss, and compensations as a result of trip cancellation, trip interruption or flight delay.

We continually evaluate new ancillary products and services for our customers in order to generate additional revenue. To increase our ancillary revenue, we have started new services such as (i) 6E Pass, which is a pre-paid set of virtual flight coupons that can be used to book specific flights. A set of six regional permits costs ₹ 21,000 for travel to destinations with a flying distance of less than 1,000 kilometers and a set of six national permits costs ₹ 42,000 for travel to all domestic destinations and (ii) 6E Plus, which provides unlimited flexibility to our customers to change or modify bookings as many times as required without any extra charges upon payment of a one-time charge of ₹ 1,500 per reservation. We also have a facility for car rentals on our website. Our ancillary products and services revenue (including cargo services revenue) aggregated to 10.6%, 11.4%, 10.2%, 10.1%, 10.4% and 11.1% of our revenue from operations in fiscal 2010, 2011, 2012, 2013 and 2014, and the nine months ended December 31, 2014, respectively.

### **Our Fleet**

#### ***Current Composition of Fleet***

As of April 30, 2015, our fleet consisted of 96 Airbus A320 aircraft. We placed a firm order with Airbus for 100 A320 aircraft in June 2005, all of which were delivered by November 3, 2014, two years ahead of the initially scheduled final delivery date. We additionally placed a firm order with Airbus for 180 A320neo aircraft in June 2011. We believe that the magnitude of our 2005 and 2011 aircraft orders helped us to negotiate favorable terms

with Airbus and our other aircraft-related suppliers and service providers, which provides us with a structural cost advantage by reducing the overall costs associated with the acquisition, maintenance and operation of our aircraft.

We are also entitled to receive certain incentives from engine and component providers, which are granted at the time of delivery of each aircraft and upon the achievement of certain milestones. These deferred incentives are typically not assigned to third-party lessors in connection with the assignment of our right to purchase aircraft under our purchase agreements with Airbus as well as the engine manufacturers and are accordingly retained by our company. We have the option to apply these incentives towards credit for any payments due to the engine manufacturers or to receive these incentives in cash from the engine manufacturers at the time of aircraft delivery. Historically, we have received these incentives substantially in the form of cash.

By building a uniform fleet, we believe that costs for spare parts and training are reduced, allowing us to keep our fares low. Having a uniform fleet also allows us to use any aircraft for any route, thereby simplifying and increasing the flexibility of our flight scheduling arrangements. In addition, currently all of our aircraft carry the V-2527-A5 variant of the V2500 SelectOne engine manufactured by IAE, and, upon delivery, all of the A320neo aircraft in our 2011 order will utilize Pratt & Whitney engines, which further increases the uniformity of our aircraft. This uniformity lowers costs by allowing us to have common maintenance procedures, training and spare part inventories. The seating configuration in our Airbus A320 aircraft is optimized at the aircraft's maximum capacity of 180 seats, all of which are economy class.

We have a young fleet, with an average age of 3.26 years as of April 30, 2015. We also believe that a younger fleet leads to better reliability in terms of the performance of the aircraft, lower maintenance expenses, improved fuel-efficiency, higher flight dispatch reliability and higher customer appeal. In order to maintain a young fleet, we have entered into short-term operating leases with terms generally ranging from three to six years. In order to meet our expansion needs, we have extended the operating leases of 24 of our current aircraft as of March 31, 2015, seven of which had been scheduled to be redelivered to our lessors in fiscal 2015. We have also leased 12 aircraft previously leased by Tiger Airways with an average age of 2.5 years on short term leases of 3.5 to four years. In addition to these 12 aircraft, we expect to add another six previously used aircraft before March 2016.

### ***Financing of Fleet***

Airbus has delivered 100 aircraft to us from the commencement of our operations in 2006, 84 of which remain in our fleet as of April 30, 2015. Of the 100 aircraft delivered by Airbus, as of November 3, 2014, 77 were on operating leases, 17 were on European Export Credit Agency backed finance leases, five were on IAE-backed finance leases and one was purchased with internal funds. Of our fleet of 96 aircraft as of April 30, 2015, 22 are on finance leases and 74 are on operating leases, including 12 aircraft on short-term operating leases which were previously leased by Tiger Airways.

The basic price for each of the firm-order aircraft delivered pursuant to our contracts with Airbus is increased or decreased by any change to the standard specifications of the aircraft and is increased by an "escalation factor" designed to increase the basic price of any individual aircraft to reflect increases in the published U.S. Employment Cost and Producer Price indices from the time the basic price is set to the date twelve months prior to the delivery of such aircraft. We are required to pay certain pre-delivery payments under our purchase contracts with Airbus. Pre-delivery payments are funded through a combination of debt and equity. We have made all pre-delivery payments to Airbus relating to our 2005 order. Additionally, relating to the 2011 order, we have entered into a loan agreement for funding certain portions of the pre-delivery payments. The balance amount is to be paid through our internal accruals. We have made all the required pre-delivery payments due till date to Airbus towards this order.

On September 17, 2014, we signed a memorandum of understanding with Industrial and Commercial Bank of China Limited ("ICBC"), under which ICBC will provide us with aircraft financing for up to US\$2.6 billion through sale-and-leaseback agreements, finance leases or commercial loans.

Historically, our preference has been to finance aircraft on operating leases using a sale-and-leaseback structure. We may, in the future, use different sources of financing, such as export credits / commercial debt-backed finance leases or other financing structures.



### *Operating leases*

We generally assign our right to purchase each aircraft under our purchase agreements with Airbus to a third-party lessor and lease the aircraft from the lessor following delivery of the aircraft under a sale-and-leaseback agreement. Under the terms of our assignment, third-party lessors are typically required to pay the agreed purchase price between the lessor and us for each delivered aircraft directly to Airbus. The title of the aircraft then resides with the lessor. At the end of the lease, the aircraft is returned back to the lessor who takes on the residual value risk associated with the aircraft.

All of our operating leases are sale-and-leaseback agreements as of April 30, 2015, other than short-term leases of 12 aircraft which were previously leased by Tiger Airways. Please see “—*Future Fleet Growth*.” Under our current operating lease agreements, we typically pay a monthly rental, comprised of base and supplemental rental. Base rentals are either a fixed or variable monthly amount, with the variable amount based on floating interest rates pegged to the USD London Interbank Offered Rate, or USD LIBOR. Supplemental rentals vary from lease to lease and are largely based on aircraft utilization, which is calculated based on the number of hours or cycles operated in each month.

We receive non-refundable incentives from manufacturers upon the delivery of aircraft and engines and upon the achievement certain milestones. The application of purchase incentives and other deferred incentives to our operating leases results in a net reduction in our aircraft rental payments which is amortized over the initial terms of the operating leases as a result of these incentives. As of December 31, 2014 we had unamortized deferred incentives of ₹ 18,585.92 million.

Of the 74 aircraft we currently have on operating leases as of April 30, 2015, 69 have fixed rate leases and five have floating rate leases. We believe the higher proportion of fixed rate leases provides us with adequate protection against any volatility in USD LIBOR floating interest rates.

Our operating lease payments primarily include base rentals, supplemental rentals and spare engine lease payments, and which are net of amortized incentives and accounted for 12.7%, 12.7%, 14.2%, 16.0% and 15.2% and 14.9% of our total expenses in fiscal 2010, 2011, 2012, 2013 and 2014, and for the nine months ended December 31, 2014, respectively.

### *Finance leases*

We also finance aircraft using commercial or export credit-backed lenders. Under these finance leases, we generally assign our right to purchase an aircraft under our purchase agreement with Airbus to a special purpose vehicle (“**SPV**”) that is formed by lenders and leases the aircraft to us under a finance lease agreement. Under the terms of the assignment, the SPV is typically required to pay the agreed loan amount between the lender and us for each delivered aircraft directly to Airbus with a certain amount of equity contribution from us. The title of the aircraft is held by the SPV, which is controlled by the lender. At the end of the lease, the aircraft may be purchased by us for a nominal value.

Under our current finance lease agreements, we typically pay a monthly lease amount comprised of (i) scheduled amortizing monthly payment and (ii) interest based on floating rates pegged to the USD LIBOR.

As is customary in the aviation industry, our operating and finance lease agreements contain termination events. These agreements also typically contain cross default clauses, whereby a default under any one of the lease agreements may be treated as a default under the other lease agreements.

### *Future Fleet Growth*

In 2005, we placed a firm order for 100 A320 aircraft with Airbus. According to Airbus, the order represented the largest single firm order placed by an LCC at that time. Our 2011 order with Airbus for an additional 180 A320neo aircraft was the largest single firm order in commercial aviation history at that time, according to Airbus. The purchase agreement for our 2011 order has secured a series of scheduled deliveries from November 2015 to November 2023, subject to any delivery advancements or deferrals which may be negotiated with Airbus. We expect these deliveries to increase our operating fleet to approximately 111 aircraft, net of retirements, by the end of fiscal 2016. We believe we have secured aircraft from Airbus on attractive terms, allowing us to reduce our aircraft ownership and operational costs.

We have taken delivery of all 100 aircraft under our 2005 order as of November 3, 2014, two years ahead of the initially scheduled final delivery date as a result of our advancement of deliveries to meet our capacity needs. Due to this, we are not scheduled to receive any further deliveries from Airbus until the first A320neo under our 2011 order with Airbus is delivered to us in November 2015. We have requested in the past, and may request in the future, subject to negotiation with Airbus, for Airbus to advance or defer the deliveries of aircraft under our contracts with them, as our business requires. Please see the chapter “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Planned Capital Expenditures*” beginning on page 346.

To help meet our short-term capacity needs resulting from increased travel demand in India, on October 9, 2014, we entered into lease arrangements ranging from 3.5-4 years with Standard Chartered group for 8 Airbus A320 aircraft and with MC Aviation Partners Inc. for 4 Airbus A320 aircraft. These aircraft were previously leased to subsidiaries of Tiger Airways and have an average age of 2.5 years with similar specifications and engine types as our existing fleet. We have also extended the operating leases of 24 of our current aircraft, seven of which had been scheduled to be redelivered to our lessors in fiscal 2015. We further expect to add another six previously used aircraft from various lessors between May 2015 and March 2016. If these leases, together with the deliveries under our 2011 order, are insufficient to meet our short to medium term expansion needs going forward, we may extend additional leases and / or lease additional used aircraft.

On October 12, 2014, we signed a term sheet with Airbus in order to enter into a purchase agreement to acquire 250 A320neo aircraft. Although the term sheet has expired we remain in active discussions concerning the potential acquisition of a significant number of aircraft from the A320neo family. There is no assurance that we will be able to negotiate the additional aircraft purchase from Airbus or that any such purchase would use a structure or contain terms comparable to our 2005 and 2011 orders from Airbus.

The table below summarizes the current delivery and return schedules of our aircraft and expected fleet size through fiscal 2018.

	Fiscal Year Ended March 31,								
	2010	2011	2012	2013	2014	2015	2016 <sup>(2)(3)(4)</sup>	2017 <sup>(2)(4)</sup>	2018 <sup>(2)(4)</sup>
Starting Fleet	19	25	39	55	66	77	94	111	123
Net Additions	6	14	16	11	11	17 <sup>(1)</sup>	17	12	14
<b>Ending Fleet</b>	<b>25</b>	<b>39</b>	<b>55</b>	<b>66</b>	<b>77</b>	<b>94</b>	<b>111</b>	<b>123</b>	<b>137</b>

Note:

- (1) Includes the final seven A320s under our 2005 purchase agreement and ten A320s under our 2014 lease of aircraft previously leased by Tiger Airways, all of which have been delivered.
- (2) Anticipated. Fleet figures and delivery and return schedules are subject to potential advancements and deferrals of aircraft deliveries and the terms of our leases with various third-party lessors.
- (3) Includes the final two A320s under our 2014 lease of 12 aircraft previously leased by Tiger Airways, both of which have been delivered, anticipated six additional used aircraft and nine A320neos under our 2011 purchase agreement with Airbus.
- (4) From Fiscal 2016, all A320neo family aircraft deliveries will be made under our 2011 purchase agreement with Airbus.

### ***A320neo Aircraft***

We were one of the first airlines globally to order the A320neo aircraft, according to Airbus. Based on currently announced production rates, Airbus has just over 8.5 years of current backlog for the A320 family of aircraft.

The A320neo aircraft incorporate more efficient engines and large wing-tip devices called “sharklets” and deliver improved fuel savings of up to 15% over current generation A320 aircraft without sharklets, according to Airbus. All of the current generation A320 aircraft delivered to us since January 2013 also incorporate sharklets. We believe that the lower operating costs of the A320neo aircraft will allow us to maintain and improve upon the structural advantages we believe we have over our competition. Our 2011 aircraft order includes a right to convert the A320neo aircraft into A321neo aircraft. The A321neo offers increased seating capacity and maximum landing and take-off weight over the A320neo.

We have placed a firm order with Pratt & Whitney for the PW1100G engines for all of the A320neo aircraft we have ordered under our 2011 order and have agreed that Pratt & Whitney will also provide maintenance services in respect of those engines.

### **Sales Channels**

Our Navitaire reservation system allows us to host our schedule and ticket inventory on a real-time basis and offer sales through different channels, including our website *www.goindigo.in*. We do not subscribe to any traditional global distribution system, which helps to limit our distribution costs.

We primarily sell air tickets through travel agents and our website. In the year ended March 31, 2015, 51.6% of our ticket sales by volume were made through traditional travel agents, 27.5% through online travel agents, 16.3% through our website, 2.7% through our call centers and 1.9% through our airport desks. We have outsourced our travel agent and corporate sales business to our group company InterGlobe Air Transport Private Limited. Please see the section “*Risk Factors—Risks Relating to Our Company—We have in the past entered into related party transactions and may continue to do so in the future*” beginning on page 34.

We seek to lower our distribution costs by strengthening our direct sales channels, comprised of our website, call centers and on-site airport sales. For instance, we recently upgraded our website to encourage customer use and adjusted the commissions payable to traditional and online travel agents. We have also introduced a mobile app for customers to access our website on Android, Windows and iOS devices.

### ***Traditional Travel Agents and Online Travel Agents***

We sell tickets through traditional travel agents and online travel agents. Both traditional and online travel agents make bookings using a designated log-in on our website and pay using prepaid credit accounts. In fiscal 2010, 2011, 2012, 2013, 2014 and 2015, ticket sales made through traditional travel agents represented 49.2%, 51.0%, 51.4%, 53.7%, 53.0% and 51.6%, respectively, of our ticket sales volume and ticket sales made through online travel agents represented 18.7%, 20.2%, 23.0%, 21.7%, 22.1% and 27.5%, respectively, of our ticket sales volume.

We adjusted the commissions paid to traditional travel agents in October 2014, online travel agent in January 2015 and cargo agents in March 2015. We believe this will help channel traffic to our website, which will further lower our distribution costs.

### ***Website***

Our website, *www.goindigo.in*, was launched in 2006. Our website is designed to provide a user-friendly interface to our customers and is reviewed and upgraded from time to time. Purchases of tickets by passengers directly via our website represented 18.9%, 17.7%, 18.1%, 18.2%, 17.6%, and 16.3% of our ticket sales volume in fiscal 2010, 2011, 2012, 2013, 2014 and 2015.

Using our website, customers can review the availability and fares of tickets of any of our flights and book, purchase and check-in to their flights. Our website displays fares and booking options for one-way and round-trip reservations. Our fares are displayed in Indian Rupees, as well as in U.S. Dollars and the currencies of our five international destinations. All travel with our airline is paper-ticketless, thereby eliminating costs associated with printing, mailing and modifying paper-tickets, as well as re-issuing lost or stolen paper-tickets. We charge a convenience fee of ₹ 150 for credit cards and ₹ 100 for Net Banking on bookings made on our website to offset the cost involved in online transactions as of April 30, 2015.

In May 2011, we launched our own online travel booking system, which offers business and vacation packages, including air tickets, hotels and tours. In March 2015, we added new features to our website, including allowing customers to book a multi-leg journey using a single passenger name record and a comparison tool to determine the lowest fares between two cities.

Through our website, we also offer our passengers options to pick their own seat, pay for excess luggage charges and in-flight meals at a discounted rate and purchase travel insurance and other ancillary services. On our website, passengers can book cars and hotels for many of the destinations we service through our association with third parties. Please see “— *Ancillary Products and Services.*”

### ***Mobile Sales***

We have launched a mobile app for customers on Android, Windows and iOS devices which has over one million downloads as of April 30, 2015. Our mobile platform allows customers to book flights, check-in, block seats, check flight status and flight schedules in real-time and view in-flight menus. For example, in the last ten days of March 2015, an average of over 900 flights were booked per day and an average of over 1,500 check-ins per day were done on our mobile platform. Our mobile app includes a guide for each of our destinations. We offer a variety of payment options through our mobile app, including all major debit and credit cards and online fund transfers from bank accounts. Customers also have the option to hold flight bookings and make payments at a later time.

### ***Call Centers and Airport Desks***

Our call center operations are outsourced to InterGlobe Technologies Private Limited, a Group Company which operates call centers in Gurgaon and Chennai. Please see the section “*Risk Factors—Risks Relating to Our Company—We have in the past entered into related party transactions and may continue to do so in the future*” beginning on page 34. At each airport in which we operate, we have a dedicated customer service team to assist passengers and customers. Call center and airport representatives use the “Sky Speed Call-Center Reservation System”, which is hosted by Navitaire Inc., to book, cancel or change flight reservations.

Ticket purchases by our passengers through our call centers represented 7.5%, 6.9%, 4.2%, 4.2%, 5.1%, and 2.7% of our ticket sales volume in fiscal 2010, 2011, 2012, 2013, 2014 and 2015, respectively. Ticket purchases by our passengers through our airport desks represented 5.7%, 4.2%, 3.2%, 2.2%, 2.2%, and 1.9% of our ticket sales volume in fiscal 2010, 2011, 2012, 2013, 2014 and 2015, respectively. We charge a booking fee of ₹ 200 per segment for flight reservations at our call centers and airport desks.

### ***Direct Corporate Sales***

We sell tickets directly to corporate customers through a dedicated team of individuals. In fiscal 2010, 2011, 2012, 2013, 2014 and 2015, direct sales to corporate customers through our various sales channels represented 4.7%, 6.9%, 8.3%, 10.2%, 11.2%, and 12.6%, respectively, of our ticket sales volume.

### ***Payments by Credit and Debit Cards and On-line Transfers***

Most of the sales on our website, call centers and airports are paid via credit cards, debit cards and online fund transfers from bank accounts. Our online and airport desk bookings are payable by credit or debit card, allowing us to charge transaction fees. At call centers, customers can pay by credit card using interactive voice response technology for payment security. Alternatively, our customers without a credit or debit card may make a reservation on our call centre and deliver payment to designated travel agents, called IndiGo fulfillment centers, or to our airport desks within 24 hours of such reservation, except in the last 72 hours before a flight. The agent collects the price to be paid and completes the payment. Travel agents transacting through their agency funds also have to go through a validation and authentication process which ensures no misuse of their funds.

### ***Selling and Distribution***

Our strategy is to communicate directly with potential customers and emphasize our low fares and on-time service. In doing so, we primarily advertise our services on our website, through the Internet, television broadcasts and in the print media. We also brand airport facilities including terminals, landmarks and billboards. We use our trademarks to promote our brand (please see “*Government and Other Approvals—VII. Intellectual Property*”) as well as our simple brand message of providing “low fares, on-time flights and a hassle-free experience” to our passengers.

We also develop strategies which are specifically aimed at multinational, online, retail and corporate travel agents. We regularly use email and online campaigns to market our brand to customers as well as traditional and online travel agents. Our advertisements focus on our on-time performance, route map, industry accolades and awards and customer service. We work with a public relations agency and an advertising firm to develop marketing strategies and launch advertisement campaigns, an example of which was our campaign emphasizing our on-time performance. Other marketing activities include the distribution of advertising and promotional material and cooperative advertising campaigns with other travel-related entities, such as online travel agents. Our in-flight catalog is also used for advertising. We also advertise in regional languages to promote our brand name to targeted market segments, especially at the commencement of a new route.

We supplement our advertising expenses by leveraging cost-effective public relations opportunities and being proactive and creative in our various promotions and campaigns. For example, we have run campaigns and advertisements in several newspapers and magazines, as well as on television and billboards. We also periodically run special promotional fare campaigns such as offering discounted seats on new routes to stimulate demand and to encourage visits to our website.

We have a dedicated social media team that actively generates and monitors content on social media platforms. We use social media such as Twitter and Facebook to address customer queries and to communicate information and offers concerning our services to customers. We had 336,375 “likes” of our IndiGo Facebook page and 39,570 followers on Twitter as of April 30, 2015.

This combination of selling and distribution activity enables us to effectively control our selling and distribution costs and ensure continuous reductions in expenses as a percentage of our total expenses. In fiscal 2010, 2011, 2012, 2013 and 2014 and the nine months ended December 31, 2014, our selling and distribution costs represented 11.0%, 9.7%, 7.4%, 6.6%, 6.3% and 6.9%, respectively, of our total expenses.

### **Customer Service**

It is our strategy to consistently offer low fares and provide reliable service that meets or exceeds our customers’ expectations. We regularly monitor our performance in relation to on-time performance, lost baggage, cancelled flights and customer relations.

We believe that we deliver high quality in-flight services through our cabin crew who are recruited through a rigorous hiring process and undergo various training courses which are also refreshed annually and comply with guidelines stipulated by the DGCA and our internal performance standards. These training courses include service procedures, customer care, safety and grooming.

We have also implemented several other business practices to enhance our customer service, such as providing step-less and wheelchair-accessible portable boarding ramp facilities, which we believe were one of the first of their kind in India, flexibility to select seats prior to departure, the option to pre-pay any excess luggage charges at a discounted rate on our website, and in-flight sales of food, beverages and other merchandise along with the option to pre-pay for food and beverages on our website. We use technology to enhance our customer service, including enabling our passengers to book flights or check flight status via an internet enabled cell phone or on the Internet, as well as equipping our staff with a handheld electronic check-in device known as “Q-busters,” which expedite the check-in process for our passengers.

As a low-cost, no-frills airline, our airline generally does not provide any free in-flight food or beverages. While we provide complimentary food and beverages to our corporate customers, our individual customers are required to pay for food and beverages offered on our flights. Passengers may purchase a range of in-flight meals before or during their flight, the former of which is at a discounted rate. While we do not provide any in-flight entertainment on our flights in order to reduce costs, we offer passengers merchandise for purchase on our flights, such as souvenirs (IndiGo-branded merchandise) and other consumer products.

In addition, as part of our in-flight service experience, we place an emphasis on the maintenance and upkeep of our cabin interiors whereby upholstery and carpeting are regularly checked, repaired or replaced as required.

We have received industry accolades since our inception recognizing our customer service. For instance, we received the award for “Best Low-Cost Airline in Central Asia & India” at SkyTrax World Airline Awards for six consecutive years from 2010 to 2015 and the “Best Operational Excellence Worldwide” award in the large fleet category by Airbus during the A320 Family Symposium in April 2014.

Customer inquiries and complaints are monitored by a dedicated team. We seek to address and resolve complaints and questions as soon as possible.

### **Ground Operations**

Passenger handling is carried out by our employees at all domestic airports that we serve. Passenger handling services include check-in and boarding services. Other airport operations, including security screening of passengers and their carry-on baggage, are the responsibility of the authorities at the airports.

We outsource certain aspects of our ground handling services to third parties (excluding airports in Srinagar, Jammu) including the (i) loading and unloading of baggage, (ii) movement of passengers, crew and towable ground support equipment, (iii) cleaning of aircraft and (iv) fumigation of aircraft (only done at the New Delhi, Mumbai, Kolkata, Bangalore, Hyderabad, Chennai, Jaipur and Ahmedabad airports). The term of these ground handling contracts is generally for one year and generally may be terminated without cause by either party with prior notice.

We pay airport charges each time we land or access facilities at the airports we serve. Depending on the policy of the individual airport, such charges can include landing and parking fees, passenger service charges and security fees. In addition, as stipulated by airport operators, we regularly claim collection charges from passengers for airport levies such as passenger service and user development fees and which are passed on to the respective airport operators.

As part of our low-cost strategy, we seek to negotiate advantageous terms for certain airport charges and other rebates where possible. Additionally, we have sought to make timely payments to all our vendors and suppliers since our inception, which we believe has resulted in discounts on our operational expenses.

Landing fees and enroute charges accounted for 9.4%, 8.4%, 7.2%, 7.6%, 8.0% and 8.3% of our total expenses in fiscal 2010, 2011, 2012, 2013 and 2014 and the nine months ended December 31, 2014, respectively.

### **Flight Operations and Operations Control**

We have a centralized operations control center located at our head office in Gurgaon, Haryana which monitors and directs the execution of our flight schedule while making the optimum use of resources.

We are committed to achieving industry leading on-time performance and operations reliability. In fiscal 2010, 2011, 2012, 2013, 2014 and 2015, our airline had an average on-time performance of 82.7%, 85.5%, 89.1%, 91.3%, 88.2% and 86.7%. Furthermore in the nine months ended December 31, 2014, our airline had an average domestic on-time performance of 89.3% at four leading airports (namely New Delhi, Mumbai, Bengaluru and Hyderabad), which is higher than any other Indian carrier at these airports, according to CAPA.

In fiscal 2010, 2011, 2012, 2013, 2014 and 2015, our airline had an operational reliability of 99.92%, 99.93%, 99.93%, 99.94%, 99.94% and 99.95%, respectively, as measured by Airbus.

We use the Airborne Communications, Addressing and Reporting System, or ACARS protocol. ACARS enables the automation of aircraft operational processes and has been shown over many years to contribute towards the efficient operation of aircraft, to the on-time performance and also contributes to cost efficiency.

The role of the operations control center is particularly important during irregular operations, such as fog, technical delays and diversions, to decide on the continuation, diversion or termination of flights. In an emergency situation, the operations control center is responsible for activating an emergency response plan in consultation with the President of the Company. The operations control center includes operations and maintenance controllers, flight dispatchers, crew schedulers, logistics specialists, meteorologists and a social media team.

We use the Integrated Operations Control solution by AIMS to manage all functions in our operations control center, including decision-making concerning crews, aircraft scheduling and passenger load sheets.

### **Maintenance, Repair and Overhauls**

We maintain our aircraft in accordance with standards that meet or exceed Indian regulatory standards. We outsource most of the maintenance of our aircraft and engines. For maintenance of our engines and other aircraft components, we have also entered into several fleet hour agreements with the following counterparties:

- a. IAE and Pratt & Whitney for comprehensive engine maintenance and spare engines for our A320 and A320neo aircraft, respectively;
- b. Hamilton Sundstrand (now UTC Aerospace Systems) for auxiliary power units and line replacement units;
- c. Messier Bugatti for wheels and brakes;

- d. Air France Industries for various aircraft components including rotables;
- e. Goodrich Aerostructures (now UTC Aerospace Systems) for nacelles; and
- f. Honeywell, Thales and Rockwell Collins for certain avionics components.

We outsource C-checks, which are maintenance checks on our aircraft once they have flown 7,500 flight hours, to European Aviation Safety Agency-approved maintenance, repair and overhaul facilities. For C-checks contracts, we aim to achieve the lowest possible costs without compromising on quality by awarding maintenance contracts to third parties through a competitive bidding process. We believe that outsourcing our maintenance check requirements enables us to enjoy higher levels of economies of scale, providing further operational and cost efficiencies.

We proactively plan all of our engineering and maintenance tasks and generally book slots for C-checks in advance. In addition, we are a DGCA-approved Aircraft Maintenance Organization, and have the required certification and employees with the appropriate training to conduct in-house maintenance up to 7,500 flight hours. While we seek to maintain our fleet in a cost-effective manner, we do not compromise on compliance with regulatory requirements in the areas of maintenance, training or quality control, and we maintain our aircraft in accordance with manufacturer recommendations. In this respect, we have established an engineering and quality assurance department which deals with oversight of all maintenance activities in accordance with DGCA regulations. Our engineering and quality assurance staff are trained and qualified in technical and airworthiness management with relevant aircraft-type training and certification in relation to the maintenance of our aircraft as well as in relation to the maintenance standards set by our third-party lessors.

As of April 30, 2015, we had 933 engineering staff, equivalent to 9.7 engineers per aircraft. Many of our engineering staff are licensed A320 engineers with significant experience in the airline industry.

We use customized software to check the maintenance of our aircraft. We have licensed a customized version of AMOS, a maintenance, repair and overhaul, or MRO, software system from Swiss AviationSoftware Limited, and have also entered into a maintenance contract with Swiss AviationSoftware Limited for regularly upgrading AMOS and providing other support services. Through AMOS, we plan, monitor and manage the maintenance needs of our aircraft. We have also licensed AIRMAN from Airbus, which optimizes the maintenance and troubleshooting of Airbus aircraft and helps us to improve our flight dispatch reliability, reduce our maintenance and operational costs and maintain our fuel-efficiency.

We schedule most of our routine maintenance at New Delhi thereby avoiding additional costs from equipment or personnel duplication. We operate a bonded and environmentally-controlled warehouse at the Indira Gandhi International Airport in New Delhi for storing spare parts and inventory. We believe that we currently have enough spare parts and inventory through our maintenance agreements to satisfy our operational needs.

As of April 30, 2015, the average age of our aircraft was 3.26 years. Maintenance expense (including consumption of stores and spares, repairs and maintenance) accounted for 2.9%, 3.0%, 2.8%, 3.1%, 2.9% and 3.1% of our total expenses in fiscal 2010, 2011, 2012, 2013 and 2014 and the nine months ended December 31, 2014, respectively.

### **Managing Fuel Costs**

Aircraft fuel is a major cost component for airlines. The cost of our aircraft fuel has fluctuated significantly in recent years, accounting for 42.0%, 47.1%, 51.0%, 51.0%, 50.3% and 48.4% of our total expenses in fiscal 2010, 2011, 2012, 2013 and 2014 and the nine months ended December 31, 2014, respectively.

In India, aircraft fuel is currently available for domestic purchase primarily from three government-controlled companies (Indian Oil Corporation Limited, or IOC, Bharat Petroleum Corporation Limited, or BPCL and Hindustan Petroleum Corporation Limited, or HPCL) and two private companies (Shell MRPL Aviation Fuels and Services Private Limited and Reliance Industries Limited). We purchase more aircraft fuel from IOC than any other supplier. IOC fuel expenses accounted for 42.0%, 47.1%, 49.1%, 47.7%, 43.9% and 36.7% of our total expenses in fiscal 2010, 2011, 2012, 2013 and 2014 and the nine months ended December 31, 2014, respectively.

Pursuant to a government policy allowing Indian carriers to import fuel for their own use, we obtained all necessary approvals and permits and began importing fuel in April 2014 to reduce our dependence on domestic suppliers.

Sales tax on aircraft fuel has been reduced in the states of Andhra Pradesh, Rajasthan, Chhattisgarh, Jharkhand, Odisha, West Bengal, Madhya Pradesh and Maharashtra where we operate. We also receive reductions to the sales tax on aircraft fuel purchased at the Jaipur because we park a minimum of 3 aircraft per night in Jaipur airport. As a result of our growing fleet, we have been able to deploy additional capacity in these markets, resulting in lower fuel expenses.

The cost of aircraft fuel has not been able to be predicted with any degree of certainty. Since our inception, we have not undertaken any forward fuel purchases or other hedging strategies with respect to our fuel purchases. However, we have developed a platform to hedge fuel, which has included, among other things, obtaining necessary governmental approvals and establishing relationships with potential hedging counterparties, if required.

We have implemented the following measures concerning our aircraft which are designed to minimize fuel consumption:

- *Young Fleet:* As of April 30, 2015, the average age of our aircraft was 3.26 years. As of December 31, 2014, the average age of our aircraft was 3.1 years, which, according to CAPA, was the second youngest average fleet age among Indian carriers and one of the youngest fleets of any LCC globally. We believe that a young fleet is more fuel-efficient than an older fleet.
- *Sharklets:* All of the A320 aircraft delivered to us since January 2013 are fitted with large wing-tip devices known as “sharklets” which, according to Airbus, reduce fuel consumption compared to A320 aircraft which are not fitted with sharklets.
- *SelectOne Engines:* All of the A320 aircraft delivered to us since September 2008 use IAE SelectOne engines. We believe these engines use various technological advances to reduce aircraft fuel consumption compared to previous IAE engines.
- *Aircraft Weight:* Fuel consumption is directly proportional to the weight of an aircraft. We have sought to reduce the weight of our aircraft by selecting lighter seats and by choosing to not have in-flight entertainment systems.

We have also adopted conservative fuel consumption policies which are communicated to all pilots and engineering staff training procedure. These policies include actions such as carrying fuel sufficient for the entire leg of certain routes in order to avoid having to refuel at airports where fuel is more expensive, refueling in locations with lower sales tax, installing software such as Navtech Flight Planning, which maps a fuel-efficient flight path, restricting the use of auxiliary power units, employing continuous descent approaches and economy cruise speeds, minimizing aircraft weight by removing unnecessary equipment and optimizing engine settings for take-off and climb. In addition, we have adopted fuel policies designed to reduce costs on the ground including the use of the Pratt & Whitney EcoPower Engine Wash process for our engines, the use of ground equipment in place of aircraft auxiliary power units and other engineering protocols. These policies are all designed to optimize fuel productivity and thereby reduce expenses.

## **Safety and Security**

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

### ***Safety***

Our commitment to safe operations is apparent through our participation in internationally recognized safety audits and our safety training procedures, investment in safety-related equipment, collection of flight data for analysis and oversight of equipment and use of systems and procedures relating to safety standards.



The International Air Transport Association, or IATA, Operational Safety Audit, or IOSA, program is an internationally recognized and accepted evaluation system designed to assess the operational management and control systems of an airline. Although we are not a member of IATA, we successfully completed an IOSA audit in August 2014. We believe that the IOSA certification helps to reduce our insurance premiums and certifies our commitment to meeting international safety standards. In addition, we have undergone the Line Operation Safety Audit, or LOSA, conducted by the U.S.-based LOSA Collaborative.

All training programs for our pilots, cabin crew, engineers and dispatchers are approved by the DGCA. Our operation control procedures and flight crew training standards are regularly audited for compliance with Indian legislation by both DGCA and us. We have developed emergency response procedures and regularly conduct drills and training sessions for key personnel.

We have a comprehensive and documented safety management system, including safety procedures and safety-related data collection, which is designed to identify and report hazards or incidents and ensure that our employees understand their responsibility in ensuring safety standards are met. We have installed software on all of our aircraft to report engine performance and maintenance data to our centralized operations control center in Gurgaon. We use the information reported through all reporting systems to carry out risk assessments, manage any identified hazards and improve flight and other operating procedures.

We perform safety audits, inspections, surveys and studies as part of our quality assurance program. We also regularly meet with third parties such as the DGCA, IATA and the Gulf Flight Safety Committee to share information relating to hazards, safety-related matters and best practices. Our safety procedures are established by a safety committee that is chaired by our President and comprises of senior management with responsibility for safety and security matters and the heads of each operating department.

### ***Security***

While relevant airport operators are responsible for security screening of checked baggage at Delhi, Mumbai, Hyderabad, Bengaluru, Kochi (International Terminal) and Ahmedabad airports, at all other airports such security screening is undertaken by IndiGo employees. Screening of passengers and their carry-on baggage is the responsibility of the airport security groups such as the Central Industrial Security Force at all airports except within Jammu and Kashmir where the function is performed by the Jammu and Kashmir police department. In addition, our security staff perform secondary ladder point checks for all passengers on flights originating from Jammu, Srinagar, Agartala, Dibrugarh, Guwahati, Imphal and Dimapur as per the Bureau of Civil Aviation Security, or BCAS, requirements, while at other locations these secondary checks are performed during periods of high alert or upon receiving specific information from the BCAS.

All of our potential employees for positions involving implementation of aviation security procedures are recruited in accordance with BCAS guidelines, which include undergoing thorough background checks, including local police or special branch verification, before being permitted access to relevant airports. All security staff are required to undergo mandatory initial and refresher security courses in accordance with IndiGo Security Program (approved by BCAS) and are trained to handle various contingencies such as potential security breaches, dangerous goods, discovery of suspect or prohibited articles, aircraft hijacking, bomb threats and unruly passengers. Appropriate initial and refresher training is also provided to our cockpit and cabin crews with respect to awareness of dangerous goods and related security issues such as handling aircraft hijackings and bomb threat situations.

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

### **Recruitment and Training**

#### ***Pilots***

We believe our pilot recruitment criteria are higher than the standards required by the DGCA. Generally, we require our Indian national captains to have a minimum of 2,500 hours of flying experience and 300 hours of command experience and our expatriate captains to have a minimum of 4,000 hours of flying experience and 500 hours of command experience on A320 aircraft. Additionally, we require our pilots to undergo simulator assessment checks in Bengaluru.

We have continuously been able to hire sufficient pilots to keep pace with the expansion of our operations and growth of our fleet. Our average attrition rate for pilots is 7% per year from fiscal 2010 to fiscal 2015. As a result of our rotation and training schedules, we average 14 pilots per aircraft as of April 30, 2015.

We recruit experienced pilots who are qualified on the A320. We also hire non-type rated pilots who complete a comprehensive training program to become type-rated. We verify the validity of the qualifications of every pilot that we hire. We have contracts with various DGCA-approved training facilities with full flight simulator training devices, including CAE in Noida, Bengaluru, Dubai, Madrid and Brussels, CTC Aviation Group Limited in the UK and the Flight Simulation Technique Center in Gurgaon. Our pilots also undergo regular training in accordance with our requirements and relevant regulations, together with cockpit resource management and other safety equipment and emergency procedure training.

No separate type-rating is required for an A320 type-rated pilot to operate an A320neo aircraft. According to Airbus, a half-day ground course is sufficient for an A320 type-rated pilot to transition to A320neos.

### ***Cabin Crew***

We have formulated and implemented a recruitment policy for our cabin crew. We consider educational qualifications, communication skills and personality traits of every candidate, and we recruit candidates who have clear speech, a positive attitude and mindset and exhibit courteous behavior.

All of our cabin crew undergo an initial program of training called “Ab initio” training, irrespective of their previous experience, at our in-house training facility ‘ifly’ in Gurgaon. Courses include safety equipment and emergency procedure training, first aid, cabin familiarization, in-flight announcements, grooming, customer service and in-flight selling skills. Certain safety and regulatory components of this program have been approved by the DGCA.

Our cabin crew also undergo training in areas such as crew resource management, the handling of dangerous goods and disruptive passengers and security awareness courses. Our cabin crew are also required to attend recurring courses on first aid and safety equipment and emergency procedure every year.

### **Employees**

As of April 30, 2015, we had 10,590 employees, including 1,370 pilots, 2,523 cabin crew, maintenance and overhaul personnel, ticketing and sales personnel and other personnel. We are adequately staffed not only for our current operations but also for our anticipated future growth. In addition, we have retained a number of third-party consultants to provide various services to us on a contractual basis. Furthermore, we contract with vendors to provide various services at the airports where we operate, including baggage loading and unloading, aircraft cleaning, wheelchair assistance and other services.

We believe we maintain a low ratio of employees per aircraft. Our number of employees per aircraft as of March 31, 2010, 2011, 2012, 2013, 2014 and 2015 was 108, 92, 90, 105, 106 and 112, respectively. As of April 30, 2015, we had 110 total employees per aircraft, including 14 pilots and 26 cabin crew. To reduce our operating expenses, we have reduced our dependence on expatriate pilots. Expatriate pilots comprised 6.2% of our total pilots as of March 31, 2015.

Our staff remuneration policy focuses on maximizing efficiency and productivity while keeping our staff motivated and committed to our Company. We offer our management and administrative employees a range of incentives and loyalty bonuses.

In addition to industry competitive base compensation, we also provide sector pay in relation to hours flown for all flight crew. Flight crew may also qualify for other loyalty and profit related bonus schemes. Additionally, our cabin crew receive commissions for in-flight sales.

Employees of our airline are not members of any labor union. We have not experienced any labor strikes or work stoppages since our inception.

We believe that our continued success depends, among other factors, on the support and dedication of our management personnel and other employees. We have in place human resource strategies which include competitive compensation, fit-for-purpose recruitment and a succession plan.

We motivate and retain our staff by offering a competitive salary to our employees as well as other performance-based incentives such as retention bonus to pilots and periodic rewards and recognition for all employees. We constantly work towards developing employee growth opportunities that make the profession of flying satisfying for all those employed by our airline. We also provide counseling service for our employees for work-related and personal issues through third-party service providers. InterGlobe Group's employee-centric culture is also evident from the selection of InterGlobe Enterprises (which includes employees of our airline), as one of "India's Best Companies to Work For" for seven years in a row from 2008-2014 by Great Place to Work Institute India.

Employee benefits accounted for 10.3%, 9.1%, 9.1%, 8.2%, 8.4% and 9.0% of our total expenses in fiscal 2010, 2011, 2012, 2013 and 2014 and the nine months ended December 31, 2014, respectively.

### **Information Technology**

Information technology is an essential element of our business infrastructure. We invest in information technology as its use directly lowers cost, enables scalable operations, improves efficiency, reduces business continuity risks and enables a secure enterprise.

We have entered into a hosted services agreement with Navitaire, which provides us with reservation and inventory management, online booking system, revenue management, departure control and website hosting service. Our key operating systems include "New Skies" and "Sky Price" by Navitaire for our reservations inventory and revenue management; SAP for Financial Management; AIMS for aircraft scheduling and crew management; NFP from Navtech for flight planning and AMOS to manage maintenance and repairs. Additionally, Microsoft Dynamics solution has been implemented to support our customer services team in their direct interactions with customers.


We utilize internally developed analytics solutions to integrate data across various systems in order to drive business decisions across revenue management, network planning, cargo management, financial management, human resources and operations management. We also use analytics to analyze behavioral data on our customers obtained through our website, mobile app, social media and call centers to improve our customer service and ascertain potential opportunities to up and cross sell to our customers.

In view of our large technology enabled processes, we have established disaster recovery procedures through a backup data center providing redundancy across key technology services. To ensure that our group is enabled with a world-class infrastructure at the lowest cost of operations, a consolidation of data centers is underway. This will provide constant support and robust security to critical IT infrastructure across our group.

### **Competition**

We face intense competition from other LCCs as well as full-service passenger airlines that operate on our routes. In addition, passenger airlines in India face competition from other modes of low-cost transportation, such as rail travel. Our principal competitors include (in alphabetical order) Air India (including Air India Express and Alliance Air), AirAsia India, GoAir, Jet Airways (including the former Jet Lite/Konnect brands), SpiceJet and Vistara. The intensity of the competition we face varies from route to route and depends on a number of factors, including the strengths of competing airlines and other modes of transportation. Please see the chapter "*Industry Overview*" beginning on page 134.

### **Intellectual Property**

We utilize four trademarks, namely, "IndiGo Airways," "IndiGo Airlines," "IndiGo" and "IndiGo Air," which are registered in the name of InterGlobe Aviation Limited. Additionally, we have made applications for trademarks relating to the registration of various marks for "IndiGo Light" (under classes 9, 16 and 39), "IndiGo Special" (under classes 9, 16 and 39), "Piece of Cake" (under class 30), "Chicken Jungle" (under class 30), "Nut Case" (under class 29), "Straight from the heart" (under class 41), "Corny Chips" (under class 30) and  (under classes 9, 16 and 39).

InterGlobe Enterprises has made an application for the registration of the mark “6E” filed under class 16, class 18, class 25, 29, 30 and class 39.

We have obtained registration of copyrights of four artistic works relating to IndiGo marks. One application in respect of an artistic work relating to IndiGo mark is pending with the relevant authorities for issuance of the registration certificate but the copyright registration has been accepted by the relevant authorities. Please see the chapter “*Government and Other Approvals — VII. Intellectual Property*” beginning on page 424.

We have also obtained registration for various domain names, including our website, [www.goindigo.in](http://www.goindigo.in).

## **Property**

We are headquartered in Gurgaon, Haryana. We have taken various premises in India on rent, lease or leave and license basis which can be classified as:

- airport premises; and
- commercial premises.

We have leased premises and work spaces in each of the airports where we operate, including:

- check-in counters;
- ticketing counters;
- back-up offices; and
- areas on the ramp for equipment storage and related purposes.

The extent of space and facilities that we lease at each airport is determined by our current operations and the expected growth of our operations. The extent of space that we lease also depends on the space an airport can offer.

We have leased space for our engineering operations at some of the key airports where we operate. For example, we have paid a deposit of ₹ 2.57 crores to Delhi International Airport Limited for land allotted to us. We have also leased a hangar office space and a warehouse at the Indira Gandhi International Airport in New Delhi, as well as apartments for our staff.

Lease payments at airports are specified by the AAI and vary according to usage, location of the airport and amenities available at such premises. We are responsible for the renovation, furnishing and maintenance of such premises, and for the payment of utilities. Agreements with the AAI for such premises are typically long-term. For privately operated airports where we have operations, we lease space from the respective operators of such airports.

We have a corporate office and training facility named ‘ifly’ in Gurgaon as well as other warehouses in New Delhi on lease.

## **Insurance**

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

We believe our insurance coverage is in line with industry practice and relevant regulatory and aircraft lessor requirements. We maintain passenger liability insurance, employer liability insurance, aircraft insurance for aircraft loss or damage, and other business insurance in amounts per occurrence consistent with industry standards and, in line with industry practice, we leave some business risks uninsured including business interruptions, loss of profit or revenue and consequential business losses arising from mechanical breakdown.

Please see the section “*Risk Factors — Risks Relating to Our Industry — We are exposed to certain risks against which we do not insure and may have difficulty obtaining insurance on commercially acceptable terms or at all on risks that we insure against today*” beginning on page 27.

### **Corporate Social Responsibility Initiatives**

In our continued efforts to make a difference to society, we undertake corporate social responsibility initiatives with a focus on children, education, environment and the empowerment of women.

The Ministry of Corporate Affairs, India has notified Section 135 and Schedule VII of Companies Act 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 which came into effect from April 1, 2014. Our corporate social responsibility policy is in compliance with these new guidelines and rules. Our board of directors has constituted a Corporate Social Responsibility committee. Please see the chapter “*Our Management – Corporate Social Responsibility Committee*” beginning on page 217.

IndiGoReach is the title for corporate social responsibilities projects and programs of IndiGo. Under our corporate social responsibility initiatives, we contribute towards various social activities including programs such as (i) employment opportunities for under-privileged sections of society and contributing towards their betterment in association with non-governmental organizations, (ii) programs for women empowerment and for protecting and maintaining the quality of environment, (iii) promoting education and employment opportunities, and (iv) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art.

## KEY INDUSTRY REGULATIONS AND POLICIES IN INDIA

*A brief overview of certain laws and regulations that are relevant to our business are as follows. The information detailed below has been obtained from various legislation, including rules and regulations promulgated by regulatory bodies, and by local authorities that are available in the public domain. Please note that the information set out below is based on legal provisions that are subject to change and is neither exhaustive nor a substitute for professional legal advice. Prospective investors should seek independent legal advice on the laws and regulations applicable to our business and the sectors in which we operate. For details of government approvals obtained by us, please see the chapter “Government and Other Approvals” beginning on page 409.*

*Except as otherwise specified in this Draft Red Herring Prospectus, taxation statutes including the Income Tax Act, 1961, Central Sales Tax Act, 1956, Service Tax under the Finance Act, 1994, and applicable local sales tax statutes, and other miscellaneous regulations and statutes apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### Regulatory Regime in India

The GoI has formulated various regulations which specifically apply to companies operating in the aviation sector. These regulations affect various aspects of our business, including the acquisition, maintenance and operation of our aircraft, the destinations and routes we are able to access, and the personnel we retain or engage. Some of the key industry regulations and the roles of the regulator(s) appointed/constituted thereunder, are discussed below.

### Laws Relating to the Aviation Industry

The primary legislation governing the aviation sector in India is the Aircraft Act, 1934 (“**Aircraft Act**”) and the Aircraft Rules, 1937 (“**Aircraft Rules**”) enacted pursuant to the Aircraft Act. These legislations empower various authorities, including the Ministry of Civil Aviation (“**MoCA**”) and Directorate General of Civil Aviation (“**DGCA**”), to regulate aircraft operations in India. In addition, the following are some of the important laws applicable to entities, like us, which provide scheduled and non-scheduled air transport services in India:

- **The Airports Authority of India Act, 1994:** a statute creating the Airports Authority of India (“**AAI**”), and providing for the administration and cohesive management of aeronautical communication stations, airports, and civil enclaves where air transport services are operated or are intended to be operated;
- **The Carriage by Air Act, 1972:** a statute giving effect to the Convention for the Unification of Certain Rules Relating to International Carriage by Air (“**Warsaw Convention**”) signed at Warsaw on October 12, 1929 (as amended by the Hague Protocol on September 28, 1955) and acceded to by India. India has also extended the provisions of this statute to non-international carriage by air. The Warsaw Convention lays down certain principles relating to international carriage by air such as luggage ticket, air consignment note, passenger ticket and liabilities of the carrier;
- **The Tokyo Convention Act, 1975:** a statute giving effect to the Convention on Offences and Certain Other Acts Committed on Board Aircraft (“**Tokyo Convention**”), signed at Tokyo on September 14, 1963 and acceded to by India. The Tokyo Convention lays down the principles relating to penal offences and acts, whether or not offences, committed to jeopardize the safety of the aircraft or of persons or property therein or which jeopardize good order and discipline on board. The Tokyo Convention is not applicable to aircraft used in military, customs or police services;
- **The Anti-Hijacking Act, 1982:** a statute giving effect to the Convention for the Suppression of Unlawful Seizure of Aircraft (“**Hague Convention**”) signed at The Hague on December 16, 1970 and acceded to by India. The Hague Convention lays down the principles against hijacking to be followed by the signatories;
- **The Suppression of Unlawful Acts against Safety of Civil Aviation Act, 1982:** a statute giving effect to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (“**Montreal Convention**”) signed at Montreal on September 23, 1971 and acceded to by India. The Montreal Convention regulates the law relating to unlawful acts against the safety of civil aviation that jeopardize the

safety of persons and property, seriously affect the operation of air services, and undermine the confidence of the peoples of the world in the safety of civil aviation;

- **The Airports Economic Regulatory Authority of India Act, 2008:** a statute regulating tariff and other charges for the aeronautical services rendered at airports, and to monitor performance standards of airports;
- **The Cape Town Convention on International Interests in Mobile Equipment (“Cape Town Convention”):** a treaty designed, among other things, to facilitate asset-based financing and leasing of aviation equipment signed at Cape Town on November 16, 2001 and acceded to by India. In addition to the Cape Town Convention, the Cape Town Protocol on International Interests in Mobile Equipment, which elaborates on registration of contract of sale, and remedies on insolvency, and modifies certain provisions of the Cape Town Convention; and
- **The Convention on International Civil Aviation, 1944 (“Chicago Convention”):** a treaty to establish the rights of the signatory states over their territorial airspace signed at Chicago on December 7, 1944 and acceded to by India. It lays down the basic principles relating to modern international civil aviation and international transport of dangerous goods by air. The Chicago Convention also established the International Civil Aviation Organization (“ICAO”), a specialized agency of the United Nations, which administers the principles of the Chicago Convention and puts into practice the rules and regulations that would underline them.

In addition to the above enactments and the Aircraft Rules, air transport services in India are governed by other rules, including:

- The Indian Aircraft (Public Health) Rules, 1954;
- The Aircraft (Demolition of Obstructions Caused by Buildings, Trees, etc.) Rules, 1994;
- The Aircraft (Carriage of Dangerous Goods) Rules, 2003;
- The Aircraft (Security) Rules, 2011; and
- The Aircraft (Investigation of Accident & Incidents) Rules, 2012.

In addition to the above, laws relating to direct and indirect taxation, environmental and pollution control regulations, intellectual property, labour and employment-related legislation, etc., apply to us, as they apply to all industries. We are required to obtain various consents, approvals and permissions prior to or during the course of our operations under the aforesaid laws.

## **Regulators**

Domestic aviation in India is jointly regulated by several Government departments and regulators, including the MoCA and its attached office, the Bureau of Civil Aviation Security (“BCAS”) – which is the central agency for aviation security; the DGCA (also an attached office of the MoCA) – which is responsible for the regulation of air transport services in India and for the enforcement of civil air regulations, air safety and airworthiness standards; and the AAI – which is responsible for the infrastructure in respect of airports.

### **MoCA**

The Ministry of Civil Aviation (“MoCA”) is responsible for formulation of national policies and programmes for the development and regulation of the civil aviation sector in the country. It is responsible for the administration of the Aircraft Act, the Aircraft Rules, and various other legislations pertaining to the civil aviation sector in India.

The MoCA has issued a policy on Regional and Remote Area Connectivity dated March 4, 2014 which aims to regulate and promote better air transportation services in regional and remote locations in India by providing incentives like exemption from landing and parking charges, waiver of electricity charges, etc.

The MoCA has also issued “*Policy Guidelines on Air Freight Stations*” dated October 28, 2014 to develop air freight stations in order to de-congest airports by shifting cargo and custom related activities outside airport areas and promote international air cargo operations in remote regions of the country.

With an aim to develop and improve airports, cargo sectors, maintenance, repair and overhaul facilities, and helicopter aviation, rationalize the cost of ATF, enhance regional connectivity, modernize the Air Navigation Services (“ANS”) and introduce overall institutional reforms in the civil aviation space, the MoCA has released a Draft of the Civil Aviation Policy on November 10, 2014 for comments and suggestions from various stakeholders. The draft Civil Aviation Policy provides for the development of low cost airports to promote growth of aviation in tier 2 and tier 3 cities.

## **DGCA**

The DGCA is the principal regulatory authority for the civil aviation sector in India. The DGCA, among other things, promulgates, implements and monitors standards relating to the operations and airworthiness of an aircraft, licensing of personnel such as flight crew, cabin crew, flight dispatchers and aircraft maintenance engineers, licensing of air transport operations, licensing of civil aerodromes, investigation of minor accidents, etc. The detailed terms and conditions of these standards, including, without limitation, the authorities involved, the application processes and the requirements of renewal are prescribed by the Aircraft Act, the Aircraft Rules, Civil Aviation Requirements (“CAR”), Air Transport Advisory Circulars (“ATAC”), Aeronautical Information Circulars (“AIC”) and other circulars and advisory circulars.

Among other things, the DGCA is responsible for the following:

- **Aircraft registration:** The DGCA is responsible for registration of all civil aircraft in India. Rule 30 of the Aircraft Rules empowers the DGCA to register aircraft and to grant certificate of registration in India;
- **Certificate of airworthiness:** Rule 15 of the Aircraft Rules requires all aircraft registered in India to possess a current and valid certificate of airworthiness before they are flown. Under the provisions of Rule 50 of the Aircraft Rules, the DGCA issues/renews or revalidates the certificate of airworthiness;
- **Grant of approval to maintenance and other organizations:** Pursuant to Rule 133B of the Aircraft Rules, the DGCA certifies organizations for maintenance of aircraft, design and manufacture of aircraft and aircraft components, laboratories, training schools, etc.;
- **Continuing airworthiness information:** The Civil Aviation Requirement Series M (“CAR-M”) issued by the DGCA mandates compliance with modifications incorporated in an aircraft, aircraft component and other equipment by manufacturers to maintain the aircraft in an airworthy condition. These mandatory modifications or inspections once received by the DGCA are notified to aircraft operators, who, in turn, are required to comply with such mandatory modifications / inspections. With effect from July 31, 2010, the CAR-M provides common technical standards and guidelines for continued airworthiness of an aircraft and its components. The CAR-M specifies certain technical requirements to be complied by organizations and personnel involved in the maintenance of aircraft and aeronautical products, parts and appliances, in order to demonstrate the capability and means of discharging the obligations and associated privileges thereof. The CAR-M also specifies conditions for issuing, maintaining, amending, suspending or revoking certificates attesting such compliance;
- **Civil Aviation Requirement Series 145 (“CAR-145”):** The CAR-145 issued by the DGCA requires mandatory approvals of organizations involved in the maintenance of large aircraft or of aircraft used for commercial air transport, and components intended for fitment. The CAR-145 lays down certain facility and personnel requirements to be complied by organizations and personnel who are qualified to carry out and / or certified non-destructive test of aircraft structures and/or components, on the basis of a standard recognized by DGCA.
- **Grant of air operator’s permits:** The DGCA, under the provisions of Rule 134 of the Aircraft Rules and in accordance with and subject to provisions contained in Schedule XI, grants permission to persons to operate air transport services to, within, and from India. The air transport services that may be offered are:
  - a) Scheduled Air Transport Services (Passenger) (CAR Section 3 Series ‘C’ Part II);
  - b) Non-Scheduled Air Transport Services (Passenger) (CAR Section 3 Series ‘C’ Part III);
  - c) Air Transport Services (Cargo) (CAR Section 3 Series ‘C’ Part IV); and
  - d) Scheduled Regional Air Transport Services (CAR Section 3 Series ‘C’ Part VIII).



These permits, except for Air Transport Services (Cargo) are equivalent to the Air Operator's Certificate required to be granted by ICAO member states. Details pertaining to the grant of Scheduled Air Transport Services permits are discussed in the chapter "*Government and Other Approvals*" beginning on page 409.

- **Grant of licenses to crews and personnel involved in the operation and maintenance of aircraft:** The DGCA grants approvals and licenses to certain personnel such as flight crew, cabin crew, flight dispatchers and aircraft maintenance engineers.
- **Slots:** The DGCA approves flight schedules at least 30 days in advance. Departure slots are determined by the DGCA.

#### **Regulations applicable to our business:**

We are engaged in providing scheduled air transport services in India. Companies engaged in providing these services are required to obtain the corresponding permit to Operate Scheduled Air Transport Services from the DGCA.

#### ***Operation of scheduled air transport services***

A '*scheduled air transport service*' means an air transport service undertaken between two or more places and operated according to a published time-table or with flights so regular or frequent that they constitute a recognizably systematic series, with each flight being open to use by members of the public.

Permission to operate scheduled air transport services in India is only granted to:

- a citizen of India; or
- a company or a body corporate that is registered and has its principal place of business within India, and whose chairman and at least two-third of its directors are citizens of India, and with its substantial ownership and effective control vested in Indian nationals.

The eligibility requirements for such operating permit also include certain requirements relating to a minimum paid-up equity capital, a minimum number of aircraft, adequate number of aircraft maintenance engineers, adequate maintenance and repair facilities, adequate number of flight crew and cabin crew, security personnel, flight dispatchers and adequate ground handling facilities and staff.

#### ***Airports***

There are three categories of airports in India:

- a) International airports from where international flights can operate;
- b) Domestic airports from where only domestic flights can operate; and
- c) Customs airports where imported goods can be unloaded or goods can be exported from.

The AAI manages all airports in India other than certain private airports which are managed by private operators either independently or along with the AAI and certain military airports that are managed by the Ministry of Defence. The AAI also administers the use of terminal building facilities at military airports by civilian aircraft, while air traffic control ("**ATC**") and scheduled clearances at these airports are the responsibility of the defense authorities.

Airlines are required to pay the AAI, private operators, Ministry of Defence, as the case may be, terminal, landing and navigation charges; route navigation and facility charges; landing and parking charges; other charges including but not limited to x-ray baggage charges, passenger services fee, user development fee, service charges for extension of watch hours. Airlines are dependent on airport operators to lease space for passenger services, parking facilities, engineering and dispatch facilities and administrative offices.

#### ***Foreign ownership restrictions***

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, the FDI Policy of the GoI, which is consolidated and updated by the GoI on an annual basis, and FEMA. While the Industrial Policy and the FDI Policy of the GoI prescribe the limits and the conditions subject to which foreign investment can be

made in different sectors of the Indian economy, FEMA regulates the manner in which such investment may be made. The Government has from time to time also made policy pronouncements on FDI through press notes and press releases, which have been, and are, consolidated into the FDI Policy.

Currently, under the provisions of FDI Policy and AIC No. 12/2013, a company in the aviation sector and involved in 'Scheduled Air Transport Services' / 'Domestic Scheduled Passenger Airlines' can have FDI up to 49% (and 100% for FDI from NRIs) under the automatic route; and a company providing 'Non-Scheduled Air Transport Services' can have FDI up to 74% (and 100% for FDI from NRIs), of which, up to 49% is under the automatic route and beyond 49% and up to 74% is under the approval route.

In addition, the FDI Policy and the AIC No. 12/2013 prescribe the following conditions:

***Restriction on FDI by foreign airlines***

- Foreign airlines are allowed to invest up to the limit of 100% in the equity of companies operating cargo airlines, helicopter and seaplane services, under the automatic route.
- Foreign airlines are also allowed to invest in the capital of Indian companies operating scheduled and non-scheduled air transport passenger services, other than Air India, up to the limit of 49% of their paid-up capital, subject to the following conditions:
  - a) the investment must have prior Government approval;
  - b) any FDI and FII/FPI investment in the company would be included in calculating the 49% limit;
  - c) the investment must comply with the relevant and applicable regulations of SEBI, including the ICDR Regulations and the Takeover Regulations;
  - d) all foreign nationals likely to be associated with Indian scheduled and non-scheduled air transport services, as a result of such investment must be cleared from security view point before deployment;
  - e) all technical equipment that might be imported into India as a result of such investment must have the clearance from the relevant authority in the MoCA; and
  - f) all other requirements for operating a scheduled air transport service, as above.

The AIC No. 12/2013 also sets out the following guidelines in connection with investment by foreign entities / airlines:

- only such scheduled passenger operators and non-scheduled passenger operators which are companies registered under the Companies Act, 1956 / Companies Act, 2013 can avail FDI by foreign airlines;
- positions of the chief executive officer, chief financial officer and chief operating officer, if held by foreign nationals, require security clearance by the Ministry of Home Affairs, Government of India;
- a scheduled air transport service / domestic scheduled passenger airline cannot enter into an agreement with a foreign investing institution or a foreign airline which gives such institution or airline the right to control the management of the domestic operator; and
- a foreign investing institution or other entity that proposes to hold equity in the domestic air transport sector may have representation on the board of directors of a domestic airline company, but such representation shall not exceed one-third of the total strength of such board.

*Further, the total holding of all FII/FPIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of the company, which may be increased up to the percentage of sectoral cap on FDI in respect of such company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII/FPI and its sub-account should not exceed 10% of the total paid-up capital of that company.*

## **Regulations applicable to our fleet:**

### ***Acquisition and lease of aircraft***

The acquisition of aircraft and their use for scheduled airline operations requires that we obtain various permissions, approvals and consents. The import of aircraft requires a general “in-principle” approval from the MoCA and subsequently a specific NOC from the DGCA.

Further, permission from the RBI is required for foreign currency financing arrangements for the acquisition of aircraft. Prior RBI permission is also required for leasing of aircraft where such lease provides an option to purchase the aircraft after the expiry of the term of the lease. For aircraft that are in operation elsewhere prior to their import by us, export certificates of airworthiness and certificates of deregistration are required from the regulators in the country of export prior to their import into India. Following the import of aircraft into India, further permissions, particularly in connection with registration of the aircraft, certification of their airworthiness, and an issue or extension of the permit to operate air transport services for scheduled commercial operations must be obtained and maintained in order for them to be inducted into our fleet and used for our operations. In addition to the above, our Company is also required to obtain and maintain adequate levels of insurance for its scheduled commercial operations, including among others:

- insurance for passengers, baggage, crew and cargo;
- hull loss and third party risk; and
- any other conditions specified by the DGCA.

Under the applicable regulations, aircraft imported for scheduled commercial operations must comply with various functional requirements prior to their certification. These include limitations on maximum permissible age, type of aircraft that may be imported, installation of prescribed instrumentation and safety equipment and restrictions specific to the nature of the arrangement under which aircraft are leased.

### ***Regulations governing our operations***

During the course of our scheduled commercial operations, we are required to have various aspects of our operations, including our bi-annual flight schedules, approved by the DGCA.

### ***Route dispersal guidelines***

An airline providing scheduled services on domestic sectors in India is required to comply with Route Dispersal Guidelines as set forth by the Government in March 1994. These guidelines classify city pairs into the following categories:

- Category I, which covers 12 city pairs connecting metropolitan cities (Mumbai – Bengaluru, Mumbai – Kolkata, Mumbai – Delhi, Mumbai – Hyderabad, Mumbai – Chennai, Mumbai – Thiruvananthapuram, Kolkata – Delhi, Kolkata – Bengaluru, Kolkata – Chennai, Delhi – Bengaluru, Delhi – Hyderabad and Delhi – Chennai);
- Category II, which covers routes connecting the North-Eastern Region, Jammu and Kashmir, Andaman and Nicobar Islands and Lakshadweep with cities in Category I and Category III routes;
- Category IIA, which covers city pairs within the North-Eastern Region, Jammu and Kashmir, Andaman and Nicobar Islands, Lakshadweep, and Cochin – Agatti – Cochin; and
- Category III, which covers any city pair that does not fall in Categories I, II and IIA.

The Route Dispersal Guidelines require airlines providing scheduled services on domestic sectors in India to operate in the following manner if they are deploying capacity on Category-I routes:

- On Category II, at least 10% of the capacity deployed on Category I routes; and
- On Category IIA, at least 10% of the capacity deployed on Category II; and
- On Category III, at least 50% of the capacity deployed on Category I routes.

All airlines are free to operate anywhere in the country subject to compliance with the Route Dispersal Guidelines. The DGCA monitors compliance with the Route Dispersal Guidelines on a monthly basis. Further, pursuant to CAR Section 3 Series 'M' Part IV, issued by the DGCA on August 6, 2010, the DGCA has made it mandatory for airlines to pay the passengers compensation for delay and cancellation of flights or in case the passengers were denied boarding despite having a confirmed ticket. Though airlines are exempted from paying compensation in certain cases like political instability, natural disaster, civil war, insurrection or riot, flood, explosion, government regulation or order affecting the aircraft, delays attributable to the ATC, meteorological conditions and security risks, they are liable to pay passengers a compensation of ₹ 2,000 to ₹ 4,000 or the value of the ticket, whichever is lower for flight delays between two to four hours and to provide certain other facilities. Additionally, passengers must be offered a refund of the air ticket, a ticket for a flight to the first point of departure or alternative transportation. In case of cancellation of flights, the CAR makes it mandatory for the airlines to inform the passengers about it three hours in advance from the scheduled departure of the flight to reduce inconvenience to them.

### ***Bilateral Air Services Agreements***

Our international operations are also subject to the bilateral air services agreements signed between India and the countries of the international destinations we fly to. These bilateral agreements govern the international commercial air transport services covering issues such as capacity, aviation security, safety, and air worthiness. These agreements oblige us to abide by the laws related to civil aviation of the respective countries.

### **Regulations governing our personnel**

Personnel employed in our operations, including, our flight crews, flight dispatchers, cabin crews and engineering personnel engaged in maintenance are required to be approved or licensed by the DGCA.

In addition to the above requirements, certain clearances are required for scheduled airlines prior to appointment of various personnel, including:

- security clearance for foreign pilots and engineers are required to be obtained under the Civil Aviation Requirements, Section 7, Series 'G' Part II issued on October 8, 1999; and
- security clearance for the chairman and directors of all scheduled airline operators are required to be obtained under the Civil Aviation Requirements, Section 3, Series 'C' Part II issued on March 1, 1994.

Clearances from the BCAS are also required to permit our personnel to access airports.

### ***Flight crew***

All of our flight crews are required to obtain aircraft type specific licenses from the DGCA prior to the operation of aircraft. These licenses are to be renewed on a periodic basis. Our flight crews are also required to undergo proficiency and medical checks on a regular basis in order to keep their licenses current.

In addition, our flight crews may also need to satisfy specific requirements in connection with certain types of specialized operations like Reduced Vertical Separation Minima ("RVSM") operations, offshore operations, banner towing, etc. Our air crew training program is required to be approved by the DGCA.

### ***Cabin crew***

Our cabin crew is required to be trained on specific aircraft, and our cabin crew training documentation is required to be approved by the DGCA.

### **Regulations governing engineering and maintenance**

Our Company requires the approval of the DGCA for its maintenance operations. Further, all Aircraft Maintenance Engineers ("AME") employed in connection with our engineering and maintenance operations must be licensed or approved by the DGCA for carrying out their specific maintenance and certification roles. These licenses or approvals are required to be renewed on an annual basis. Recurrent training of these personnel is also required to ensure compliance with proficiency requirements.

Further, our quality control documentation is required to be approved by the DGCA. We are required to maintain certain basic maintenance facilities for our aircraft in order to qualify for a permit to provide scheduled air transport services. Consequently, we have obtained approvals from the DGCA to provide different levels of maintenance services for our fleet at various locations. We are required to renew these approvals on an annual basis.

### **Regulations governing security**

We are required to comply with BCAS requirements when training our airport-based security personnel, and our security documentation must be approved by the BCAS. We are also required to obtain BCAS approval for our security arrangements at each airport prior to commencing our operations.

### **Regulations governing safety**

We are required to designate competent and qualified pilots as Director/Chief of Operations and Director/Chief of Flight Safety. These pilots are responsible to the DGCA for ensuring compliance of all operational requirements and ensuring adherence to flight safety norms. Their duties and responsibilities are required to be clearly laid out in the operations manual. We are required to have a dedicated flight safety department with an adequate number of competent personnel for the implementation of the flight safety awareness, accident/incident prevention program, and reporting system.

### **Regulations governing quality assurance**

We are required to have a quality assurance system to carry out internal audits of our maintenance activities. We are also required to appoint a quality control manager whose appointment has to be approved by the DGCA. Further, we are also required to designate a quality manager who has the corporate authority to ensure compliance of our Company's maintenance operations with DGCA requirements.

### **Labour and other laws**

India has stringent labour legislation protecting the interests of employees. There is a clear distinction between (i) employees who are 'workmen' (as defined under various enactments, including, the Industrial Disputes Act, 1947 (the "IDA") and (ii) employees who are not 'workmen'. Workmen are provided several benefits and are protected under various labour laws, whilst non-workmen employees are generally not afforded such benefits or protection, except in relation to bonus, provident fund and gratuity. Employees are usually subject to the terms of their employment contracts with their employers, which are subject to the provisions of the Indian Contract Act, 1872.

The following are certain labour and other legislations that apply to the Company owing to the nature of its activities:

- a) Contract Labour (Regulation and Abolition) Act, 1970;
- b) Copyright Act, 1957;
- c) Employee's Compensation Act, 1923;
- d) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- e) Employees State Insurance Act, 1948;
- f) Essential Services Maintenance Act, 1968;
- g) Food Safety and Standards Act, 2006;
- h) Indian Stamp Act, 1899;
- i) Industrial Disputes Act, 1947;
- j) Industrial Employment (Standing Orders) Act, 1946;
- k) Legal Metrology Act, 2009;
- l) Maternity Benefits Act, 1961;
- m) Minimum Wages Act, 1948;
- n) Payment of Bonus Act, 1965;
- o) Payment of Gratuity Act, 1972;
- p) Payment of Wages Act, 1936;
- q) Registration Act, 1908;
- r) Shops and Establishments Acts;
- s) The Competition Act, 2002;
- t) The Indian Telegraph Act, 1885;

- u) Indian Wireless Act, 1933;
- v) Trade Marks Act, 1999; and
- w) Transfer of Property Act, 1882.

## **Environment**

The DGCA has, *vide* its various environment circulars issued from time to time, mandated adoption of several measures by the airlines, airport service providers and airports to ensure environment protection. Provided below are brief details of some of the key circulars:

- The DGCA, *vide* environment Circular 1 of 2009, dated September 16, 2009 and subsequently revised on August 10, 2011, has mandated creation of an environment cell for all scheduled airlines, non-scheduled airlines, airport service providers and private airports in order to address aviation related environmental issues. Additionally, *vide* environment Circular 2 of 2013, to establish a comprehensive approach to address aviation related climate change challenges, the DGCA has prescribed that all scheduled airlines and airport operators with more than 50,000 movements per year shall set up an aviation environment cell within their respective organizations and with more than 10,000 movements per year shall track their own carbon footprint on annual basis to monitor the emission trends of their respective organizations.
- The DGCA, *vide* environment Circular 1 of 2010, issued on June 1, 2010 and subsequently revised on June 14, 2011, has provided guidance for the restricted use of APU/GPU/PCA to reduce the impact on the environment due to operation of such APU/GPU/PCA at airports. Additionally, the DGCA, pursuant to environment Circular 2 of 2010, issued on July 14, 2010 and subsequently revised on July 14, 2011, has set forth certain conditions to reduce or minimize aircraft noise through an established noise management programme. The circular lays down guidelines to be followed while carrying out ground run-ups at all domestic and international airports in the country.
- The DGCA, *vide* environment Circular 1 of 2011, dated February 15, 2011, has prescribed limits for noise levels at the Indira Gandhi International Airport, New Delhi. Aircraft operators are directed not to undertake any activity that exceeds the maximum permissible noise limits as contained in the circular. Additionally, the DGCA, *vide* circular 3 of 2011, dated August 10, 2011, as part of overall noise reduction program, has prescribed additional instructions for restricted usage of thrust reverser.
- The DGCA, *vide* environment Circular 2 of 2013, dated June 13, 2013, has provided for establishing a comprehensive approach to address aviation related climate change challenges as well as to ensure that organizations establish necessary organizational structure to effectively address environmental issues. This circular also encourages airlines and airport operators to track their carbon footprint on annual basis and for preparing a multipronged strategy in order to comply with the relevant regulations and policies. Further, *vide* environment Circulars 3 and 4 of 2013, dated June 13, 2013 and July 4, 2013, respectively, DGCA has, provided for management of aviation noise and monitoring of local air quality at Indian airports, respectively, at Indian airports.

## HISTORY AND OTHER CORPORATE MATTERS

### Brief History of our Company

Our Company was originally incorporated in Lucknow as InterGlobe Aviation Private Limited, a private limited company, under the Companies Act, 1956 on January 13, 2004 with the Registrar of Companies, Uttar Pradesh and Uttaranchal at Kanpur. Pursuant to a special resolution of the shareholders of our Company on June 30, 2006, our Company was converted into a public company and the name of our Company was changed to “InterGlobe Aviation Limited” subsequent to which, a fresh certificate of incorporation was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana on August 11, 2006.

### Changes in the Registered Office

Our registered office was changed from the state of Uttar Pradesh to the National Capital Territory of Delhi on October 8, 2004 after the alteration was confirmed by the Company Law Board vide order dated September 1, 2004. Our registered office was further changed within the National Capital Territory of Delhi from 66, Janpath, New Delhi – 110 001, India to Central Wing, Ground Floor, Thapar House, 124, Janpath, New Delhi – 110 001, India on October 1, 2006.

Previous Address	New Address	Reason for Change in Office	Date of Change
13, Raja Chambers, 29/9, Rana Pratap Marg – 226 001, Uttar Pradesh, India	66, Janpath, New Delhi – 110 001, India	For administrative convenience	October 8, 2004
66 Janpath, New Delhi – 110 001, India	Central Wing, Ground Floor, Thapar House, 124, Janpath, New Delhi – 110 001, India	For administrative convenience	October 1, 2006

### Major Events

The table below sets forth some of the key events in the history of our Company.

Year	Milestone
June, 2005	Placed a landmark order of 100 A320 aircraft with Airbus.
July, 2006	Took delivery of our first aircraft.
August, 2006	Launched our domestic operations.
April, 2007	Crossed the one million passenger mark.
April, 2009	Crossed the 10 million passenger mark.
April, 2009	Took delivery of our 25 <sup>th</sup> aircraft.
June, 2011	Placed another order of 180 A320neo aircraft with Airbus.
September, 2011	Launched our international operations.
September, 2011	Became the largest domestic carrier in India by market share.
October, 2011	Took delivery of our 50 <sup>th</sup> aircraft.
December, 2012	Crossed the 50 million passenger mark.
February, 2013	Took delivery of our 75 <sup>th</sup> aircraft.
April, 2014	Crossed the 75 million passenger mark.
November, 2014	Took delivery of 100 <sup>th</sup> aircraft.
March, 2015	Crossed the 100 million passenger mark.

### Awards and Achievements

The table below sets forth some of the key awards and achievements in the history of our Company.

Year	Awards and achievements
2007	Best Domestic Low Fare Carrier, 2007 by Air Passengers Association of India
2008	Best Companies to work for, 2008 by Great Place to Work Institute, India
	Best Domestic Low Cost Carrier, 2008 by Galileo Express Travel World
2009	Operational Excellence Award, 2009 by Express Travel World
	Best Companies to work for, 2009 by Great Place to Work Institute, India

Year	Awards and achievements
2010	Best Domestic Low Cost Airline, 2010 by Travel Agents Association of India
	Best Companies to Work For, 2010 by Great Place to Work Institute, India
	Best Low Cost Airline – Central Asia / India, 2010 by SkyTrax World Airline Award
2011	Asia Pacific Low Cost Airline of the Year, 2011 by CAPA Awards for Excellence
	Best Low Cost Carrier, 2011 by CNBC AWAAZ Travel Awards
	Low Cost Leadership Award (Mr. Aditya Ghosh), 2011 by World Airline Strategy Awards
	Entrepreneur of the Year Award (Mr. Rahul Bhatia), 2011 by Economic Times
	Best Low Cost Airline (Central Asia / India), 2011 by SkyTrax World Airline Award
	Best Companies to Work For, 2011 by Great Place to Work Institute, India
2012	Best Low Cost Airline (Central Asia / India), 2012 by SkyTrax World Airline Award
	Best Airline Staff Service (Central Asia / India), 2012 by SkyTrax World Airline Award
	Best Companies to Work For, 2012 by Great Place to Work Institute, India
	Best Domestic Low Cost Airline, 2012 by Travel Agents Association of India
	Innovation for India Awards (Business category), 2012 by Marico Innovation
	Best Airline (India), 2012 at ASSOCHAM International Civil Aviation Awards
	The Airline of the Year (India), 2012 by GMR IGI Awards
	Super star Airline of the Year, 2013 by GMR IGI Awards
2013	Mr. Aditya Ghosh ranked 27 in 'List of the 40 under 40 Hottest Young Stars in Business', 2012 by Fortune Magazine
	Best Company to work for (Transportation Industry) and 12 <sup>th</sup> Best Company to work for, 2013 by Great Place to Work Institute, India
	The Airline of the Year (India), 2013 by GMR IGI Awards
	Business Transformation Award (Mr. Aditya Ghosh), 2013 by the NASSCOM Global Leadership Awards
	Best Airline (India), 2013 by Travel & Leisure Awards
	Super Star Airline of the Year, 2013 by GMR IGI Awards
2014	Businessman of the Year (Mr. Aditya Ghosh), 2013 by GQ Men of the Year Awards
	Best Low Cost Airline (Central Asia / India), 2013 by SkyTrax World Airline Award
	Best Low Cost Airline (Central Asia / India), 2014 by SkyTrax World Airline Award
	Best Domestic Airline, 2014 by CNBC Travel Awards
	Second Best Budget Airline in Asia, 2014 by SmartTravelAsia.com
2015	Best Domestic Airline, 2014 by GMR IGI Airport Awards
	Best Operational Excellence Worldwide (amongst 311 operators in large fleet category), 2014 by Airbus
	Best Companies to work for, 2014 by Great Place to Work Institute, India
	Best Domestic Airline, 2015 by CNBC Travel Awards
	Best Low Cost Airline (Central Asia / India), 2015 by SkyTrax World Airline Award

### Amendments to the Memorandum of Association

Since incorporation, the following changes have been made to the Memorandum of Association of our Company:

Date of Shareholders Resolution	Nature of Change
July 17, 2004	Amendment to Clause II of the Memorandum of Association to reflect change in the Registered office of our Company from Uttar Pradesh to National Capital Territory of Delhi.
September 30, 2005	Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 310,000,000 divided into 310,000 Equity Shares of ₹ 1,000 each to ₹ 1,000,000,000 divided into (i) 500,000 Equity Shares of ₹ 1,000 each aggregating to ₹ 500,000,000; and (ii) 500,000 Redeemable Preference Shares of ₹ 1,000 each aggregating to ₹ 500,000,000.
February 24, 2006	Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 1,000,000,000 divided into (i) 500,000 Equity Shares of ₹ 1,000 each aggregating to ₹ 500,000,000; and (ii) 500,000 Redeemable Preference Shares of ₹ 1,000 each aggregating to ₹ 500,000,000 to ₹ 1,500,000,000 divided into (i) 500,000 Equity Shares of ₹ 1,000 each aggregating to ₹ 500,000,000; and (ii) 1,000,000 Redeemable Preference Shares of ₹ 1,000 aggregating to ₹



Date of Shareholders Resolution	Nature of Change
June 30, 2006	<p>1,000,000,000.</p> <p>Amendment to the Memorandum of Association to reflect the change in name of the Company from “InterGlobe Aviation Private Limited” to “InterGlobe Aviation Limited”.</p>
July 31, 2006	<p>Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 1,500,000,000 divided into</p> <p>(i) 500,000 Equity Shares of ₹ 1,000 each aggregating to ₹ 500,000,000; and</p> <p>(ii) 1,000,000 Redeemable Preference Shares of ₹ 1,000 aggregating to ₹ 1,000,000,000;</p> <p><u>to</u></p> <p>₹1,550,000,000 divided into</p> <p>(i) 500,000 Equity Shares of ₹ 1,000 each aggregating to ₹ 500,000,000;</p> <p>(ii) 1,000,000 Redeemable Preference Shares of ₹ 1,000 aggregating to ₹ 1,000,000,000; and</p> <p>(iii) 50,000 Convertible Preference Shares of ₹ 1,000 each aggregating to ₹ 50,000,000.</p>
March 19, 2007	<p>Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 1,550,000,000 divided into</p> <p>(i) 500,000 Equity Shares of ₹ 1,000 each aggregating to ₹ 500,000,000;</p> <p>(ii) 1,000,000 Redeemable Preference Shares of ₹ 1,000 aggregating to ₹ 1,000,000,000; and</p> <p>(iii) 50,000 Convertible Preference Shares of ₹ 1,000 each aggregating to ₹ 50,000,000</p> <p><u>to</u></p> <p>₹ 2,150,000,000 divided into</p> <p>(i) 500,000 Equity Shares of ₹ 1,000 each aggregating to ₹ 500,000,000;</p> <p>(ii) 1,550,000 Redeemable Preference Shares of ₹ 1,000 aggregating to ₹ 1,550,000,000; and</p> <p>(iii) 100,000 Convertible Preference Shares of ₹ 1,000 each aggregating to ₹ 100,000,000.</p>
March 26, 2008	<p>Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 2,150,000,000 divided into</p> <p>(i) 500,000 Equity Shares of ₹ 1,000 each aggregating to ₹ 500,000,000;</p> <p>(ii) 1,550,000 Redeemable Preference Shares of ₹ 1,000 aggregating to ₹ 1,550,000,000; and</p> <p>(iii) 100,000 Convertible Preference Shares of ₹ 1,000 each aggregating to ₹ 100,000,000</p> <p><u>to</u></p> <p>₹ 2,200,000,000 divided into</p> <p>(i) 500,000 Equity Shares of ₹ 1,000 each aggregating to ₹ 500,000,000;</p> <p>(ii) 1,600,000 Redeemable Preference Shares of ₹ 1,000 aggregating to ₹ 1,600,000,000; and</p> <p>(iii) 100,000 Convertible Preference Shares of ₹ 1,000 each aggregating to ₹ 100,000,000.</p>
April 26, 2014	<p>Amendment to sub clause 8 of Clause III (B) of the Memorandum of Association to include the following object incidental or ancillary to the attainment of the Main Objects:</p> <p><i>“To merge, demerge, reorganize, amalgamate, compromise, enter into arrangement, enter into any partnership or partially do any such thing with or acquire an interest in the business of any other company, person or firm carrying on engaging in or about to carry on or engage in any business or transaction included in the objects of the Company, or enter into any arrangement for sharing profits or losses or for any union of interest, joint venture, reciprocal concession or for co-operation, or for mutual assistance, with any person, firm or company, or to acquire and carry on any other business auxiliary to the business of the Company or connected therewith or which may seem to the Company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render more profitable any of the Company’s property, and to give or accept by way of consideration for any of the acts or things aforesaid, or property acquired, any shares, debentures, debenture-stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture-stock or securities so received.”</i></p>

<b>Date of Shareholders Resolution</b>	<b>Nature of Change</b>
June 25, 2015	Amendment to Clause V of the Memorandum of Association to reflect reclassification and sub-division of the authorized share capital from ₹ 2,200,000,000 comprising 500,000 Equity Shares of ₹ 1,000 each, 1,600,000 Redeemable Preference Shares of ₹ 1,000 each and 100,000 Convertible Preference Shares of ₹ 1,000 each to ₹ 2,200,000,000 comprising 220,000,000 Equity Shares of ₹10 each.
June 25, 2015	Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 2,200,000,000 comprising 220,000,000 Equity Shares of ₹ 10 each to ₹ 7,500,000,000 comprising 750,000,000 Equity Shares of ₹ 10 each.

### **Main Objects of our Company**

The main objects contained in the Memorandum of Association of our Company are as follows:

1. *To operate air support services to meet the requirement of public as well as private sector which would include services by Aero planes and/or Helicopters and such other transport services in India and abroad as may be approved by the Government of India or such other competent authority.*
2. *To operate scheduled/non-scheduled and transport services by aero planes and/or Helicopters to inaccessible areas and difficult terrains and to provide intra-city transportation for the carriage of passengers, mail and freight.*
3. *To operate Tourist Charters by Aero planes and/or Helicopters and to undertake any other operations that may be directed/requisitioned by the Government.*
4. *To organise, run, maintain, take on lease, purchase, sell, exchange, promote, establishes, manage, acquired, operate, take on hire, airlines, aircrafts, charters of air-craft, carrier of goods and passenger.*
5. (i) *To operate any air transport services or flight by Aero planes and/or Helicopters for a commercial or other purpose and to carry out all forms of aerial flights in different cities as may become necessary.*  
(ii) *To provide pleasure/leisure rides in air with a view to promote air-mindedness in the country.*
6. *To establish, provide, maintain and conduct research and other laboratories, training colleges, school and other institutions for the training, education and instruction of students and other who may desire to avail themselves of the same and to provide for the delivery and holding of lectures, demonstrations, exhibitions, class meetings and conferences connected with Aero plane and/or Helicopters.*
7. *To provide or to do all or any of the activities relating to training, educating, imparting, coaching to students, technicians connected with Aero planes and/or Helicopters in all respects of aircraft maintenance engineering, aircraft electronics and awarding diploma to persons, employed or desirous of being employed either by the Company or by any other persons.*
8. *To plan, promote, develop, design, test, repair, maintain, assemble, import, buy, sell etc. on hire purchase, charter, altering, modifying, manufacturing of aero planes, helicopters, aero engine, air support equipment, air frames, components, parts, tools, equipment, accessories, air borne radio and to deal in aerial conveyance of all kinds of machinery and other apparatus used or employed in connection therewith.*
9. *To carry on business as tourism agents and contractors and to facilitate traveling and to provide for tourists and travelers and promote the provision of conveniences of all kinds in through tickets, circular tickets, sleeping cars or berths, reservations, hotels and lodging accommodation, guides, safe deposits, inquiry bureaus, libraries, lavatories, reading room, baggage transport and otherwise.*
10. *To carry on the business of transport, cartage and haulage contractors, garage, proprietors, owners and charters of road vehicles, aircrafts, shops, tugs, barges and boats of every description, lighter men,*

*carriers of goods and passengers by road, rail water or air, Carmen, cartage contractors, stevedores, wharfingers, cargo superintendents, packers, halers, ware housemen, store keepers and job masters.*

The main objects of our Company enable us to carry on the Company's current business as well as the business proposed to be carried out and the activities proposed to be undertaken pursuant to the Objects of the Issue. For further details please see the chapter "*Objects of the Issue*" beginning on page 110.

#### **Other Details regarding our Company**

*Details regarding the description of our Company's activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers and customers, segment, capacity/facility creation, location of manufacturing facilities, marketing and competition.*

For details please see the chapters "*Our Business*", "*Our Management*" and "*Industry Overview*" beginning on pages 160, 206 and 134, respectively.

For details regarding profits due to foreign operations please see the chapter "*Financial Statements*" on page 253.

#### ***Capital raising activities through equity and debt***

Our Company's equity issuances in the past and availing of debt have been provided in the chapters "*Capital Structure*", "*Financial Indebtedness*" and "*Financial Statements*" beginning on pages 86, 350 and 253, respectively. Further, our Company has not undertaken any public offering of debt instruments since its incorporation.

#### ***Time and Cost Overrun***

We have not experienced any time and cost overrun in the past in the execution of our projects.

#### ***Defaults or Rescheduling of Borrowings with Financial Institutions/Banks***

As of the date of this Draft Red Herring Prospectus, our Company had not defaulted in or rescheduled any borrowings with financial institutions or commercial banks.

#### ***Conversion of loans into equity***

Our Company has not converted any loan into equity since its incorporation.

#### ***Strikes or Labour Unrest***

There has been no lock-out or strikes at any times in our Company.

#### ***Changes in the Activities of our Company during the last Five Years***

Except as otherwise stated in the chapters "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 160 and 325, respectively, there have been no changes in the activities of our Company during the last five years preceding the date of this Draft Red Herring Prospectus, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

#### ***Injunction or Restraining Order***

Our Company is not operating under any injunction or restraining order.

#### ***Our Shareholders***

As of the date of this Draft Red Herring Prospectus, the total number of equity shareholders of our Company is 18. For further details of our Company's shareholders and shareholding pattern, please see the chapter "*Capital Structure*" beginning on page 86.

### ***Holding Company***

InterGlobe Enterprises Limited is our holding company. For details relating to InterGlobe Enterprises Limited, please see the chapter “*Our Promoters and Group Companies*” beginning on page 222.

### ***Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets***

The Company and Caelum Investment LLC filed a scheme of arrangement (Company Petition No. 599 of 2014 connected with Company Application (M No. 107 of 2014) before the High Court of Delhi at New Delhi (“**High Court of Delhi**”) for its approval under Sections 391 and 394 of the Companies Act, 1956 (“**Scheme**”). The Scheme was sanctioned by the High Court of Delhi pursuant to an order dated December 22, 2014 which was subsequently filed with the RoC on April 24, 2015, with this date being the ‘Effective Date’. The Company also obtained approval from the Foreign Investment Promotion Board (No. 69(2014)/90(2014) dated September 10, 2014 and an approval from the Competition Commission of India vide its order Combination Registration No. C-2014/06/185 dated 30 July 2014 with respect to the Scheme.

In relation to the Scheme, the Company also received a certificate of merger dated 24 April 2015 from the Secretary of State, Division of Corporations, State of Delaware, United States of America giving effect to the merger of Caelum Investment LLC with the Company.

In accordance with the terms of the Scheme, the Company at its Board meeting held on 25 April, 2015, cancelled 147,000 Equity Shares held by Caelum Investment LLC and issued fresh Equity Shares in the following proportion to the members of Caelum Investment LLC, i.e., Mr. Rakesh Gangwal, Ms. Shobha Gangwal and The Chinkerpoo Family Trust (Trustee: Shobha Gangwal & J.P. Morgan Trust Company of Delaware).

<b>S. No.</b>	<b>Name of Shareholder</b>	<b>Number of Equity Shares</b>
1.	Mr. Rakesh Gangwal	58,800
2.	Ms. Shobha Gangwal	29,400
3.	The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware)	58,800

In relation to the Scheme, our Company has received a certificate of merger dated April 24, 2015 from the Secretary of State, Division of Corporations, State of Delaware, United States of America giving effect to the merger of Caelum with our Company.

### ***Summary of Key Agreements***

#### **Shareholders’ Agreement between our Company, IGE and Caelum**

Our Company had entered into a shareholders’ agreement dated March 31, 2006 with IGE and Caelum in terms of which Caelum purchased from IGE 147,000 equity shares of face value ₹ 1,000 each constituting 47.88% of the total paid up equity capital of our Company. Pursuant to the merger order dated December 22, 2014, our Company entered into a new shareholders’ agreement dated April 23, 2015 (“**SHA**”) with IGE and Mr. Kapil Bhatia, Mr. Rahul Bhatia and Ms. Rohini Bhatia, (together the “**IGE Group**”) and Caelum, Mr. Rakesh Gangwal, Ms. Shobha Gangwal and The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware) (together the “**RG Group**”) which replaced the earlier shareholders’ agreement.

Some of the key terms of the SHA are as follows:

#### ***Board of Directors***

From the completion of the merger and until the completion of the initial public offering of the Company, the IGE Group has the right to nominate five Directors, two of whom will be non-retiring Directors and the RG Group has the right to nominate one Director.

Following the completion of the initial public offering of the Company, the IGE Group has the right to nominate

three non-independent Directors, one of whom will be a non-retiring Director and the RG Group has the right to nominate one non-independent Director, who will be a non-retiring Director. The chairman of the Board will be appointed on the nomination of the IGE Group. Further, the IGE Group is also entitled to nominate the Managing Director, the Chief Executive Officer, and the President of the Company.

#### *Transfer of Equity Shares*

If any member of either the RG Group or the IGE Group proposes to transfer its shares to a third party purchaser (not being an affiliate) otherwise than on a Stock Exchange or by way of a pre-negotiated sale on a stock exchange, then the other group will have the right of first refusal and tag along right.

Neither group can transfer, either directly or indirectly, without the prior written consent of the other group, any of its shares to a competitor or to any person if such a proposed transfer requires such person to make an “open offer” under the Takeover Regulations.

#### *Prior written consent requirement*

With effect from the completion of the initial public offering, neither the Company nor the shareholders nor the board of directors of the Company can take any action with respect to the following without the prior written consent of the RG Group Director and the IGE Group Director: (i) any amendment or restatement of the Memorandum or Articles of Association of the Company; (ii) rights issue by the Company; (iii) transactions between the Company or any of its subsidiaries with any shareholder of the Company or any of their respective affiliates other than on arms’ length terms; (iv) incorporation or acquisition of a new subsidiary or affiliate of the Company; (v) any declaration, distribution or payment of any dividend or other distributions on any equity shares of the Company; and (vi) any change in the number of directors on the board of directors of the Company.

#### *Term and Termination*

The SHA will automatically expire on the fourth anniversary of the initial public offering. However, the provisions relating to the Board of Directors and control, the key terms of which have been summarised above, will survive. The SHA will automatically terminate if the RG Group or the IGE Group no longer hold any shares in the Company.

#### **Deed of Indemnity**

Our Company has agreed to indemnify Mr. Rakesh Gangwal, Ms. Shobha Gangwal and the Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware) pursuant to a deed of indemnity dated April 23, 2015 between the aforementioned parties against all taxes that may be imposed as a result of the issuance and allotment of Equity Shares, post-merger of Caelum with our Company. Further, the parties to the deed of indemnity have agreed to contest all tax claims and minimise the tax liability wherever possible. This deed of indemnity is effective from the date of the merger scheme.

#### **Deed of Adherence**

As a condition to the SHA, any transfer by the RB Group to its affiliates requires that such affiliate execute a deed of adherence. Pursuant to the transfer of 10 equity shares of face value ₹ 1,000 each (which subsequently became 10,000 Equity Shares following the split, sub-division and bonus issue. For more details please see the chapter “*Capital Structure*” beginning on page 86) from InterGlobe Enterprises to Acquire Services, Acquire Services executed a deed of adherence dated June 20, 2015 (“**Deed of Adherence**”). As per the Deed of Adherence, Acquire Services has undertaken to be bound by the terms of the SHA as if it were an original party to the SHA and is entitled to all rights and benefits of InterGlobe Enterprises as transferor.

#### **Our Subsidiaries**

As of the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary.

#### **Interest of the Subsidiaries in our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary.

**Collaborations**

Except as disclosed in the chapter “*Our Business*” beginning on page 160, our Company has not entered into any collaboration with any third party as per Item (VIII)(B)(1)(c) of Part A of Schedule VIII to the ICDR Regulations.

**Strategic and Financial Partners**

Our Company does not have any strategic or financial partners.

**Guarantees provided by our Promoters**

As of the date of this Draft Red Herring Prospectus, there are no outstanding guarantees issued by the Promoters to third parties.

## OUR MANAGEMENT

### Board of Directors

Under the provisions of the Articles of Association, our Company will have six Directors. Our Company currently has six Directors on its Board.

The following table sets forth details of the Board of Directors as of the date of this Draft Red Herring Prospectus:

Name, address, occupation, term, DIN and designation	Nationality	Date of Appointment as Director	Age (Years)	Other directorships
<p><b>Name:</b> Mr. Devadas Mallya Mangalore</p> <p><b>Address:</b> House No. 11/A Woodland Apartment, 67 A, Pedder Road, Mumbai – 400 026, Maharashtra, India</p> <p><b>Occupation:</b> Professional</p> <p><b>Term:</b> March 27, 2015 to March 26, 2017</p> <p><b>DIN:</b> 01804955</p> <p><b>Designation:</b> Chairman and Non-executive Independent Director</p>	Indian	March 27, 2015	62	<p><b>Indian Companies:</b></p> <ol style="list-style-type: none"> <li>1. Coffee Day Enterprises Limited;</li> <li>2. Emami Limited;</li> <li>3. IFMR Rural Channels and Services Private Limited;</li> <li>4. India Infradebt Limited;</li> <li>5. Nitesh Estates Limited;</li> <li>6. Nitesh Indiranagar Retail Private Limited;</li> <li>7. Nitesh Housing Developers Private Limited;</li> <li>8. Nitesh Urban Development Private Limited;</li> <li>9. Pudhuaaru Financial Services Private Limited;</li> <li>10. Seven Islands Shipping Limited; and</li> <li>11. State Bank of India.</li> </ol>
<p><b>Name:</b> Mr. Rahul Bhatia</p> <p><b>Address:</b> 18, Oak Drive, Mandi Road, Sultanpur, Mehrauli, New Delhi – 110 030, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 00090860</p> <p><b>Designation:</b> Non-executive Director</p>	Indian	January 13, 2004	55	<p><b>Indian Companies:</b></p> <ol style="list-style-type: none"> <li>1. Acquire Services Private Limited (formerly known as Galileo India Private Limited);</li> <li>2. Bharat Telecom Private Limited;</li> <li>3. IGT Solutions Private Limited;</li> <li>4. InterGlobe Foundation;</li> <li>5. InterGlobe Education Services Limited;</li> <li>6. InterGlobe Enterprises Limited;</li> <li>7. InterGlobe Established Private Limited;</li> <li>8. InterGlobe Luxury Products Private Limited;</li> <li>9. InterGlobe Technologies Private Limited;</li> <li>10. InterGlobe Technology Quotient Private Limited;</li> <li>11. ITQ Consultancy Private Limited;</li> <li>12. Pegasus Utility and Maintenance Services Private Limited; and</li> <li>13. Shree Nath Shares Private Limited</li> </ol> <p><b>Foreign Companies:</b></p> <ol style="list-style-type: none"> <li>1. InterGlobe Technologies Inc. and</li> <li>2. IGT Solutions Inc.</li> </ol>

Name, address, occupation, term, DIN and designation	Nationality	Date of Appointment as Director	Age (Years)	Other directorships
<p><b>Name:</b> Mr. Rakesh Gangwal</p> <p><b>Address:</b> 17 Indian Creek Island Road, Indian Creek Village, FL 33154, USA</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 03426679</p> <p><b>Designation:</b> Non-executive Director</p>	American	June 25, 2015	61	<p><b>Foreign Companies:</b></p> <ol style="list-style-type: none"> <li>1. CarMax, Inc.; and</li> <li>2. Office Depot, Inc.</li> </ol>
<p><b>Name:</b> Dr. Anupam Khanna</p> <p><b>Address:</b> 4/15, Second Floor, Shanti Niketan, New Delhi – 110 021</p> <p><b>Occupation:</b> Strategy and Economic Advisor</p> <p><b>Term:</b> March 27, 2015 to March 26, 2017</p> <p><b>DIN:</b> 03421015</p> <p><b>Designation:</b> Non-executive Independent Director</p>	Indian	March 27, 2015	62	Nil.
<p><b>Name:</b> Ms. Rohini Bhatia</p> <p><b>Address:</b> 18, Oak Drive, Mandi Road, Sultanpur, Mehrauli, New Delhi – 110 030, India.</p> <p><b>Occupation:</b> Service</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 01583219</p> <p><b>Designation:</b> Non-executive Director</p>	Indian	March 27, 2015	50	<p><b>Indian Companies:</b></p> <ol style="list-style-type: none"> <li>1. ARC Hospitality Private Limited;</li> <li>2. InterGlobe Foundation;</li> <li>3. Navigator Travel Services Private Limited;</li> <li>4. Pegasus Buildtech Private Limited;</li> <li>5. Pegasus Utility Maintenance &amp; Services Private Limited; and</li> <li>6. Shree Nath Shares Private Limited.</li> </ol>



Name, address, occupation, term, DIN and designation	Nationality	Date of Appointment as Director	Age (Years)	Other directorships
<p><b>Name:</b> Mr. Aditya Ghosh</p> <p><b>Address:</b> H-452A, Ansals Palam Vihar, Gurgaon – 122 002, Haryana, India.</p> <p><b>Occupation:</b> Service</p> <p><b>Term:</b> Appointed as Whole-time Director for a term of five years with effect from April 1, 2014. Liable to retire by rotation</p> <p><b>DIN:</b> 01243445</p> <p><b>Designation:</b> President and Whole-time Director</p>	Indian	April 1, 2014	39	<p><b>Indian Companies:</b></p> <ol style="list-style-type: none"> <li>1. Calleo Distribution Technologies Private Limited;</li> <li>2. InterGlobe Established Private Limited;</li> <li>3. InterGlobe Hotels Private Limited;</li> <li>4. InterGlobe Luxury Products Private Limited;</li> <li>5. InterGlobe Technology Quotient Private Limited;</li> <li>6. ITQ Consultancy Private Limited; and</li> <li>7. InterGlobe Enterprises Limited.</li> </ol>

### Brief Profiles of our Company's Directors

#### *Mr. Devadas Mallya Mangalore*

Mr. Devadas Mallya Mangalore, aged 62 years, is an Independent Director on our Board. He holds a bachelor's degree in engineering from the University of Mysore and a postgraduate diploma in industrial management from the Faculty of Engineering, Indian Institute of Science, Bengaluru. He has been the chairman and managing director of Bank of Baroda and is currently serving on the board of directors of various organizations. Prior to joining the Bank of Baroda, he was the chairman and managing director of the Bank of Maharashtra. He started his banking career from Corporation Bank in August 1976. In a career spanning over 36 years, he has acquired significant experience in the banking sector working at various positions and carrying out various assignments. Mr. Devadas Mallya Mangalore joined our Board on March 27, 2015.

#### *Mr. Rahul Bhatia*

Mr. Rahul Bhatia, aged 55 years, is the Promoter of our Company and also a Non-executive Director of our Company. Mr. Bhatia holds a degree in electrical engineering from the University of Waterloo in Ontario, Canada. Mr. Bhatia was instrumental in the formation of InterGlobe Enterprises in 1989 with its flagship business of air transport management. Mr. Bhatia has more than 25 years of experience in the travel industry. Mr. Bhatia has led the development of many new business initiatives of our Company, including the travel and aviation business.

#### *Mr. Rakesh Gangwal*

Mr. Rakesh Gangwal, aged 61 years, is a citizen of the United States of America. He is the Promoter of our Company and also a Non-executive Director on our Board. He holds a bachelor's degree in mechanical engineering from the Indian Institute of Technology, Kanpur. He also holds a master's degree in business administration from the Wharton School, University of Pennsylvania, with a major in finance. He has more than 30 years of experience in the aviation industry. Pursuant to graduating from the Wharton School, Mr. Gangwal worked as a financial analyst with the Ford Motor Company from July 1979 to September 1980. He then worked as a management consultant with Booz, Allen & Hamilton, Inc. from September 1980 till January 1984. Mr. Gangwal joined United Airlines in February 1984 where he held positions of various responsibilities before leaving as senior vice president - planning in November 1994. Mr. Gangwal then joined Air France as an executive vice president - planning and development in November 1994. He left Air France in February 1996 to

join the US Airways Group, Inc. and US Airways Inc. as the president and chief operating officer. In November 2001, he left the US Airways Group as the president and chief executive officer and was engaged in private equity and consulting related activities. Mr. Gangwal worked with Worldspan Technologies, Inc. from June 2003 to August 2007 as the chairman, president and chief executive office.

***Dr. Anupam Khanna***

Dr. Anupam Khanna, aged 62 years, has a Ph.D and a master's degree in electrical engineering and management science/engineering economic systems from Stanford University, California. Dr. Anupam Khanna has a bachelor of technology degree from Indian Institute of Technology, Kanpur. Dr. Anupam Khanna joined the World Bank in December 1980 till 2000 at various positions including as the senior economic advisor. He served on the Infrastructure/Urban and Environment Sector Boards till 2000. From September 2000 till March 2003 he was the chief economist for Shell International, London where he was also a core member of the global scenarios team. He again joined World Bank in September 2003 as the senior manager (policy support) and managed the work of the standing committees of the board of executive directors and advised senior management and board members on strategy, policy and fiduciary issues. Dr. Anupam Khanna has also served as the chief economist and director-general (policy outreach) at NASSCOM. He has also been the senior advisor to the president of the Global Development Network, with the mandate of promoting excellence in research and policy analyses related to inclusive and sustainable development, where he initiated preparation of global research programs on climate change and urbanization. Dr. Anupam Khanna joined our Board on March 27, 2015 and is a Non-executive and Independent Director.

***Ms. Rohini Bhatia***

Ms. Rohini Bhatia, aged 50 years, is a Non-executive Director of our Company since March 27, 2015. She also holds the office of Senior Vice President at InterGlobe Air Transport Limited since 2013. Ms. Bhatia obtained her diploma in Textile Designing from the South Delhi Polytechnic, New Delhi, in 1985. Ms. Bhatia has a diversified experience of serving on the boards of various companies in the travel industry and is currently the Director on the Board of ARC Hospitality Private Limited, Navigator Travel Services Private Limited, Pegasus Buildtech Private Limited, Pegasus Utility Maintenance & Services Private Limited, InterGlobe Foundation and Shree Nath Shares Private Limited.

***Mr. Aditya Ghosh***

Mr. Aditya Ghosh, aged 39 years, is the President and Whole-time Director of our Company. Mr. Ghosh heads all operations and management of our Company. Mr. Ghosh was inducted into the Board of the Directors of our Company on May 30, 2007 and took on the role as our Company's President in August 2008. He also serves on the executive committee of InterGlobe Enterprises, which is responsible for the management of the IGE's various businesses. Mr. Ghosh holds a bachelor's of law degree, from the University of Delhi. Prior to joining our Company in 2008, Mr. Ghosh was the group general counsel for InterGlobe Enterprises from 2004 to August 2008. He also practiced law from 1998 to 2004 at J. Sagar Associates, Advocates & Solicitors and was interning with K&S Partners from 1997 to 1998.

Mr. Ghosh has been recognized for his achievements both nationally and globally. Some of his key awards are as follows:

- Low Cost Leadership award at the "Airline Strategy Awards", London 2011;
- Fortune Magazine's elite "40 under 40 list" – 27<sup>th</sup> rank globally;
- 'Young Business Leader 2011' award at NDTV Profit Business Leadership Awards 2011;
- 'CEO of the year' award by SABRE in July 2013;
- Member of the Main Jury of the St. Gallen Wings of Excellence Award in 2014;
- Nominated for the CNN-IBN 'Indian of The Year 2013' in the business category; and
- Named by the World Economic Forum as one of the Young Global Leaders for 2015.

**Further Confirmations**

None of the Directors of our Company are or have been directors of listed companies whose shares have been or were delisted or suspended from trading on BSE or NSE in the last five years prior to the date of this Draft Red Herring Prospectus.

None of the Directors of our Company is or was a director on any listed companies which have been or were

delisted from any stock exchange in India during the term of their directorship in such companies.

### Relationship between Directors

Except for Mr. Rahul Bhatia, who is the husband of Ms. Rohini Bhatia, none of our Directors are related to each other.

### Arrangements and Understanding with Major Shareholders

Except as disclosed in the chapter “*History and Other Corporate Matters*” beginning on page 198, there are no other arrangements or understanding with major shareholders, customers, suppliers or others pursuant to which any of our directors or member of senior management have been appointed as such.

### Terms of Appointment of the Whole-time Director of our Company

#### Mr. Aditya Ghosh

Mr. Aditya Ghosh was appointed as Whole-time Director for a term of five years with effect from April 1, 2014, pursuant to a resolution passed by the shareholders at the AGM held on September 8, 2014. The terms of his appointment were modified pursuant to a resolution passed by the shareholders at the EGM held on June 25, 2015. He was also redesignated as the President and Whole-time Director of our Company. The significant terms of employment include the following:

#### Remuneration:

- a. Basic salary: ₹ 12.69 million per annum;
- b. Performance Linked Incentive: ₹ 11.11 million per annum payable on an annual basis and is based on the performance of the Company and individual performance during the relevant financial year and may vary up to 150%;
- c. Perquisites and allowances: In addition to basic salary and performance linked incentive, Mr. Aditya Ghosh will be entitled to perquisites and allowances such as house rent allowance, special allowances, medical reimbursement, driver reimbursement, meal card, vehicle maintenance reimbursement, etc. However, the aggregate value of the perquisite and allowance shall not exceed 300% of the annual basic salary;  
For the purposes of calculating the above ceiling,
  - Perquisites and allowances shall be evaluated as per Income-tax rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost;
  - Provision for use of Company’s car for official duties and mobile / telephone / internet expenses shall not be included.
- d. Provident Fund, Superannuation Fund or Annuity Fund: Company’s contribution towards provident fund, superannuation fund or annuity fund as per Company’s policy and applicable laws;
- e. Gratuity: As per the Company’s policy and applicable laws;
- f. Leave Encashment: As per our Company’s policy and applicable laws;
- g. Share Based Benefits: Share based benefits, as may be granted by the Company in accordance with the scheme existing or framed in future and on the terms and conditions as may be approved by the Compensation Committee / Board of Directors; and
- h. One Time Incentive: One time incentive of ₹ 209.97 million for financial year ending March 31, 2016;
- i. Annual Increment: Annual increment with effect from April 1 each year during the remaining term of appointment subject to a maximum of 15% each year on the aggregate value of Basic Salary, Performance Linked Incentive and Perquisites and Allowances of the immediate preceding financial year.

### 1. Payment or Benefit to Directors of our Company

The following table sets forth the details of the gross remuneration of our Directors for the Financial Year 2014 – 2015.

S. No.	Name of Director	Payments/Benefits Paid for the Financial Year 2014 – 2015 (in ₹ million)
1.	Mr. Aditya Ghosh	37.54

S. No.	Name of Director	Payments/Benefits Paid for the Financial Year 2014 – 2015 (in ₹ million)
2.	Mr. Devadas Mallya Mangalore	Nil
3.	Mr. Rahul Bhatia	Nil
4.	Mr. Rakesh Gangwal	Nil
5.	Dr. Anupam Khanna	Nil
6.	Ms. Rohini Bhatia	Nil

In addition, the following Directors are also entitled to certain travel benefits:

#### **Mr. Rahul Bhatia**

Mr. Rahul Bhatia is entitled to receive certain travel benefits pursuant to the travel benefit letter agreement dated April 13, 2011 (“**Benefits Letter - 1**”). As per the terms of the Benefits Letter – 1, he and his relatives (up to a maximum of 10) are entitled to the value of the air tickets or reimbursement and an additional amount for his personal incidental expenses equaling the value of the tickets utilized by him and/or his relatives (collectively, “**Travel Benefits**”). The value of the Travel Benefits together with any additional remuneration that he may be entitled to will not exceed the limits prescribed under the Companies Act.

#### **Mr. Rakesh Gangwal**

Mr. Rakesh Gangwal is entitled to receive certain travel benefits pursuant to the travel benefit letter agreement dated June 25, 2015 (“**Benefits Letter - 2**”). As per the terms of the Benefits Letter – 2, he and his relatives (up to a maximum of 10) are entitled to unlimited air tickets or reimbursements in respect thereof for the value of the air tickets. The value of such tickets or reimbursements under Benefits Letter – 2 together with any additional remuneration that he may be entitled to will not exceed the limits prescribed under the Companies Act.

#### **Ms. Rohini Bhatia**

Following the appointment of Ms. Rohini Bhatia as a Director of the Company, she is entitled to receive certain travel benefits pursuant to the letter agreement dated June 25, 2015 (“**Benefits Letter - 3**”). As per the terms of Benefits Letter – 3, she is entitled to the value of air-tickets or reimbursements and an additional amount for her personal incidental expenses equalling the value of the tickets. The value of such tickets or reimbursements under Benefits Letter – 3 together with any additional remuneration that she may be entitled to will not exceed the limits prescribed under the Companies Act.

## **2. Remuneration to Non-Executive Directors**

The Non-executive Independent Directors and woman Director of our Company are paid ₹ 50,000 sitting fees for attending meetings, other than reimbursement of expenses incurred. Additionally, no fees are payable to the chairman of the Board or to the chairman of any of our Board committees. There is no contingent or deferred compensation payable to our Directors.

### **Borrowing Powers of the Board**

Our Articles, subject to the provisions of the Companies Act, authorise the Board, at its discretion, to generally raise or borrow or secure the payment of any sum or sums of money for the purposes of our Company. Pursuant to a resolution passed by the shareholders of our Company at the EGM held on March 27, 2015, the Board has been authorised to borrow any sum or sums of monies in excess of our Company’s aggregate paid-up capital and free reserves, provided that the total amount which may be so borrowed and outstanding shall not exceed a sum of ₹150 billion.

### **Shareholding of the Directors in our Company**

The Articles of Association do not require our Directors to hold any qualification shares in our Company. Except as stated below, none of our Directors hold any Equity Shares in our Company.

S. No.	Name of Director	No. of Equity Shares
1.	Mr. Rahul Bhatia	3,046,000
2.	Mr. Rakesh Gangwal	60,804,000
3.	Ms. Rohini Bhatia	10,000

For further details of shareholding of Mr. Rahul Bhatia, Mr. Rakesh Gangwal and Ms. Rohini Bhatia please see the chapter “*Capital Structure*” beginning on page 86.

### **Shareholding of the Directors of our Company in our Subsidiaries**

As on date of the Draft Red Herring Prospectus, our Company does not have any subsidiary.

### **Bonus or Profit Sharing Plan for the Directors of our Company**

Except for the benefits provided to Mr. Aditya Ghosh as described in this chapter, our Company does not have any bonus or profit sharing plan for our Directors.

### **Interests of Directors of our Company**

The Non-executive Independent Directors of our Company may be deemed to be interested only to the extent of any sitting fees, commissions or reimbursement of expenses payable to them under the Articles of Association.

All Directors may be deemed to be interested to the extent of travel expenses being borne by our Company for attending meetings of the Board of Directors or a committee thereof, site visits and other Company related expenses. Further, Mr. Rahul Bhatia, Mr. Rakesh Gangwal and Ms. Rohini Bhatia are also interested to the extent of the travel benefits provided to them by the Company under their respective Benefits Letters.

Our Directors may also be regarded as interested in the Equity Shares held by them or that may be subscribed by or Allotted to them under the Employee Reservation Portion or that may be subscribed or Allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Issue. All of our Directors may also be deemed to be interested to the extent of any dividends payable to them and other distributions in respect of the Equity Shares, if any.

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors. Our Company has not entered into any service contracts with our Directors which provide for benefits upon termination of employment of our Directors.

Except for Mr. Rahul Bhatia and Mr. Rakesh Gangwal, our Directors have no interest in the promotion of our Company other than in the ordinary course of business.

Further, our Directors have no interest in any property acquired within two years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Except as stated in the chapter “*Financial Statements*” beginning on page 253 and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

As on the date of this Draft Red Herring Prospectus, there are no outstanding loans to our Directors from our Company.

Except for the Equity Shares held by them, the non-Independent Directors of our Company may be deemed to be interested to the extent of remuneration, fees or reimbursement of expenses payable to them under the Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

### **Changes in the Board of Directors of our Company during the Last Three Years**

Name	Date of Appointment	Reason for Appointment	Date of Cessation	Reason for Cessation
Mr. Aditya Ghosh	April 1, 2011	Appointed as Whole-time Director	November 1, 2013	Resigned as Director
Mr. Rahul Bhatia	March 19, 2013	Re-appointed as Managing Director	-	-
Mr. Aditya Ghosh	April 1, 2014	Appointed as Whole-time Director	-	-
Mr. Anil Parashar	September 28, 2007	-	March 26, 2015	Resigned as Director
Dr. Anupam Khanna	March 27, 2015	Appointed as Non-executive Independent Director	-	-
Mr. Devadas Mallya Mangalore	March 27, 2015	Appointed as Non-executive Independent Director	-	-
Ms. Rohini Bhatia	March 27, 2015	Appointed as Non-executive Director	-	-
Mr. Rakesh Gangwal	June 25, 2015	Appointed as Non-executive Director	-	-
Mr. Rahul Bhatia	-	-	June 23, 2015	Redesignation from managing director to Non-executive Director
Mr. Kapil Bhatia	-	-	June 23, 2015	Resigned as Chairman and Non-executive Director
Mr. Aditya Ghosh	June 25, 2015	Redesignated as President and Whole-time Director	-	-

## Corporate Governance

The provisions relating to corporate governance in the Listing Agreements to be entered into with the Stock Exchanges will become applicable to our Company immediately upon the listing of the Equity Shares of our Company with the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance as specified in the Listing Agreements and the Companies Act pertaining to constitution of the Board and committees thereof. The Board functions either on its own or through various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, the Board of Directors comprises six directors, of whom, one is an executive and non-Independent Director, three are non-executive and non-Independent Directors and two are non-executive and Independent Directors. The Chairman of the Board is a non-executive Independent Director.

## Committees of the Board

The Board has constituted the following committees in accordance with the requirements of the Companies Act and Listing Agreements to be executed with the Stock Exchanges:

### *Audit Committee*

The Audit Committee was constituted at the Board meeting held on December 18, 2006. It was re-constituted at the Board meeting held on March 27, 2015. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The purpose of the Audit Committee is to ensure the objectivity, credibility and correctness of our financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, and associated matters. The Audit Committee comprises:

<b>Name of Director</b>	<b>Status</b>	<b>Capacity</b>
Mr. Devadas Mallya Mangalore	Non-executive Independent Director	Chairman
Dr. Anupam Khanna	Non-executive Independent Director	Member
Mr. Aditya Ghosh	President and Whole-time Director	Member

The terms of reference of the Audit Committee include the following:

- i. Overseeing the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending to the Board the appointment, re-appointment, replacement, remuneration and terms of appointment of statutory auditors of the Company and the fixation of audit fee;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013, as amended;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
- v. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed Offer by the Company;
- vii. Review and monitor the statutory auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit

department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review / oversee the functioning of the whistle blower/vigil mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. In consultation with the internal auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit; and
- xxi. Carrying out such other functions as may specified by the Board from time to time.

Additionally, the Audit Committee has the following powers:

- i. To investigate any activity within its role / terms of reference or as may be referred to it by the Board and for this purpose shall have full access to information contained in the records of the company;
- ii. To seek information from any employee;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal audit reports relating to internal control weaknesses;
- v. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
- vi. Carrying out such other functions as may specified by the Board from time to time.

#### ***Nomination and Remuneration Committee***

The Nomination and Remuneration Committee was constituted at the Board meeting held on March 27, 2015. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee comprises:



<b>Name of Directors</b>	<b>Status</b>	<b>Capacity</b>
Dr. Anupam Khanna	Non-executive Independent Director	Chairman
Mr. Devadas Mallya Mangalore	Non-executive Independent Director	Member
Ms. Rohini Bhatia	Non-executive Director	Member

The terms of reference of the Nomination and Remuneration Committee, as amended from time to time, include the following:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of independent directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
- v. The chairperson or in his absence, any other member of the nomination and remuneration committee authorised by him in this behalf shall attend the general meetings of the Company to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries; and
- vi. Carrying out such other functions as may specified by the Board from time to time.

#### ***Stakeholders Relationship Committee***

The Stakeholders Relationship Committee was constituted at the Board meeting held on March 27, 2015. The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013. The Stakeholders Relationship Committee is responsible for the redressal of shareholder grievances. The Stakeholders Relationship Committee comprises:

<b>Name of Director</b>	<b>Status</b>	<b>Capacity</b>
Ms. Rohini Bhatia	Non-executive Independent Director	Chairman
Mr. Aditya Ghosh	President and Whole-time Director	Member

The Stakeholders Relationship Committee shall specifically look into the redressal of all security holders' and investors' complaints and shall have the powers to seek all information from, and inspect all records of, our Company relating to security holder and investor complaints. The Stakeholders Relationship Committee shall look into matters listed below and for this purpose shall have access to information contained in the records of our Company and external professional advice, if necessary. The terms of reference of the Stakeholders Relationship Committee include the following:

1. To consider and resolve the grievances of security holders of the Company;
2. The Chairman, or in his absence, any other member of the Stakeholders Relationship Committee authorised by him in this behalf shall attend the general meetings of the Company;
3. To consider, approve, investigate and provide resolution of shareholders' grievances relating to transfer, transmission, dematerialisation and rematerialisation of shares, issue of duplicate share certificates, non-receipt of annual report, dividend and other matters relating to the shareholders / investors; and
4. carrying out such other functions as may specified by the Board from time to time.

### ***Corporate Social Responsibility Committee***

The Corporate Social Responsibility Committee was constituted at the Board meeting held on March 12, 2014 to undertake activities as specified in Schedule VII to the Companies Act. It was re-constituted at the Board meeting held on March 27, 2015. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee has formulated the corporate social responsibility policy, which indicates the activities to be undertaken by the Company, and to recommend the amount to be incurred on such activities, and institute a transparent monitoring mechanism for implementation of the corporate social responsibility activities.

The Corporate Social Responsibility Committee comprises:

<b>Name of Director</b>	<b>Status</b>	<b>Capacity</b>
Ms. Rohini Bhatia	Non-executive Director	Chairman
Mr. Anupam Khanna	Non-executive Independent Director	Member
Mr. Aditya Ghosh	President and Whole-time Director	Member

### ***Compensation Committee***

The Compensation Committee of the Board was constituted pursuant to a resolution of the Board approved by circulation on June 21, 2015. The Compensation Committee comprises:

<b>Name of Directors</b>	<b>Status</b>	<b>Capacity</b>
Dr. Anupam Khanna	Non-executive Independent Director	Chairman
Mr. Devadas Mallya Mangalore	Non-executive Independent Director	Member
Ms. Rohini Bhatia	Non-executive Director	Member

The terms of reference of the Compensation Committee include the following:

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

### ***IPO Committee***

The IPO Committee was constituted at the Board meeting held on June 28, 2015.

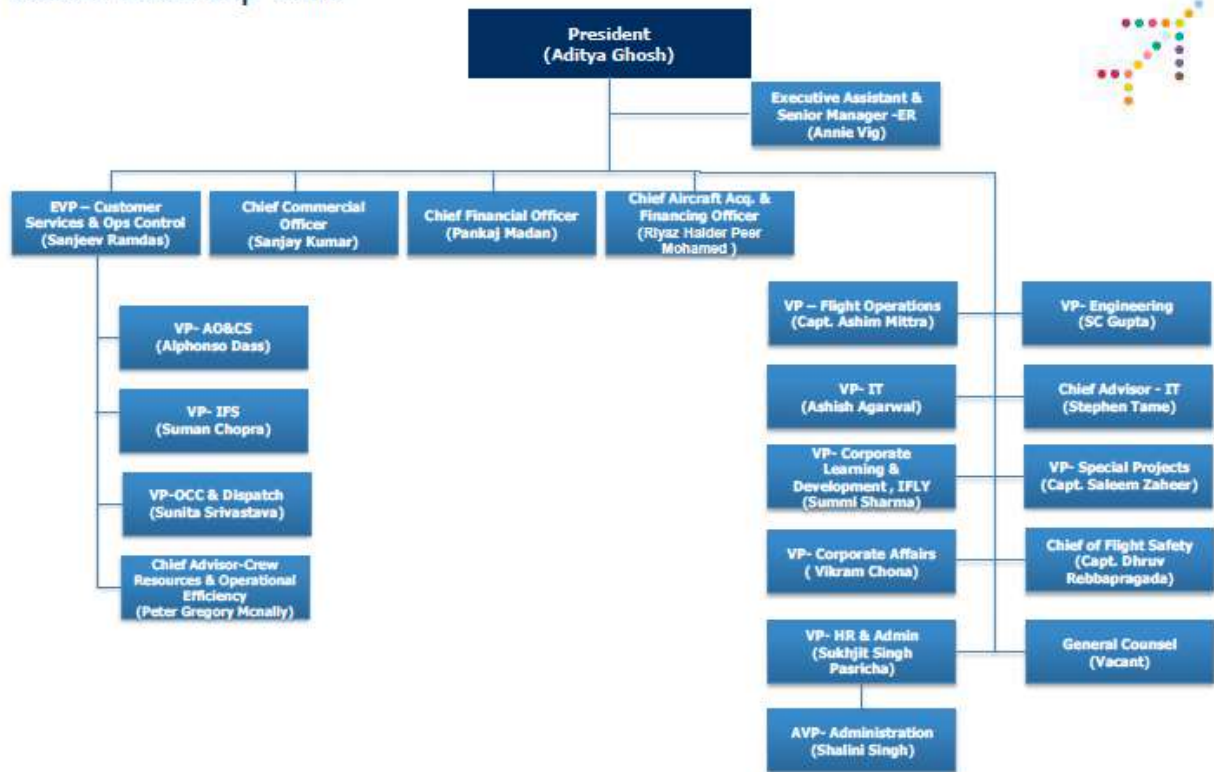
The IPO Committee comprises:

<b>Name of Directors</b>	<b>Status</b>	<b>Capacity</b>
Mr. Aditya Ghosh	President and Whole-time Director	Chairman
Mr. Rahul Bhatia	Non-executive Director	Member
Ms. Rohini Bhatia	Non-executive Director	Member

The IPO Committee is authorized to approve and decide upon all activities in connection with the Issue, including, but not limited to, to approve the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Issue, to appoint various intermediaries, negotiating and executing Issue related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

### **Management Organisation Structure**

## IndiGo Leadership Team



### Key Management Personnel

Provided below are the details of the Key Management Personnel of our Company as of the date of this Draft Red Herring Prospectus:

#### **Mr. Riyaz Haider Peer Mohamed** **Chief Aircraft Acquisition and Financing Officer**

Mr. Riyaz Haider Peer Mohamed, aged 55 years, holds a bachelor's degree in science from University of Bombay. He is a chartered accountant from The Institute of Chartered Accountants of India and a chartered financial analyst from The Institute of Chartered Financial Analysts, Charlottesville, Virginia, USA. He has completed the management education program from the Indian Institute of Management, Ahmedabad. He joined KPMG Lower Gulf Limited as a management consultant and worked there on various assignments in the United Arab Emirates from September 1988 to November 1989. Mr. Peer Mohamed joined Emirates in Dubai in November 1989 where he held various positions, and his last held position for Emirates was senior vice president – corporate treasury which he held from August 2001 until May 2006. Mr. Peer Mohamed joined our Company prior to the commencement of our commercial operations as the chief financial officer and held this position from May 2006 till November 2014. From December 2014 onwards, Mr. Peer Mohamed holds the position of Chief Aircraft Acquisition and Financing Officer in our Company. Mr. Peer Mohamed was paid a remuneration of ₹ 57.87 million in FY 2014-15.

#### **Mr. Sanjay Kumar** **Chief Commercial Officer**

Mr. Sanjay Kumar, aged 49 years, holds a bachelor's degree in law and a master's degree in economics from Meerut University. He has a post graduate diploma in business administration from Institute of Productivity and Management, Meerut. Mr. Kumar has over 20 years of experience in the aviation sector and has worked with

various airlines in India. Prior to joining our Company, he worked with Sahara Airlines from May 1992 till April 2001 in various positions in the areas of commercial, marketing, sales and distribution. In April 2001 he joined Royal Airways Limited and worked on the startup project of SpiceJet which was launched in May 2005. He was the vice president – marketing and planning for SpiceJet until January 2007 and was responsible for various assignments in the areas of network planning, marketing and sales, distribution, product and service development and media relations. He joined our Company on January 29, 2007 and is responsible for the commercial operations of our Company. Mr. Kumar was paid a remuneration of ₹ 18.30 million in FY 2014-2015.

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

Mr. Sanjeev Ramdas, aged 47 years, holds a bachelor's degree in commerce from University of Delhi. Mr. Ramdas has worked for Cambata Aviation Private Limited from 1989 till 1994 as duty officer and his responsibilities included aircraft handling, passenger services and charter flights. Prior to joining our Company, Mr. Ramdas was the director of airport services at InterGlobe Air Transport Limited from 1994 till 2006 where he managed the airport operations of InterGlobe Air Transport Limited's airline partners and was responsible for airport operations, aircraft handling, customer services, emergency response procedures, safety, contract negotiations, ground service equipment purchasing, service level agreements and cargo. Mr. Ramdas joined our Company on February 1, 2006 and is responsible for airport operations and customer services, inflight services and operations control center. Mr. Ramdas was paid a remuneration of ₹ 13.91 million in FY 2014-15.

**Mr. Pankaj Madan**  
**Chief Financial Officer**

Pankaj Madan, aged 50 years, holds a bachelor's degree in physics from University of Delhi and is a law graduate from Faculty of Law, University of Delhi. He holds a master's degree in business administration from Deakin University, Australia. Mr. Madan is a chartered accountant with the Institute of Chartered Accountants of India. Mr. Madan has experience of over 22 years across multiple industries and geographies. Prior to joining our Company in 2014, he was the chief financial officer of Bharti Retail Limited. He was also the chief financial officer of Bharti Walmart from 2008 to 2013 and finance director of Grampian Foods Siam Limited, Thailand from 2003 till 2007. Mr. Madan was the director, finance for the Thailand operations of Cargill Asia Pacific Limited from 2001 till 2003. Prior to joining Cargill Asia Pacific Limited, Mr. Madan was employed with Telstra Corporation Limited from 1996 till 2000, his last position being the chief financial officer of Telstra Singapore. Mr. Madan joined our Company as the Chief Financial Officer on December 1, 2014. Mr. Madan was paid a remuneration of ₹ 10.26 million in FY 2014-15.

**Captain Dhruv Rebbapragada**  
**Chief of Flight Safety**

Captain Dhruv Rebbapragada, aged 47 years, holds a bachelor of business administration degree in flying from Dibrugarh University. Prior to joining our Company, he worked with Vayudoot from 1987 to 1989 and with Air India (Erstwhile Indian Airlines Limited) from 1987 till 2011, where his last held position was deputy general manager, wherein he was looking after technical issues, IATA Operations Safety Audit pertaining to flight operations, crew resource management facilitator and also was a training captain. Captain Rebbapragada currently flies the Airbus A320 as an instructor pilot and has more than 14,500 hours to his credit. Captain Rebbapragada joined our Company on July 18, 2011 and was appointed as the Chief of Flight Safety at IndiGo. Captain Rebbapragada was paid a remuneration of ₹ 10.49 million in FY 2014-15.

**Mr. Suresh Kumar Bhutani**  
**Associate Director – Company Secretary**

Mr. Suresh Kumar Bhutani, aged 35 years, is a fellow member of the Institute of Company Secretaries of India and a law graduate from Faculty of Law, University of Delhi. Mr. Bhutani also holds a bachelor's degree in commerce from University of Delhi and a master's degree in business administration (finance) from Indira Gandhi National Open University. Mr. Bhutani has an experience of over a decade in the field of corporate legal and secretarial. He is associated with our Company since December 1, 2014. Prior to joining our Company, he had worked with Ciena India Private Limited as a company secretary and contracts professional and R Systems International Limited as company secretary and compliance officer. Mr. Bhutani was paid a remuneration of ₹ 0.89 million in FY 2014-15.

Other than as set out under the head “*Bonus or Profit Sharing Plan of the Key Management Personnel*” in this chapter, there is no contingent or deferred compensation payable to the Key Management Personnel.

#### **Relationship between Key Management Personnel**

None of the Key Management Personnel of our Company are related to each other.

#### **Family Relationships of Directors with Key Management Personnel**

None of the Key Management Personnel of our Company are related to the Directors of our Company.

#### **Arrangements and Understanding with Major Shareholders, Customers or Suppliers**

None of the Key Management Personnel of our Company have been selected pursuant to any arrangement or understanding with any major shareholders, customers or suppliers of our Company.

#### **Shareholding of the Key Management Personnel**

As of the date of this Draft Red Herring Prospectus, Mr. Riyaz Haider Peer Mohamed holds 5,110,000 Equity Shares and Mr. Sanjay Kumar holds 334,000 Equity Shares.

#### **Bonus or Profit Sharing Plan of the Key Management Personnel**

Except as disclosed below, our Company does not have any bonus or profit sharing plan for the Key Management Personnel.

#### ***Performance Linked Incentive***

Performance Linked Incentive (“**PLI**”) is part of the total cost to the company and refers to the variable component. The annual total cost to the company is equal to annual fixed cost to the company plus the annual PLI. The PLI quantum comprises of two components, namely, the individual component and the functional component split in the 40:60 ratio. The PLI pay out for each year necessitates that the employee is on the rolls our Company as on March 31 of that year.

#### ***Long Term Incentive Plan***

Our Company has a Long Term Incentive Plan (“**LTIP**”) which aims to reward to both individual and business performance. The LTIP is over and above the cost-to-the-company structure of the employee and is applicable to specific employees only. The amount an employee is eligible for under the LTIP is 50% of the fixed cost to company for an employee. The amount payable to each employee under the LTIP is calculated on the basis of various factors like market share, profit before tax of the Company and performance of the employee.

#### **Interest of Key Management Personnel**

Except for Mr. Riyaz Haider Peer Mohamed who holds 5,110,000 Equity Shares and Mr. Sanjay Kumar who holds 334,000 Equity Shares, the Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment or otherwise and for reimbursement of expenses incurred by them during the ordinary course of business. Further, certain of our Key Management Personnel are also entitled to options and Equity Shares resulting from the exercise of options pursuant to the ESOS 2015 – I . For more details of the ESOS 2015 – I please see the chapter “*Capital Structure*” beginning on page 86.

#### **Changes in the Key Management Personnel**

The changes in the Key Management Personnel in the last three years are as follows:

<b>Name of the KMPs</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason for change</b>
Mr. Sanjeev Ramdas	Executive Vice President	March 1, 2012	Change in designation
Captain Dhruv	Chief Flight of Safety	September 1, 2012	Appointment

<b>Name of the KMPs</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason for change</b>
Rebbapragada			
Mr. Riyaz Haider Peer Mohamed	Chief Aircraft Acquisition & Financing Officer	December 1, 2014	Change in designation
Mr. Pankaj Madan	Chief Financial Officer	December 1, 2014	Appointment
Mr. Suresh Kumar Bhutani	Associate Director – Company Secretary	December 1, 2014	Appointment
Mr. Suresh Kumar Bhutani	Company Secretary and Compliance Officer	June 25, 2015	Change in designation

### **Employee Stock Option Scheme**

Our Company has instituted the ESOS 2015 – I and ESOS 2015 – II. For details of the employee stock option schemes please see the chapter “*Capital Structure*” on page 86.

### **Loans taken by Key Management Personnel**

As of the date of this Draft Red Herring Prospectus, there are no outstanding loans given to our Key Management Personnel from our Company.

### **Payment or Benefit to officers of our Company**

Except as stated in this chapter, no non-salary related amount or benefit has been paid or given within two years, or intended to be paid or given, to any Director or Key Managerial Personnel, being an officer of our Company under the Companies Act, 2013.

## OUR PROMOTERS AND GROUP ENTITIES

Our Promoters are Mr. Rahul Bhatia, Mr. Rakesh Gangwal, InterGlobe Enterprises and Acquire Services.

As of the date of this Draft Red Herring Prospectus, our Promoters hold (in aggregate) 220,800,000 Equity Shares, representing up to 64.24% of the issued, subscribed and paid-up Equity Share capital of our Company.

**Details of Our Individual Promoters are provided below:**



### ***Mr. Rahul Bhatia***

Mr. Rahul Bhatia, aged 55 years, is the Promoter and a Non-executive Director of our Company. For further details, please see the chapter “*Our Management*” beginning on page 206.

The voter identification number of Mr. Rahul Bhatia is YRI2162154 and his driving license number is DL-0320010478644. For further details, please see the chapter “*Our Management*” beginning on page 206.



### ***Mr. Rakesh Gangwal***

Mr. Rakesh Gangwal, aged 61 years, is the Promoter and a Non-executive Director of our Company. For further details, please see the chapter “*Our Management*” beginning on page 206.

His passport number is 505717252 and driving license number is G524-720-53-265-2. For details, please see the chapter “*Our Management*” beginning on page 206.

We confirm that the permanent account numbers, bank account numbers and passport numbers of Mr. Rahul Bhatia and Mr. Rakesh Gangwal will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

### **Details of our Corporate Promoters**

***Acquire Services Private Limited (formerly known as Galileo India Private Limited)***

*Corporate Information*

Acquire Services Private Limited i.e. Acquire Services was incorporated as Galileo India Private Limited on March 17, 1997 under the Companies Act, 1956, with the RoC.

The name was subsequently changed to Acquire Services Private Limited and a fresh certificate of incorporation was issued by the RoC on February 12, 2013. The registered office of Acquire Services is situated at Central Wing, Ground Floor, Thapar House, 124 Janpath, New Delhi – 110 001, India. In terms of its memorandum of association, the main objects of Acquire Services are, *inter-alia*, providing information technology enabled services in India and abroad and setting up and maintaining data information processing centers and bureaus to process general information, other messages and importing and exporting the same and setting up, maintaining, supporting and providing help desk, operating back office to software process accounting, management information systems and related information.

The CIN or corporate identification no. of Acquire Services is U63040DL1997PTC085860.

Acquire Services has been classified as a core investment company under the RBI regulations, since the Fiscal 2011-2012.

#### *Board of directors*

As on the date of this Draft Red Herring Prospectus, the board of directors of Acquire Services comprises:

<b>Name of Director</b>	<b>Designation</b>
Mr. Kapil Bhatia	Director
Mr. Rahul Bhatia	Director
Mr. Vijay Kumar Bhatia	Director

For details relating to the shareholding of directors of Acquire Services in our Company, please see the chapter “*Capital Structure*” beginning on page 86.

#### *Shareholding Pattern*

As of the date of this Draft Red Herring Prospectus, the authorized share capital of Acquire Services is ₹25,00,000 divided into 2,50,000 equity shares of ₹10 each.

The shareholding pattern of Acquire Services as of the date of this Draft Red Herring Prospectus is as follows:

<b>Name of Shareholder</b>	<b>Number of Equity Shares</b>	<b>Percentage of Issued Capital (%)</b>
Mr. Kapil Bhatia	2,200	1.05
Mr. Rahul Bhatia	56,100	26.94
Ms. Rohini Bhatia	56,100	26.94
IGE (Mauritius) Private Limited	20,840	10.01
InterGlobe Enterprises	72,960	35.04
<b>Total</b>	<b>208,200</b>	<b>100.00</b>

#### *Financial Information*

The financial performance of Acquire Services for the last three financial years, preceding the date of this Draft Red Herring Prospectus, is as follows:

*(₹ in million except share data)*

<b>Particulars</b>	<b>As on March 31, 2014</b>	<b>As on March 31, 2013</b>	<b>As on March 31, 2012</b>
Equity capital	2.08	2.08	2.08
Reserves and Surplus (excluding revaluation reserves)	3,835.82	3,479.30	3,459.66
Sales/Turnover	470.55	85.70	95.48
Profit/(Loss) after Tax	356.52	19.64	68.53
Earning per Share (in ₹)	1,712.39	94.33	329.14
Net Asset Value per Share (in ₹)	18,433.70	16,721.32	16,626.99

#### *InterGlobe Enterprises Limited*



### Corporate Information

InterGlobe Enterprises was incorporated as InterGlobe Enterprises Private Limited on September 13, 1989 under the Companies Act, 1956, with the RoC.

The name was subsequently changed to InterGlobe Enterprises pursuant to conversion from a private company to a public company on October 29, 2001 and a fresh certificate of incorporation, was issued by the RoC, on October 29, 2001. The registered office of InterGlobe Enterprises is situated at Central Wing, Ground Floor, Thapar House, 124 Janpath, New Delhi – 110001, India. In terms of its memorandum of association, the main objects of InterGlobe Enterprises are, *inter-alia*, providing services relating to travel agents, IATA agents, hospitality, information technology, consultancy and advisory.

The CIN i.e. the corporate identification number of InterGlobe Enterprises is U63040DL1989PLC037689.

### Board of directors

As of the date of this Draft Red Herring Prospectus, the board of directors of InterGlobe Enterprises comprises:

Name of Director	Designation
Mr. Kapil Bhatia	Executive chairman and managing director
Mr. Rahul Bhatia	Whole-time director
Ms. Pash Bhatia	Whole-time director
Mr. K.K. Hazari	Independent director
Mr. Aditya Ghosh	Director
Mr. Jitindar Bir Singh	Director
Ms. Neena Gupta	Whole-time director
Mr. Himanshu Relan	Independent director

For details relating to the shareholding of directors of InterGlobe Enterprises in our Company, please see the chapter “*Capital Structure*” beginning on page 86.

### Shareholding Pattern

As of the date of this Draft Red Herring Prospectus, the authorized share capital of InterGlobe Enterprises is ₹ 1,480,000,000 divided into 200,000 equity shares of ₹100 each aggregating to ₹ 20,000,000 and 14,600,000 Preference Shares of ₹ 100 each aggregating to ₹ 1,460,000,000.

The shareholding pattern of InterGlobe Enterprises as of the date of this Draft Red Herring Prospectus is as follows:

#### 1. Equity shares

Name of Shareholder	Number of Equity Shares	Percentage of Issued Capital (%)
Mr. Kapil Bhatia	11,000	11.84
Mr. Rahul Bhatia	68,695	73.95
Ms. Rohini Bhatia	2,200	2.37
Mr. Madhav Bhatia	3,685	3.97
Ms. Jyoti Bhatia	2,200	2.37
Mr. Vaibhav Bhatia	3,685	3.97
Ms. Sumati Bhatia	1,430	1.53
<b>TOTAL</b>	<b>92,895</b>	<b>100.00</b>

#### 2. Redeemable Preference Shares

Name of Shareholder	Number of Redeemable Preference Shares	Percentage of Issued Capital (%)
Mr. Kapil Bhatia	4,060,454	79.59
Mr. Rahul Bhatia	1,041,142	20.41

Name of Shareholder	Number of Redeemable Preference Shares	Percentage of Issued Capital (%)
<b>TOTAL</b>	<b>5,101,596</b>	<b>100.00</b>

### *Financial Information*

The financial performance of InterGlobe Enterprises for the last three financial years, preceding the date of this Draft Red Herring Prospectus, is as follows:

*(₹ in million except share data)*

Particulars	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012
Equity capital	9.29	9.29	9.29
Reserves and Surplus (excluding revaluation reserves)	6,287.87	6,837.44	3,955.74
Sales/Turnover	767.24	3,394.08	3,211.78
Profit/(Loss) after Tax	(279.57)	2,881.70	2,718.26
Earning per Share (in ₹) – Basic	(3,009.57)	31,021.08	29,261.59
Earning per Share (in ₹) - Diluted	(3,009.57)	316.92	298.94
Net Asset Value per Share (in ₹)	67,787.82	73,703.90	42,682.82

### *Persons in control of our corporate Promoters*

InterGlobe Enterprises is promoted by our Promoter, Mr. Rahul Bhatia. For a detailed profile of Mr. Rahul Bhatia, please see the chapters “*Our Management*” and “*Our Promoter and Promoter Group*” beginning on pages 206 and 222, respectively.

Acquire Services is promoted by certain Promoters of ours, namely, Mr. Rahul Bhatia and InterGlobe Enterprises. For a detailed profile of Mr. Rahul Bhatia, please see the chapter “*Our Management*” and “*Our Promoter and Promoter Group*” beginning on pages 206 and 222, respectively.

### *Changes in the management and control of our corporate Promoters*

There has been no change in control or management of InterGlobe Enterprises and Acquire Services in the last three years immediately preceding the date of filing this Draft Red Herring Prospectus.

In relation to InterGlobe Enterprises and Acquire Services, our Company confirms that the permanent account numbers, bank account numbers, company registration numbers and the addresses of the registrar of companies where InterGlobe Enterprises and Acquire Services are registered, respectively, shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

### **Interest of Promoters**

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and the dividend payable, if any, and other distributions in respect of the Equity Shares held by them. For details on shareholding of our Promoters in our Company, please see the chapters “*Capital Structure*” and “*Our Management*” beginning on pages 86 and 206, respectively.

Further, Mr. Rahul Bhatia and Mr. Rakesh Gangwal are non-executive Directors of our Company, and may be deemed to be interested to the extent of any remuneration and/or benefits payable to them for attending meetings of our Board or any Committee thereof, in accordance to the terms of their appointment. Further, Mr. Rahul Bhatia and Mr. Rakesh Gangwal are also paid certain travel benefits by our Company. For details, please see the chapter “*Our Management*” beginning on page 206.

Other than as disclosed under the head “*Financial Statements – Statement of Related Parties and Related Party Transactions*” beginning on page 314, there are no sales or purchases between our Company and our Promoters and Promoter Group and Group Companies when such sales or purchases exceeding in value in the aggregate 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoter, our Promoter Group and Group Companies as of the date of the last financial statements.

### **Interest of Promoters in property of our Company**

Except as disclosed below and in this Draft Red Herring Prospectus and in the ordinary course of business, our Promoters have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery:

1. Our Company has entered into an agreement on March 16, 2014 with InterGlobe Enterprises for license to use office space at the premises at First Floor, Tower C, Global Business Park, MG Road, Gurgaon – 122 002 for a monthly rent of ₹1,409,660 subject to an increase of 5% at end of every contract year during the lease term. This agreement is valid till March 15, 2019;
2. Our Company has entered into an agreement on March 16, 2014 with InterGlobe Enterprises for license to use office space at the premises at Second Floor, Tower C, Global Business Park, MG Road, Gurgaon – 122 002 for a monthly rent of ₹1,689,380 subject to an increase of 5% at end of every contract year during the lease term. This agreement is valid till March 15, 2019;
3. Our Company has entered into a lease agreement on March 31, 2014 with InterGlobe Enterprises for using the premises at Ground Floor, Thapar House, Central Wing, 124 Janpath, New Delhi – 110 001 for a monthly rent of ₹18,300 subject to an increase of 5% at end of every contract year during the lease term. This agreement is valid till March 15, 2019;
4. Our Company has entered into a lease agreement on March 16, 2014 with Acquire Services for using the premises at Third Floor, Tower C, Global Business Park, MG Road, Gurgaon – 122 002 for a monthly rent of ₹1,689,380 subject to an increase of 5% at end of every contract year during the lease term. This agreement is valid till March 15, 2019;
5. Our Company has entered into a lease agreement on October 31, 2014 with Acquire Services for using the premises at Fourth Floor, Tower C, Global Business Park, MG Road, Gurgaon – 122 002 for a monthly rent of ₹1,689,380 subject to an increase of 5% at end of every contract year during the lease term. This agreement is valid till October 30, 2019; and
6. Our Company has entered into a lease agreement on March 16, 2014 with Acquire Services for using the premises at Fifth Floor, Tower C, Global Business Park, MG Road, Gurgaon – 122 002 for a monthly rent of ₹1,689,380 subject to an increase of 5% at end of every contract year during the lease term. This agreement is valid till March 15, 2019.

### **Related Party Transactions**

For details of related party transactions entered into by our Company during the preceding two years from the date of this Draft Red Herring Prospectus, the nature and the cumulative value of such transactions, please see “*Financial Statements – Statement of Related Parties and Related Party Transactions*” beginning on page 314.

### **Payment of benefits to our Promoters or Promoter Group**

Except as stated in the chapters “*Financial Statements*”, “*Our Management*” and “*Our Promoters and Group Entities*” beginning on pages 253, 206 and 222, respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus.

Except the related party transactions entered into by our Company as disclosed in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements which are not in the ordinary course of business during the preceding two years from the date of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company. For details of related party transactions, please see “*Financial Statements – Statement of Related Parties and Related Party Transactions*” beginning on page 314.

### **Litigation involving our Promoter**

For details of legal and regulatory proceedings involving our Promoters, please see the chapter “*Outstanding Litigation and Material Developments*” beginning on page 356.

## Other Confirmations

1. Our Promoters and their respective relatives (as defined in the Companies Act, 2013) have not been declared as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws (in India or otherwise) committed by our Promoters in the past and no proceedings for violations of securities laws (in India or otherwise) are pending against them.
2. Our Promoters have not taken any unsecured loans from our Company.
3. Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority except as disclosed under the chapter “*Outstanding Litigation and Material Developments*” beginning on page 356.
4. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the Issue against our Promoters, except as disclosed under the chapter “*Outstanding Litigation and Material Developments*” beginning on page 356.
5. Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
6. Except as disclosed below, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company:
7. Our Company had executed a deed of assignment with InterGlobe Enterprises on November 15, 2010 for using the trademark ‘6E’ for a one time consideration of ₹1,000.
8. InterGlobe Enterprises and Acquire Services are neither sick companies within the meaning of SICA nor have any winding up proceedings been initiated against them. Further, neither InterGlobe Enterprises nor Acquire Services have negative net worth.
9. No application has been made to the RoC for striking off the names of InterGlobe Enterprises and Acquire Services. Additionally, neither InterGlobe Enterprises nor Acquire Services have become defunct in the five years preceding the date of this Draft Red Herring Prospectus.

## Common Pursuit

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

## Companies with which our Promoters have disassociated in the last three years

Except as provided below, our Promoters have not disassociated themselves from any of the companies as a promoter during the three years preceding the date of this Draft Red Herring Prospectus:

Name of the disassociated entity	Promoter’s involvement in the disassociated entity	Reasons and circumstances leading to the disassociation
Indus Aviation Services Private Limited	InterGlobe Enterprises, Rahul Bhatia as director	Pursuant to dissolution of the Company under the Companies Act
World Connect Private Limited	Rahul Bhatia as director	Resigned as a director on June 30, 2012
ARA Hospitality Private Limited	Rahul Bhatia as director	Resigned as a director on September 28, 2012
InterGlobe Hotels Private Limited	Rahul Bhatia as director	Resigned as a director on September 26, 2012
AAPC India Hotel Management Private Limited	Rahul Bhatia as director	Resigned as a director on November 29, 2012

Name of the disassociated entity	Promoter's involvement in the disassociated entity	Reasons and circumstances leading to the disassociation
Srilanand Mansions Private Limited	Rahul Bhatia as director	Resigned as a director on May 29, 2014
Techpark Hotels Private Limited	Rahul Bhatia as director	Resigned as a director on May 29, 2014
Caddie Hotels Private Limited	Rahul Bhatia as director	Resigned as a director on May 29, 2014
Triguna Hospitality Ventures (India) Private Limited	Rahul Bhatia as director	Resigned as a director on May 29, 2014
Accent Hotels Private Limited	Rahul Bhatia as director	Resigned as a director on May 29, 2014
TNSI Retail Private Limited (formerly known as InterGlobe Retail Private Limited)	InterGlobe Enterprises, Rahul Bhatia as director	Sale of shares by InterGlobe Enterprises and resignation by Rahul Bhatia as director on 14 July, 2014

Pursuant to the final merger order dated December 22, 2014 and the certified formal merger order dated March 27, 2015 passed by the Hon'ble High Court of Delhi, respectively and certificate of merger dated April 24, 2015 from the Secretary of State, Division of Corporations, State of Delaware, United States of America, for the scheme of merger of Caelum Investment LLC with our Company, Mr. Rakesh Gangwal ceased to be associated with Caelum Investment LLC. For details of the scheme of merger, please see chapter "*History and Other Corporate Matters*" beginning on page 198.

### Change in the management and control of our Company

There has been no change in the management and control of our Company since incorporation.

For other confirmations on our Promoters, please refer to chapter "*Other Regulatory and Statutory Disclosures*" beginning on page 431.

### Promoter Group

In addition to our Promoters named above, the following individuals and entities form a part of the Promoter Group.

### Natural persons who are part of the Promoter Group

S. No.	Name of relative	Relationship with our Promoters
1.	Mr. Kapil Bhatia	Father of Mr. Rahul Bhatia
2.	Ms. Pash Bhatia	Mother of Mr. Rahul Bhatia
3.	Ms. Rohini Bhatia	Spouse of Mr. Rahul Bhatia
4.	Mr. Madhav Bhatia	Son of Mr. Rahul Bhatia
5.	Ms. Sumati Bhatia	Daughter of Mr. Rahul Bhatia
6.	Ms. Jyoti Bhatia	Sister of Mr. Rahul Bhatia
7.	Mr. Sagar Mehta	Father-in-law of Mr. Rahul Bhatia
8.	Ms. Sakshi Mehta	Mother-in-law of Mr. Rahul Bhatia
9.	Mr. Alok Mehta	Brother-in-law of Mr. Rahul Bhatia
10.	Ms. Shobha Gangwal	Spouse of Mr. Rakesh Gangwal
11.	Mr. Kapoorchand Gangwal	Father of Mr. Rakesh Gangwal
12.	Ms. Champa Devi Gangwal	Mother of Mr. Rakesh Gangwal
13.	Mr. Mukesh Gangwal	Brother of Mr. Rakesh Gangwal
14.	Ms. Parul Gangwal	Daughter of Mr. Rakesh Gangwal
15.	Dr. Asha Mukherjee	Sister of Mr. Rakesh Gangwal
16.	Mr. Bhaskar Anand Agarwal	Father-in-law of Mr. Rakesh Gangwal
17.	Ms. Bimla Devi Agarwal	Mother-in-law of Mr. Rakesh Gangwal
18.	Mr. Umesh Agarwal	Brother-in-law of Mr. Rakesh Gangwal
19.	Mr. Mahesh Agarwal	Brother-in-law of Mr. Rakesh Gangwal
20.	Ms. Geeta Jalan	Sister-in-law of Mr. Rakesh Gangwal
21.	Ms. Renu Agarwal	Sister-in-law of Mr. Rakesh Gangwal
22.	Ms. Kusum Bazaz	Sister-in-law of Mr. Rakesh Gangwal

### Entities forming part of the Promoter Group

1. AAPC India Hotel Management Private Limited;
2. Acquire Buildcon Private Limited;
3. Air France Ground Handling India Private Limited<sup>(1)</sup>;
4. ARA Hospitality Private Limited<sup>(1)</sup>;
5. ARC Hospitality Private Limited;
6. Ashford Properties Private Limited;
7. Bharat Telecom Private Limited<sup>(1)</sup>;
8. Caddie Hotels Private Limited;
9. CAE Simulation Training Private Limited;
10. Calleo Distribution Technologies Private Limited;
11. Delta Air Lines Private Limited;
12. Dew Drops Properties Private Limited;
13. Dreamz Softech Private Limited;
14. Felicity Infracon Private Limited;
15. IGE (Mauritius) Private Limited;
16. IGT- InterGlobe Technologies Philippines Inc.;
17. IGT Lanka (Private) Limited;
18. IGT Solutions Inc.;
19. IGT Solutions International Private Limited<sup>(1)</sup>;
20. IGT Solutions Private Limited;
21. IGT Solutions Pte Limited;
22. InterGlobe Air Transport (Singapore) Private Limited;
23. InterGlobe Air Transport Limited, Canada;
24. InterGlobe Air Transport Limited;
25. InterGlobe Air Transport South Africa (PTY) Limited;
26. InterGlobe Education Foundation;
27. InterGlobe Education Services Limited;
28. InterGlobe Established Private Limited;
29. InterGlobe Foundation;
30. InterGlobe Hotels Private Limited;
31. InterGlobe Information Technologies (Dalian) Company Limited;
32. InterGlobe Luxury Products Private Limited;
33. InterGlobe Services and Technologies FZ-LLC;
34. InterGlobe Technologies Inc.;
35. InterGlobe Technologies International Private Limited;
36. InterGlobe Technologies Private Limited;
37. InterGlobe Technology Quotient Private Limited;
38. Isha Steel Treatment Private Limited;
39. ITQ Consultancy Private Limited<sup>(1)</sup>;
40. ITQ Lanka (Private) Limited;
41. Lush Green Projects Private Limited;
42. Marina Estates Private Limited;
43. Navigator Travel Services Private Limited;
44. Pegasus Buildtech Private Limited;
45. Pegasus Utility Maintenance & Services Private Limited;
46. Progress Corporation Singapore PTE Limited;
47. SARV Estate Private Limited;
48. Scandinavian Airlines System India Private Limited<sup>(1)</sup>;
49. Shree Nath Shares Private Limited;
50. Sparsh Properties Private Limited;
51. Swad Property Private Limited;
52. The Chinkerpoo Family Trust (Trustee: Shobha Gangwal & J. P. Morgan Trust Company of Delaware);
53. The Navigator Tourism & Travel LLC;
54. Triguna Hospitality Ventures (India) Private Limited;
55. Uniworld Insurance Agency Private Limited;
56. Wonderful Realtors Private Limited;
57. World Connect Private Limited;
58. Zelos Developers Private Limited;
59. Zelos Infrastructure Private Limited; and

60. Zelos Logistics Private Limited.

(1) *Voluntary winding up proceedings have been initiated.*

### **Group Entities**

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus. No equity shares of any of our Group Entities are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

The following are our Group Entities:

### **Top Five Group Entities**

The details of our top five Group Entities (based on turnover of the financial statements for the Financial Year ended March 31, 2014) are provided below:

#### **1. InterGlobe Technology Quotient Private Limited (“ITQPL”)**

ITQPL, a company incorporated under the Companies Act, 1956 on January 14, 2005 as ‘InterGlobe Total Travel Technology Private Limited’ and subsequently changed its name to ‘InterGlobe Technology Quotient Private Limited’ and a fresh certificate of incorporation was issued by the RoC, on July 13, 2005.

In terms of its memorandum of association, the main objects of ITQPL are, *inter-alia* data processing and exports, distribution of international centralized reservation system, setting up, maintaining, operating, data information processing centers and bureaus for processing general information, reserving of various data and import and export of the same from India and abroad.

ITQPL’s registered office is located at Central Wing, Ground Floor, Thapar House, 124 Janpath, New Delhi – 110001.

#### *Equity Share Capital*

Set forth below, is the shareholding pattern of ITQPL:

<b>Name of Shareholders</b>	<b>Number of Equity Shares</b>	<b>Percentage of Issued Capital (%)</b>
Mr. Kapil Bhatia	11,725,000	16.75
Mr. Rahul Bhatia	32,900,000	47.00
DBS Nominees (Private) Limited	7,000,000	10.00
Marina Private Equity (Singapore) Pte. Limited	13,125,000	18.75
Unity Stone Investments Co (Mauritius) Limited	5,250,000	7.50
<b>Total</b>	<b>70,000,000</b>	<b>100.00</b>

#### *Board of Directors*

The Board of Directors of ITQPL comprises:

1. Mr. Kapil Bhatia;
2. Mr. Rahul Bhatia;
3. Mr. Nainesh Jaisingh;
4. Mr. Udai Dhawan;
5. Mr. Aditya Ghosh;
6. Mr. Anil Parashar;
7. Mr. Harish Kumar Gandhi; and
8. Ms. Neena Gupta

#### *Financial Performance*

The audited financial results of ITQPL on standalone basis, for the last three Financial Years, preceding the date of this Draft Red Herring Prospectus are as follows:

(₹ in million except share data)

Particulars	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012
Equity capital	700.00	700.00	700.00
Reserves and surplus (excluding revaluation reserves)	2,612.11	1,410.03	1,372.45
Sales/Turnover	2,944.36	2,414.32	2,504.06
Profit/(Loss) after Tax	1,202.08	891.81	792.35
Earnings per Share (in ₹)	17.17	12.74	11.32
Net Asset Value per Share (in ₹)	47.32	30.14	29.61

## 2. IGT Solutions Inc. (“IGTSI”)

IGT Solutions Inc. (“IGTSI”), a company incorporated under the General Corporation Law of the State of Delaware, USA on January 18, 2001, and in terms of its memorandum of association, the main objects of IGTSI are, *inter-alia* development and marketing of software and related services like travel technology including providing comprehensive information technology services and solutions to the travel industry and corporations worldwide and developing of software development services ranging from main frame technologies services to contemporary technology services in the travel domain.

IGTSI’s registered agent’s office is located at Diversified Corporate Services INT’L Inc., 508 Main Street, Wilmington, DE-19804, New Castle, Delaware, USA.

### Equity Share Capital

Set forth below, is the shareholding pattern of IGTSI:

Name of Shareholders	Number of Equity Shares	Percentage of Issued Capital (%)
IGT Solutions Private Limited	59,800,100	100
<b>Total</b>	<b>59,800,100</b>	<b>100</b>

### Board of Directors

The Board of Directors of IGTSI comprises:

1. Mr. Rahul Bhatia; and
2. Mr. Rajeev Kaul

### Financial Performance

The audited financial results of IGTSI on standalone basis, for the last three Financial Years, preceding the date of this Draft Red Herring Prospectus are as follows:

(USD in million except share data)

Particulars	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012
Equity capital	0.60	0.60	0.60
Reserves and surplus (excluding revaluation reserves)	7.28	4.32	2.71
Sales/Turnover	46.81	27.88	18.05
Profit/(Loss) after Tax	2.89	1.62	1.13
Earnings per Share (in USD)	0.05	0.03	0.02
Net Asset Value per Share (in USD)	0.13	0.08	0.06

## 3. IGT Solutions Private Limited (“IGTSPL”)

IGTSPL, is a company incorporated under the Companies Act, 1956 on March 3, 1999. In terms of its memorandum of association, the main objects of IGTSPL are, *inter-alia* software consultant, developing, buying and selling of programs in the areas of TPF development/ maintenance, delivery systems, package software, software to automate business process development of support e-commerce, packaged software for aviation industry, travel and tourism industry, CRS business systems, banking, leasing, etc.



IGTSPL's registered office is located at Ground Floor, Central Wing, Thapar House, 124, Janpath, New Delhi 110001.

#### *Equity Share Capital*

Set forth below, is the shareholding pattern of IGTSPL:

Name of Shareholders	Number of Equity Shares	Percentage of Issued Capital (%)
Acquire Services	6,022,900	36.25
Galileo Asia LLC	6,213,242	37.40
Travelport LP	2,260,408	13.61
InterGlobe Enterprises	1,777,650	10.70
Mr. Rahul Bhatia	340,800	2.06
<b>Total</b>	<b>16,615,000</b>	<b>100</b>

#### *Board of Directors*

The Board of Directors of IGTSPL comprises:

1. Mr. Kapil Bhatia
2. Mr. Rahul Bhatia
3. Mr. Anil Parashar
4. Mr. Doyle Madison Dillard III
5. Mr. Paul Anthony John Harvey
6. Mr. James Morris McCullough

#### *Financial Performance*

The audited financial results of IGTSPL on standalone basis, for the last three Financial Years, preceding the date of this Draft Red Herring Prospectus are as follows:

Particulars	(₹ in million except share data)		
	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012
Equity capital	166.15	166.15	166.15
Reserves and surplus (excluding revaluation reserves)	442.06	388.16	413.60
Sales/Turnover	1,794.74	1,068.84	748.49
Profit/(Loss) after Tax	384.37	168.94	(8.02)
Earnings per Share (in ₹)	23.13	10.17	(0.48)
Net Asset Value per Share (in ₹)	36.61	33.36	34.89

#### **4. IGT-InterGlobe Technologies Philippines Inc. ("IGTPI")**

IGTPI, is a company incorporated under the Corporation Code of Philippines (Batas Pambansa Blg. 681) on May 1, 1980 and the Foreign Investment Act of 1991 on July 7, 2009. In terms of its memorandum of association, the main objects are, *inter-alia* providing IT-enabled services and activities including inbound and outbound contract services and business knowledge transaction processing.

IGTPI's principal office is located at 6<sup>th</sup> Floor, 18/20, Upper McKinley Road, McKinley Hill, Cyberpark, Fort Bonifacio, Taguig City, Manila, Philippines.

#### *Equity Share Capital*

Set forth below, is the shareholding pattern of IGTPI:

Name of Shareholders	Number of Equity Shares	Percentage of Issued Capital (%)
InterGlobe Technologies Private Limited	586,045	51.03
Mr. Vipul Doshi (held through Declaration of Trust for beneficial owner)	1	0.00

InterGlobe Technologies Private Limited)		
Ms. Neena Gupta (held through Declaration of Trust for beneficial owner InterGlobe Technologies Private Limited)	1	0.00
Ms. Susan M. Aquino (held through Declaration of Trust for beneficial owner InterGlobe Technologies Private Limited)	1	0.00
Ms. Larissa D. Levosada (held through Declaration of Trust for beneficial owner InterGlobe Technologies Private Limited)	1	0.00
Mr. Sumeet Vohra (held through Declaration of Trust for beneficial owner InterGlobe Technologies Private Limited)	1	0.00
Progress Corporation Singapore Pte. Limited	562,363	48.97
<b>Total</b>	<b>1,148,413</b>	<b>100.00</b>

#### *Board of Directors*

The Board of Directors of IGTPPI comprises:

1. Mr. Vipul Doshi;
2. Ms. Neena Gupta;
3. Mr. Sumeet Vohra;
4. Ms. Larissa Dalistan Levosada; and
5. Ms. Susan Aquino

#### *Financial Performance*

The audited financial results of IGTPPI on standalone basis, for the last three financial years, preceding the date of this Draft Red Herring Prospectus are as follows:

*(Philippine Pesos (“PHP”) in million except share data)*

Particulars	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012
Equity capital	114.84	58.61	58.61
Reserves and surplus (excluding revaluation reserves)	637.50	323.67	118.72
Sales/Turnover	930.68	739.25	572.27
Profit/(Loss) after Tax	313.84	204.94	138.46
Earnings per Share (in PHP)	273.28	349.70	236.26
Net Asset Value per Share (in PHP)	655.12	652.29	302.58

#### **5. InterGlobe Air Transport Limited (“IGATL”)**

InterGlobe Air Transport Limited (“IATL”) is a company incorporated under the Companies Act, 1956 on November 16, 2009. In terms of its memorandum of association, the main objects are, *inter-alia* providing services of International Air Transport Association (IATA) agent, general sales agents, sub-agents, agents for airline companies, shipping companies, forwarding agents, shipping agents, charter party contractors, custom house agents, warehousemen, store keepers, loading and unloading agents, providing consulting and advisory services for any airlines, shipping companies, railways, road, transport companies and such other organization in India and outside and sale/ lease of ground handling equipment whether owner or hired, etc. IATL was issued a certificate of commencement of business, by the RoC, on December 17, 2009.

IGATL registered office is located at Ground Floor, Central Wing, Thapar House, 124, Janpath, New Delhi 110 001.

#### *Equity Share Capital*

Set forth below, is the shareholding pattern of IGATL:

Name of Shareholders	Number of Equity Shares	Percentage of Issued Capital (%)
InterGlobe Enterprises	149,994	99.994
Mr. Rahul Bhatia	1	00.001
Mr. Kapil Bhatia	1	00.001
Ms. Rohini Bhatia	1	00.001

Ms. Sumati Bhatia through guardian Mr. Rahul Bhatia	1	00.001
Mr. Madhav Bhatia through guardian Mr. Rahul Bhatia	1	00.001
Acquire Services	1	00.001
<b>Total</b>	<b>150,000</b>	<b>100.000</b>

#### *Board of Directors*

The Board of Directors of IGATL comprises:

1. Mr. Anil Parashar;
2. Mr. Kapil Bhatia;
3. Mr. Siddhanta Sharma;
4. Mr. Vipul Doshi; and
5. Mr. Ajit Vohra

#### *Financial Performance*

The audited financial results of IGATL on standalone basis, for the last three financial years, preceding the date of this Draft Red Herring Prospectus are as follows:

*(₹ in million except share data)*

Particulars	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012
Equity capital	1.50	1.50	1.50
Reserves and surplus (excluding revaluation reserves)	1064.42	666.32	329.99
Sales/Turnover	1,210.11	1,083.04	813.51
Profit/(Loss) after Tax	395.60	336.39	157.61
Earnings per Share (in ₹)	2,637.31	2,242.59	1,050.72
Net Asset Value per Share (in ₹)	7,106.15	4,452.14	2,209.99

#### **Group Entities with negative net worth**

Except for InterGlobe Services and Technologies FZ-LLC, InterGlobe Information Technologies (Dalian) Company Limited and The Navigator Tourism & Travel LLC none of our Group Entities had negative net worth in fiscal 2014.

##### **1. InterGlobe Services and Technologies FZ-LLC (“IGSTF”)**

IGSTF was incorporated on March 15, 2012 and in terms of its memorandum of association, the main objects of IGSTF are, *inter-alia* providing customer care outsourcing services.

IGSTF’s registered office is located at Office No. 401, ACSS Building, 4<sup>th</sup> Floor, Dubai Outsource Zone, Dubai, United Arab Emirates.

#### *Shareholding pattern*

Set forth below, is the shareholding pattern of IGSTF:

Name of shareholder	Number of Equity Shares of AED 1000 each	Percentage of Issued Capital
InterGlobe Technologies Private Limited	5,873	100.00
<b>Total</b>	<b>5,873</b>	<b>100.00</b>

#### *Financial Performance*

The summary of audited standalone financial statements as of IGSTF for the last three years are as follows:

*(Emirati Dirham in million except share data)*

Particulars	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012
Equity capital	5.87	5.87	NA
Reserves and surplus (excluding revaluation reserve)	(6.23)	(4.60)	NA
Sales/Turnover (Income)	21.25	7.77	NA
Profit/(Loss) after tax	(1.63)	(4.60)	NA
Earnings Per Share (in AED)	(277.68)	(783.14)	NA
Net Asset Value Per Share (in AED)	(60.82)	216.86	NA

*Significant notes of auditors*

There are no significant notes provided by the auditors.

## 2. InterGlobe Information Technologies (Dalian) Company Ltd. (“IGITDCL”)

IGITDCL was incorporated on January 12, 2012 under the laws of the People’s Republic of China and in terms of its memorandum of association, the main objects of IGITDCL are, inter-alia, to provide technology and consulting services.

IGITDCL’s registered office is situated at Room No. 901, Building No. 22, 36 Ruan Jian, Yuan Dong Road, Dalian Hi Tech Zone, People’s Republic of China.

*Shareholding pattern*

Set forth below, is the shareholding pattern of IGITDCL as of the date of this Draft Red Herring Prospectus:

Name of Shareholder	Paid-up Capital (in US Dollars)	Percentage of Issued Capital
InterGlobe Technologies Private Limited	2,500,000	100.00
<b>Total</b>	<b>2,500,000</b>	<b>100.00</b>

*Financial Performance*

The summary of audited standalone financial statements of IGITDCL for the last three years are as follows:

*(Chinese Yuan in million except share data)*

Particulars	As on December 31, 2014	As on December 31, 2013	As on December 31, 2012
Equity capital	15.70	15.70	4.42
Reserves and surplus (excluding revaluation reserve)	(32.88)	(18.98)	(1.71)
Sales/Turnover (Income)	30.60	17.66	0.06
Profit/(Loss) after tax	(13.90)	(17.27)	(1.71)
Earnings Per Share	NA	NA	NA
Net Asset Value Per Share	NA	NA	NA

*Significant notes of auditors*

There are no significant notes provided by the auditors.

## 3. The Navigator Tourism & Travel LLC (“TNTTL”)

TNTTL was incorporated on January 5, 2014 under the laws of United Arab Emirates and in terms of its memorandum of association, the main objects of TNTTL are, providing services as general sales agent, travel agent and inbound tour operator.

TNTTL’s registered office is situated at 203, Single Business Tower, Business Bay, Dubai, United Arab Emirates.

*Shareholding pattern*

Set forth below, is the shareholding pattern of TNTTL:

Name of Shareholders	Paid-up Capital (in AED)	Percentage of Issued Capital
InterGlobe Air Transport Limited	392,000	49.00
Abdulla Khalid Mohammad Ali Al Kamda	408,000	51.00
<b>Total</b>	<b>800,000</b>	<b>100.00</b>

#### Financial Performance

The summary of audited standalone financial statements of TNTTL for the last three years are as follows:

(Emirati Dirham in million except share data)

Particulars	As on December 31, 2014	As on December 31, 2013	As on December 31, 2012
Equity capital	0.80	NA	NA
Reserves and surplus (excluding revaluation reserve)	(1.15)	NA	NA
Sales/Turnover (Income)	-	NA	NA
Profit/(Loss) after tax	(1.15)	NA	NA
Earnings Per Share (in AED)	(1,432.47)	NA	NA
Net Asset Value Per Share (in AED)	(432.47)	NA	NA

#### Significant notes of auditors

The auditors noted that TNTTL has not generated any revenue in the period under audit and has incurred losses amounting to AED 1.14 million. The auditor's further noted that TNTTL's ability to continue as a going concern was doubtful.

#### Sick or Defunct Companies

During the five years preceding the date of this Draft Red Herring Prospectus, none of our Group Entities have remained defunct and no application has been made to the relevant registrar of companies for striking off the name of the Group Entity. Except as stated below, no company forming part of our Group Entities have become sick companies under the Sick Industrial Companies (Special Provisions) Act, 1985 and, or are under winding up:

##### 1. *Bharat Telecom Private Limited ("BTPL")*

BTPL was incorporated under the Companies Act, 1956 on October 16, 1984. BTPL was, in terms of its memorandum of association, the main objects of BTPL are, *inter-alia* manufacturers, assemblers fabricators with or without foreign collaboration of computerized and electronic equipment and instruments, control instruments, subscriber system, intercoms, telephones, compudialers, key telephones, PABX Boards, telex, etc. BTPL has filed a winding up application on December 8, 2009.

BTPL's registered office is located at Central Wing, Ground Floor, Thapar House, 124 Janpath, New Delhi – 110 001.

#### Shareholding pattern

Set forth below is the shareholding pattern of BTPL:

Name of shareholder	Number of Equity Shares of ₹ 10 each	Percentage of Issued Capital (%)
Mr. Kapil Bhatia	10	0.02
Acquire Services	50,020	99.98
<b>Total</b>	<b>50,030</b>	<b>100.00</b>

#### Financial Performance

The summary of audited standalone financial statements of BTPL for the last three years are as follows:

(₹ in million except share data)

Particulars	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012
Equity capital	N/A	N/A	N/A
Reserves and surplus (excluding revaluation reserve)	N/A	N/A	N/A
Sales/Turnover (Income)	N/A	N/A	N/A
Profit/(Loss) after tax	N/A	N/A	N/A
Earnings Per Share (EPS) (in ₹)	N/A	N/A	N/A
Net Asset Value Per Share (NAV) (in ₹)	N/A	N/A	N/A

## 2. ITQ Consultancy Private Limited (“ICPL”)

ICPL was incorporated under the Companies Act, 1956 on April 27, 2007. In terms of its memorandum of association, the main objects of ICPL, were *inter-alia* imparting training in operating and maintaining of Galileo software i.e. based on Global Distribution System technology which is primary used by travel schools and travel agents. ICPL has filed a winding up application on April 27, 2012.

ICPL’s registered office is located at Central Wing, Ground Floor, Thapar House, 124 Janpath, New Delhi – 110 001.

### Shareholding pattern

Set forth below is the shareholding pattern of ICPL:

Name of shareholder	Number of Equity Shares of ₹ 10 each	Percentage of Issued Capital (%)
InterGlobe Technology Quotient Private Limited	99	99.00
Mr. Rahul Bhatia on behalf of InterGlobe Technology Quotient Private Limited	1	1.00
<b>Total</b>	<b>100</b>	<b>100.00</b>

### Financial Performance

The summary of audited standalone financial statements of ICPL for the last three years are as follows:

(₹ in million except share data)

Particulars	As on March 31, 2014	As on March 31, 2013	As on February 29, 2012
Equity capital	N.A.	N.A.	0.10
Reserves and surplus (excluding revaluation reserve)	N.A.	N.A.	11.76
Sales/Turnover (Income)	N.A.	N.A.	3.55
Profit/(Loss) after tax	N.A.	N.A.	(0.004)
Earnings Per Share (EPS) (in ₹)	N.A.	N.A.	(40.00)
Net Asset Value Per Share (NAV) (in ₹)	N.A.	N.A.	1,18,570.00

## 3. Air France Ground Handling India Private Limited (“AFGHIPL”)

AFGHIPL was incorporated under the Companies Act, 1956 on October 26, 2006. In terms of its memorandum of association, the main objects of AFGHIPL were, *inter-alia*, providing ground handling services at the international, regional and domestic airport in India. AFGHIPL has filed a winding up application on November 16, 2009.

AFGHIPL’s registered office is located at Central Wing, Ground Floor, Thapar House, 124 Janpath, New Delhi – 110 001.

### Shareholding pattern

Set forth below is the shareholding pattern of AFGHIPL:

Name of shareholder	Number of Equity Shares of ₹ 1,000 each	Percentage of Issued Capital
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		(%)
Societe Air France Finance	510	51.00
InterGlobe Enterprises	490	49.00
<b>Total</b>	<b>1,000</b>	<b>100.00</b>

#### Financial Performance

The summary of audited standalone financial statements of AFGHIPL for the last three years are as follows:

(₹ in million except share data)

Particulars	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012
Equity capital	N.A.	N.A.	N.A.
Reserves and surplus (excluding revaluation reserve)	N.A.	N.A.	N.A.
Sales/Turnover (Income)	N.A.	N.A.	N.A.
Profit/(Loss) after tax	N.A.	N.A.	N.A.
Earnings Per Share (EPS) (in ₹)	N.A.	N.A.	N.A.
Net Asset Value Per Share (NAV) (in ₹)	N.A.	N.A.	N.A.

#### 4. Scandinavian Airlines System India Private Limited (“SASIPL”)

SASIPL was incorporated under the Companies Act, 1956 on July 14, 1999. In terms of its memorandum of association, the main objects of SASIPL, were *inter-alia*, supervising, providing all round air travel related services including air ticketing and reservation, customer facilitation baggage handling and loading, check-in facilitation and other documentation related to air passenger travel. SASIPL has filed a winding up application on March 9, 2010.

SASIPL’s registered office is located at Central Wing, Ground Floor, Thapar House, 124, Janpath, New Delhi – 110 001.

#### Shareholding pattern

Set forth below is the shareholding pattern of SASIPL:

Name of shareholder	Number of Equity Shares of ₹ 10 each	Percentage of Issued Capital (%)
Scandinavian Airlines System Inc.	102,000	51.00
InterGlobe Enterprises	78,000	39.00
Mr. Kapil Bhatia	10,000	5.00
Mr. Rahul Bhatia	10,000	5.00
<b>Total</b>	<b>200,000</b>	<b>100.00</b>

#### Financial Performance

The summary of audited standalone financial statements of SASIPL for the last three years are as follows:

(₹ in million except share data)

Particulars	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012
Equity capital	N/A	N/A	N/A
Reserves and surplus (excluding revaluation reserve)	N/A	N/A	N/A
Sales/Turnover (Income)	N/A	N/A	N/A
Profit/(Loss) after tax	N/A	N/A	N/A
Earnings Per Share (in ₹)	N/A	N/A	N/A
Net Asset Value Per Share (in ₹)	N/A	N/A	N/A

#### 5. ARA Hospitality Private Limited (“AHPL”)

AHPL was incorporated under the Companies Act, 1956 on June 25, 2004. In terms of its memorandum of association, the main objects of AHPL, were *inter-alia*, managing, establishing, operating, taking on lease,

renting, franchising or otherwise dealing in business of hotels, restaurants, cafes, taverns, motels, guest houses, dak bungalows and refreshment room and managing the business of bakers and confectioners, fish and poultry products, etc. AHPL has filed a winding up application on June 20, 2013.

AHPL's registered office is located at Central Wing, Ground Floor, Thapar House, 124 Janpath, New Delhi – 110 001.

#### Shareholding pattern

Set forth below is the shareholding pattern of AHPL:

#### Equity Shares

Name of shareholder	Number of Equity Shares of ₹ 10 each	Percentage of Issued Capital (%)
Mr. Anil Chanana	930,000	29.52
Mr. Arun Kumar Khanna	1,050,000	33.33
Acquire Services	700,000	22.22
InterGlobe Enterprises	350,000	11.11
Calleo Consolidated Technologies Limited	120,000	3.80
<b>Total</b>	<b>3,150,000</b>	<b>100.00</b>

#### Redeemable Preference Shares

Name of shareholder	Number of Equity Shares of ₹ 10 each	Percentage of Issued Capital (%)
Mr. Anil Chanana	30,800	36.71
Mr. Arun Khanna	18,997	22.64
Amira Investments Private Limited	16,200	19.31
Acquire Services	9,950	11.86
Arun Khanna (HUF)	3,162	3.76
Ms. Rashmi Khanna	1,769	2.10
<b>Total</b>	<b>83,878</b>	<b>100.00</b>

#### Financial Performance

The summary of audited standalone financial statements of AHPL for the last three years are as follows:

Particulars	(₹ in million except share data)		
	As on March 31, 2014	As on April 30, 2013	As on March 31, 2012
Equity capital	NA	31.50	31.50
Reserves and surplus (excluding revaluation reserve)	NA	(114.76)	(114.77)
Sales/Turnover (Income)	NA	0.13	0.01
Profit/(Loss) after tax	NA	0.01	(1.02)
Earnings Per Share (in ₹)	NA	0.00	(0.32)
Net Asset Value Per Share (in ₹)	NA	(26.43)	(26.44)

#### 6. IGT Solutions International Private Limited (“IGTSIPL”)

IGT Solutions International Private Limited (“IGTSIPL”) a company incorporated under the Companies Act, 1956 on June 10, 2010 and in terms of its memorandum of association, the main objects of IGTSIPL were *inter-alia*, providing software consultancy services for designing, developing, buying, selling programmes in the areas of ‘TPF’ development/ maintenance, delivery systems, package software, software to automate business process development to support E-commerce, packaged software for aviation industry travel and tourism industry, corporate social responsibility business systems, banking, leasing, system designing consultancy for any business, commercial, government and semi government organizations. IGTSIPL has filed a winding up application on February 6, 2014.

IGTSIPL's registered office is located at Block 2B, DLF Corporate Park, DLF City Phase – III, Gurgaon.



### Shareholding pattern

Set forth below is the shareholding pattern of IGTSIPL:

#### Equity Shares

Name of shareholder	Number of Equity Shares of ₹ 10 each	Percentage of Issued Capital (%)
Travelport LP	810,092	24.89
Travelport (Bermuda) Limited	850,525	26.12
Acquire Services	1,595,052	48.99
<b>Total</b>	<b>3,255,669</b>	<b>100.00</b>

### Financial Performance

The summary of audited standalone financial statements of IGTSIPL for the last three years are as follows:

(₹ in million except share data)

Particulars	As on December 5, 2013	As on March 31, 2013	As on March 31, 2012
Equity capital	32.56	32.56	16.78
Reserves and surplus (excluding revaluation reserve)	(31.82)	(31.42)	(29.29)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	(0.40)	(2.13)	(23.12)
Earnings Per Share (in ₹)	(0.12)	(1.26)	(13.78)
Net Asset Value Per Share (in ₹)	0.23	0.35	(7.46)

### Other Group Entities

The details of our other Group Entities are as provided below:

#### 1. ARC Hospitality Private Limited (“AHPL”)

##### Information

AHPL, a company originally incorporated under the Companies Act, 1956 on August 23, 1993, as ‘Prabhat Ceramics Private Limited’ and subsequently changed to ‘ARC Hospitality Private Limited’, by the fresh certificate of incorporation, issued by the RoC, on January 8, 2007. In terms of its memorandum of association, the main objects of AHPL, inter-alia, are operating restaurants, café, parlours, refreshment rooms, boarding and lodging, club houses, guest houses, cottages and hospitality related services.

##### Interest of Promoters

Mr. Rahul Bhatia, InterGlobe Enterprises and Acquire Services together hold 100% of the issued and paid-up share capital of AHPL.

#### 2. InterGlobe Luxury Products Private Limited (“ILPPL”)

##### Information

ILPPL, a company originally incorporated under the Companies Act, 1956 on January 14, 2005, as ‘InterGlobe Travel Technology Services Private Limited’ and subsequently changed to ‘InterGlobe Luxury Products Private Limited’, by the fresh certificate of incorporation, issued by the RoC, on December 31, 2010. In terms of its memorandum of association, the main objects of ILPPL, are *inter-alia* trading, merchanting, dealing, franchising, whole-selling, retailing, distributing, importing and exporting in forms and branches of commodities, articles, products, luxury products, aircraft, of any kind and description within India or abroad.

*Interest of Promoters*

Mr. Rahul Bhatia is a director on the board of IPPL and further also holds 50% of the issued share capital of ILPPL.

3. **Uniworld Insurance Agency Private Limited (“UIAPL”)**

*Information*

UIAPL, a company originally incorporated under the Companies Act, 1956 on January 21, 1991 as ‘Uniglobe Enterprises Private Limited’ and subsequently changed to ‘Uniworld Enterprises Private Limited’ by the fresh certificate of incorporation, issued by the RoC, dated February 16, 2004. The company of the company was changed to ‘Uniworld Insurance Agency Private Limited’ by way of a fresh certificate of incorporation dated February 23, 2010. In terms of its memorandum of association, the main objects of UIAPL are *inter-alia* providing services of tourist and travel agents, transport agents and contractors, in India or abroad.

*Interest of Promoters*

Mr. Rahul Bhatia together with his affiliates hold 100% of the issued equity share capital and Acquire Services hold 31.67% of redeemable preference shares of UEPL.

4. **InterGlobe Foundation**

*Information*

InterGlobe Foundation, a company incorporated under Section 25 of the Companies Act, 1956 on March 9, 2010 by way of the certificate of incorporation dated June 4, 2010 issued by the RoC. In terms of its memorandum of association, the main objects of InterGlobe Foundation are *inter-alia* promoting arts, science, crafts, cultural heritage, etc.

*Interest of Promoters*

Mr. Rahul Bhatia, Acquire Service and InterGlobe Enterprises Limited along with their affiliates hold 100% of the issued and paid-up share capital of InterGlobe Foundation. Further, Mr. Rahul Bhatia is also currently a director on the board of InterGlobe Foundation.

5. **InterGlobe Air Transport Limited, Canada (“IGATL”)**

*Information*

IGATL, a company incorporated under the laws of Canada on May 1, 2001. Presently, IGATL does not carry out any operations and is only a holding corporation.

*Interest of Promoters*

InterGlobe Enterprises holds 100% of the issued and paid-up share capital of IGATL.

6. **InterGlobe Air Transport (Singapore) Private Limited (“IGATS”)**

*Information*

IGATS is a company incorporated under the laws of Singapore on June 22, 2009, in terms of its memorandum of association, the main objects of IGATS, are, *inter-alia*, tourist and travel agents, transport agents and contractors, to arrange and operate tours and to facilitate travelling and provide for tourists and travelers, freight and passage brokers and representative of airlines, steamship lines and other carriers in Singapore and globally, acquiring houses, theatres, buildings, etc..

*Interest of Promoters*

InterGlobe Enterprises holds 100% of the issued share capital of IGATS.

7. **IGE (Mauritius) Private Limited (“IMPL”)**

*Information*

IMPL, a company incorporated under the laws of Mauritius on March 23, 2000, is engaged in the business of *inter-alia* air transport management and travel technology development services.

*Interest of Promoters*

InterGlobe Enterprises holds 100% of the issued paid-up share capital of IMPL.

8. **Ashford Properties Private Limited (“APPL”)**

*Information*

APPL, a company incorporated under the Companies Act, 1956 on February 5, 2007, and in terms of its memorandum of association, the main objects of APPL are, *inter-alia*, developing, owning, acquiring, renovating, refurbishing, operating, managing and promoting hotels, service apartments, restaurants, and other related activities.

*Interest of Promoters*

Mr. Rahul Bhatia, InterGlobe Enterprises and Acquire Services through IGHPL hold 54.39% of the issued share capital of APPL.

9. **Shree Nath Shares Private Limited (“SNSPL”)**

*Information*

SNSPL, a company incorporated under the Companies Act, 1956 on December 15, 1994, and in terms of its memorandum of association, the main objects of SNSPL are *inter-alia* stock broking, dealing in securities, finance consulting, acquiring, investing in securities in India or abroad.

*Interest of Promoters*

Mr. Rahul Bhatia along with his affiliate holds 100% of the issued share capital of SNSPL. Further, Mr. Rahul Bhatia is also currently a director on the board of SNSPL.

10. **InterGlobe Education Services Limited (“IESL”)**

*Information*

IESL, a company incorporated under the Companies Act, 1956 on September 7, 2011, and in terms of its memorandum of association, the main objects of IESL are, *inter-alia* providing, arranging or managing various kinds of services in relation to education, research, awareness knowledge or other allied/incidental purposes.

*Interest of Promoters*

InterGlobe Enterprises holds 100% of the issued share capital of IESL. Further, Mr. Rahul Bhatia is also currently a director on the board of IESL.

11. **InterGlobe Established Private Limited (“IEPL”)**

*Information*

IEPL, a company originally incorporated under the Companies Act, 1956 on April 27, 2007 as 'InterGlobe General Aviation Private Limited' and subsequently the name of IEPL changed to 'InterGlobe Established Products Private Limited' by a fresh certificate of incorporation, issued by the RoC, dated March 14, 2011. Further, by way of the fresh certificate of incorporation, issued by the RoC on June 9, 2011, the name of the company was changed to 'InterGlobe Established Private Limited'. In terms of its memorandum of association, the main objects of IEPL are, *inter-alia*, acting as a representative of other companies for sale and/or lease of aircrafts, in India or abroad.

*Interest of Promoters*

InterGlobe Enterprises holds 66.67% of the issued share capital of IEPL. Further, Mr. Rahul Bhatia is also currently a director on the board of IEPL.

12. **CAE Simulation Training Private Limited (“CSTPL”)**

*Information*

CSTPL, a company incorporated under the Companies Act, 1956 on February 10, 2012, and in terms of its memorandum of association, the main objects of CSTPL are, *inter-alia*, setting up and operating flight simulation and training centers, promoting marketing, selling, leasing, exporting, developing, manufacturing or otherwise trading in or dealing with aircrafts simulators or training devices and equipment of all kinds.

*Interest of Promoters*

InterGlobe Enterprises holds 50% of the issued share capital of CSTPL.

13. **SARV Estate Private Limited (“SEPL”)**

*Information*

SEPL, a company incorporated under the Companies Act, 1956 on May 9, 2011, and in terms of its memorandum of association, the main objects of SEPL are, *inter-alia*, purchasing, hiring or otherwise acquiring or developing any estates, lands, buildings easements or such other interest in any immovable property.

*Interest of Promoters*

InterGlobe Enterprises holds 100% of the issued share capital of SEPL.

14. **Acquire Buildcon Private Limited (“ABPL”)**

*Information*

ABPL, a company incorporated under the Companies Act, 1956 on May 1, 2012, and in terms of its memorandum of association, the main objects of ABPL, are *inter-alia*, owning, developing, leasing and maintaining land facilities, movable and immovable assets.

*Interest of Promoters*

InterGlobe Enterprises holds 75% of the preference share capital and affiliates of Mr. Rahul Bhatia hold 100% of the issued equity share capital, of the ABPL, respectively.

15. **Progress Corporation Singapore PTE Limited (“PCSPL”)**

*Information*

PCSPL, a company incorporated under the laws of Singapore on December 13, 2013, and in terms of its memorandum of association, the main objects of PCSPL are, *inter-alia*, investing in shares, business consulting and other related activities.

*Interest of Promoters*

Mr. Rahul Bhatia along with his affiliate holds 99.99% of the issued share capital of the PCSPL.

16. **Isha Steel Treatment Private Limited (“ISTPL”)**

*Information*

ISTPL, a company incorporated under the Companies Act, 1956 on January 6, 1972, and in terms of its memorandum of association, the main objects of ISTPL are, *inter-alia* developing, owning, acquiring, operating and managing hotels and other activities related and incidental thereto.

*Interest of Promoters*

Mr. Rahul Bhatia, InterGlobe Enterprises and Acquire Services through IGHPL holds 100% of the issued share capital of ISTPL.

17. **Calleo Distribution Technologies Private Limited (“CDTPL”)**

*Information*

CDTPL, a company incorporated under the Companies Act, 1956 on June 3, 2005, and in terms of its memorandum of association, the main objects of CDTPL, are *inter-alia*, buying, selling, consulting developing, advising, programing, system integrating, designing of software solutions, software integration, software installation and providing information technology solutions.

*Interest of Promoters*

Mr. Rahul Bhatia and his affiliates through ITQPL holds 100% of the issued share capital of CDTPL.

18. **InterGlobe Hotels Private Limited (“IGHPL”)**

*Information*

IGHPL, a company incorporated under the Companies Act, 1956 on August 24, 2004, and in terms of its memorandum of association, the main objects of IGHPL, are *inter-alia* developing, owning, acquiring, renovating, running, refurbishment, operating and managing hotels and other related activities.

*Interest of Promoters*

Mr. Rahul Bhatia, InterGlobe Enterprises and Acquire Services along with their affiliates hold 57.17% of the equity share capital and hold 55.04% of the redeemable preference share capital of IGHPL.

19. **InterGlobe Technologies Private Limited (“IGTPL”)**

*Information*

IGTPL, a company incorporated under the Companies Act, 1956 on November 19, 1998, and in terms of its memorandum of association, the main objects of IGTPL, are *inter-alia* setting up, maintaining, operating data, processing information centers.

*Interest of Promoters*

Mr. Rahul Bhatia along with his affiliates hold 100% of the issued share capital of IGTPL. Further, Mr. Rahul Bhatia is also currently a director on the board of IGTPL.

20. **IGT Lanka (Private) Limited (“IGTLPL”)**

*Information*

IGTLPL, a company incorporated under the Companies Act, No. 07 of 2007 under the laws of Sri Lanka on January 13, 2011, and in terms of its memorandum of association, the main objects of IGTLPL are, *inter-alia*, providing call centers or contact center services and transcription (data entry) as servicing, providing back office support operations or business process outsourcing solutions and services, etc.

*Interest of Promoters*

Mr. Rahul Bhatia along with his affiliates indirectly hold 100% of the issued share capital of IGTLPL.

21. **InterGlobe Technologies Inc. (“IGTI”)**,

*Information*

IGTI, a company incorporated under the Business Corporation Law of the United States of America on September 6, 2005, and in terms of its memorandum of association, the main objects of IGTI, are *inter-alia*, development and marketing of software and related services.

*Interest of Promoters*

Mr. Rahul Bhatia along with his affiliates indirectly hold 100% of the issued share capital of IGTI. Mr. Rahul Bhatia is also a member of the board of director, of IGTI.

22. **ITQ Lanka (Private) Limited (“ITQPL”)**

*Information*

ITQPL, a company incorporated under the Companies Act No. 7 of 2007 under the laws of Sri Lanka on January 30, 2009, and in terms of its memorandum of association, the main objects of ITQPL are, *inter-alia*, processing and exporting of travel reservation related data from the territory of Sri Lanka through the centralized reservation systems.

*Interest of Promoters*

Mr. Rahul Bhatia through its affiliate InterGlobe Technology Quotient Private Limited holds 100% of the issued paid-up share capital of ITQPL.

23. **Accent Hotels Private Limited (“AHPL”)**

*Information*

AHPL, a company incorporated under the Companies Act, 1956 on March 26, 2008, and in terms of its memorandum of association, the main objects of AHPL are, *inter-alia*, running, owning, establishing, taking over on lease of all kinds of hotels, resorts, cafes, taverns, pubs, bars, clubs, inns, houses, spas, luxury resorts, meditation centers, parlours, etc and developing, owning, acquiring, renovating, refurbishing and promoting hotels, motels, resorts, guesthouses, service apartments, etc.

*Interest of Promoters*

Mr. Rahul Bhatia, InterGlobe Enterprises and Acquire Services through THVPL hold 100% of the issued share capital of AHPL.

24. **Srilanand Mansions Private Limited (“SMPL”)**

*Information*

SMPL, a company incorporated under the Companies Act, 1956 on December 29, 2005, and in terms of its memorandum of association, the main objects of SMPL are, *inter-alia* purchasing, acquiring, taking on lease, or exchanging, developing, selling, leasing or otherwise disposing of lands, building, high-rises, complexes or any real estate, etc.

*Interest of Promoters*

Mr. Rahul Bhatia, InterGlobe Enterprises and Acquire Services through THVPL hold 100% of the issued share capital of SMPL.

25. **Techpark Hotels Private Limited (“THPL”)**

*Information*

THPL, a company incorporated under the Companies Act, 1956 on January 13, 2006, and in terms of its memorandum of association, the main objects of THPL are, *inter-alia*, developing, owning, acquiring, renovating, refurbishing and promoting hotels, service, apartments, restaurants, eating places, conference and convention centers and other hospitality related facilities and activities related and incidental thereto.

*Interest of Promoters*

Mr. Rahul Bhatia, InterGlobe Enterprises and Acquire Services through THVPL hold 100% of the issued share capital of THPL.

26. **IGT Solutions PTE. Limited (“IGTSPTL”)**

*Information*

IGTSPL, a company incorporated under the (Singapore) Companies Act (Cap 50), Singapore at Singapore on June 23, 2006, and in terms of its memorandum of association, the main objects of IGTSPTL, *inter-alia*, providing comprehensive information technology services and solutions to the travel industry and corporations worldwide.

*Interest of Promoters*

Mr. Rahul Bhatia, InterGlobe Enterprises and Acquire Services through IGTSPL hold 100% of the issued share capital of IGTSPTL.

27. **InterGlobe Technologies International Private Limited (“IGTIPL”)**

*Information*

IGTIPL, a company incorporated under the Companies Act, 1956 on June 5, 2009, and in terms of its memorandum of association, the main objects of IGTIPL are, *inter-alia* maintaining, operating, data processing information centers, bureaus and processing general information, reservation data and other messages, etc.

*Interest of Promoters*

Mr. Rahul Bhatia and InterGlobe Enterprises along with their affiliates hold 100% of the issued share capital of IGTIPL.

28. **Caddie Hotels Private Limited (“CHPL”)**

*Information*

CHPL, a company incorporated under the Companies Act, 1956 on March 26, 2008 as Caddie Hotels Private Limited. The name of the company was changed to Delhi Aerocity Hotels Private Limited and a fresh certificate of incorporation was issued on June 9, 2009 issued by the registrar of companies, National Capital Territory of Delhi and Haryana at Delhi. Subsequently, the name was further changed to its current name, Caddie Hotels Private Limited and a fresh certificate of incorporation was issued on June 15, 2009 issued by the registrar of companies, National Capital Territory of Delhi and Haryana at Delhi. In terms of its memorandum of association, the main objects of CHPL are *inter-alia*, running,

owning, establishing, taking over, running on lease all kinds of hotels, resorts, tourist camps, restaurants, hotel chains, guest houses, canteens, caterers, taverns, pubs, bars, clubs, inns, sports complexes, etc.

*Interest of Promoters*

Mr. Rahul Bhatia along with InterGlobe Enterprises and Acquire Services hold 31.87% of the issued share capital of CHPL.

29. **InterGlobe Air Transport South Africa (PTY) Limited (“IATSA”)**

*Information*

IATSA, a company incorporated under the laws of the Republic of South Africa on February 17, 2011 and in terms of its memorandum of association, the main objects of IATSA are, *inter-alia* providing consulting services including sales consulting for promoting the business activities of selling airline tickets of South African Airlines.

*Interest of Promoters*

InterGlobe Enterprises along with its affiliates hold 100% of the issued share capital of IATSA.

30. **Delta Air Lines Private Limited (“DAPL”)**

*Information*

DAPL, a company incorporated under the Companies Act, 1956 on April 13, 2005 and in terms of its memorandum of association, the main objects of DAPL are, *inter-alia* ground handling at international, domestic and regional airports in India and abroad and also acting as a general sales agent for airline companies.

*Interest of Promoters*

Mr. Rahul Bhatia along with his affiliate holds 48.94% of the issued share capital of DAPL.

31. **AAPC India Hotel Management Private Limited (“AIHMPL”)**

*Information*

AIHMPL, a company incorporated under the Companies Act, 1956 on October 19, 2004 and in terms of its memorandum of association, the main objects of AIHMPL are, *inter-alia*, franchising, operating, managing and promoting hotels, service apartments, restaurants, eating places, conference and convention centers and other hospitality related facilities and activities related and incidental thereto.

*Interest of Promoters*

Mr. Rahul Bhatia and InterGlobe Enterprises along with their affiliates hold 27.51% of the equity share capital and 27.00% of redeemable preference shares of AIHMPL.

32. **Triguna Hospitality Ventures (India) Private Limited (“THVPL”)**

*Information*

THVPL, a company incorporated under the Companies Act, 1956 on August 12, 2010 and in terms of its memorandum of association, the main objects of THVPL are, *inter-alia* to purchase, establish, conduct, manage, takeover, acquire, lease, promote, develop, construct, operate, commission, own and to carry on in India or elsewhere, business of running holiday resorts, boarding and lodging, hotels, cafes, motels, etc.

*Interest of Promoters*



Mr. Rahul Bhatia, InterGlobe Enterprises and Acquire Services along with their affiliates hold 30.94% of the issued share capital of THVPL.

33. **InterGlobe Education Foundation (“IGEF”)**

*Information*

IGEF, a company incorporated under Section 25 of the Companies Act, 1956 on August 26, 2011 and in terms of its memorandum of association, the main objects of IGEF are, *inter-alia*, undertaking or engaging in activities for providing, promoting, disseminating, developing or advancement of education, study, knowledge, research, awareness or training in any branch or field of knowledge and for its allied or incidental purposes including establishing, acquiring, operating, maintaining, managing, controlling, supporting, collaborating or affiliating with colleges, universities, schools, libraries, educational institutes, etc.

*Interest of Promoters*

Mr. Rahul Bhatia and Acquire Services through their affiliates, indirectly hold 100% of the issued share capital of IGEF.

34. **Acquire Infracon Private Limited (“AIPL”)**

*Information*

AIPL, a company incorporated under the Companies Act, 1956 on April 30, 2012 and in terms of its memorandum of association, the main objects of AIPL are, *inter-alia* owning, building, colonizing, developing, promoting, leasing, licensing, designing, civil contracting, maintaining of land facilities, movable and immovable assets, residential, commercial and/or industrial buildings, etc. and dealing in all kinds of immovable properties.

*Interest of Promoters*

InterGlobe Enterprises holds 100% of the preference share capital of AIPL.

35. **Acquire Infrastructure Private Limited (“AIFPL”)**

*Information*

AIFPL, a company incorporated under the Companies Act, 1956 on April 30, 2012 and in terms of its memorandum of association, the main objects of AIFPL are, *inter-alia*, owning, building, colonizing, developing, promoting, leasing, licensing, designing, civil contracting, maintaining of land facilities, movable and immovable assets, residential, commercial and/or industrial buildings, colonies, hotels, educational institutions, universities, information technology parks, factory sheds, mills, etc.

*Interest of Promoters*

Mr. Rahul Bhatia holds 100% of the preference share capital of AIFPL.

36. **Acquire Propbuild Private Limited (“APBL”)**

*Information*

APBL, a company incorporated under the Companies Act, 1956 on April 30, 2012 and in terms of its memorandum of association, the main objects of APBL are, *inter-alia* owning, building, colonizing, developing, promoting, leasing, licensing, designing, civil contracting, maintaining of land facilities, movable and immovable assets, residential, commercial and/or industrial buildings, colonies, hotels, educational institutions, universities, information technology parks, factory sheds, mills, etc.

*Interest of Promoters*

InterGlobe Enterprises indirectly holds 100% of the equity share capital of APBL.

37. **Pegasus Buildtech Private Limited (“PBPL”)**

*Information*

PBPL, a company incorporated under the Companies Act, 1956 on August 11, 2003 and in terms of its memorandum of association, the main objects of PBPL are, *inter-alia* constructing, purchasing, selling and developing any type of property, whether residential, commercial, agricultural, industrial, rural or urban.

*Interest of Promoters*

Mr. Rahul Bhatia along with his affiliates holds 100% of the issued share capital of PBPL.

38. **Pegasus Utility Maintenance and Services Private Limited (“PUMSPL”)**

*Information*

PUMSPL, a company incorporated under the Companies Act, 1956 on June 3, 2008 and in terms of its memorandum of association, the main objects of PUMSPL are, *inter-alia* utilities, utility maintenance and/or services relating to and/or forming part thereof for any hotels, residential societies, buildings, commercial buildings or the like premises.

*Interest of Promoters*

Mr. Rahul Bhatia, along with his affiliates, holds 100% of the issued share capital of PUMSPL. Further, Mr. Rahul Bhatia is also currently a director on the board of PUMSPL.

39. **Navigator Travel Services Private Limited (“NTSPL”)**

*Information*

NTSPL, a company incorporated under the Companies Act, 1956 on June 22, 1981 as UniGlobe Travel Services Private Limited. The name of the company was changed to Navigator Travel Services Private Limited and subsequently a fresh certificate of incorporation was issued on January 6, 2004 by the registrar of companies of National Capital Territory of Delhi and Haryana at Delhi. In terms of its memorandum of association, the main objects of NTSPL are, is engaged in the business of *inter alia* providing services as a tour agent, contractor, facilitating travelling, providing services including tickets, sleeping cars, hotels, boarding and accommodation, guides, etc. to tourist and travelers.

*Interest of Promoters*

Mr. Rahul Bhatia, along with his affiliates, holds 100% of the issued share capital of NTSPL.

40. **World Connect Private Limited (“WCPL”)**

*Information*

WCPL, a company incorporated under the Companies Act, 1956 on June 28, 2000 and in terms of its memorandum of association, the main objects of WCPL are, *inter-alia* acting as general sales agent, IATA agents, sub-agents, agent of companies in respect of cargo, passengers services, forwarding agents, shipping agents, charter party contractors, custom house agents, warehousemen storekeepers, loading and unloading agents and undertaking the job of cargo acceptance, documentation, customer approvals, palletizing and loading/ unloading of cargo, transfer of cargo, to and from aircraft and to provide import services.

*Interest of Promoters*

Mr. Rahul Bhatia, along with his affiliates, holds 51% of the issued share capital of WCPL.

41. **The Chinkerpoo Family Trust (Trustee: Shobha Gangwal & J. P. Morgan Trust Company of Delaware) (“TCFT”)**

TCFT was formed pursuant to the deed of trust dated March 23, 2006. As on date the primary beneficiary of TCFT is Ms. Parul Gangwal. The trustees of TCFT are Ms. Shobha Gangwal and J. P. Morgan Trust Company of Delaware.

**Nature and extent of interest of Group Entities**

*In the promotion of our Company:*

None of our Group Entities have any interest in the promotion of our Company.

*In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Draft Red Herring Prospectus:*

Except as disclosed in this Draft Red Herring Prospectus, none of the Group Entities is interested in the properties acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus, or proposed to be acquired.

*In transaction for acquisition of land, construction of building and supply of machinery:*

None of the Group Entities are interested in any transaction for acquisition of land, construction of building or supply of machinery.

*Common pursuits amongst the Group Entities with our Company:*

There are no common pursuits amongst any of the Group Entities and our Company.

*Related Business Transactions within the Group Entities and significance on the financial performance:*

For details, please see the chapter “*Financial Statements*” beginning on page 253. Other than as discussed under the head “*Financial Statements – Statement of Related Parties and Related Party Transactions*” beginning on page 314, there are no sales/ purchases between our Company and the Group Entities, wherein sales/ purchase exceed in value aggregate of 10% of the total sales or purchases of our Company.

*Business interest in Group Entities and Associates in our Company:*

We have entered into certain business contracts with our Group Entities and Associates. For details, please refer to “*Financial Statements – Statement of Related Parties and Related Party Transactions*” beginning on page 314.

Other than as stated above, none of the Group Entities and Associates has any business interest in our Company.

*Other confirmations:*

1. Except as stated in this Draft Red Herring Prospectus, none of our Group Entities have remained defunct and no application has been made to the registrar of companies for striking off the name of any of our Group Entities during the five years preceding the date of filing the Draft Red Herring Prospectus with SEBI.
2. Except as stated in this Draft Red Herring Prospectus, none of our Group Entities fall under the definition of sick companies under SICA.
3. Except as stated in this Draft Red Herring Prospectus, none of our Group Entities are under any winding up proceedings.

4. Except as stated in this Draft Red Herring Prospectus, none of the securities of our Group Entities are listed on any stock exchange and none of our Group Entities have made any public or rights issue of securities in the preceding three years.
5. Except as disclosed in this Draft Red Herring Prospectus, our Group Entities have not taken any unsecured loans from our Company.
6. Our Group Entities have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
7. No part of the Net Proceeds is payable to the Group Entities.
8. For other confirmations on our Group Entities, please see the chapter “*Other Regulatory and Statutory Disclosures*” on page 431.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders of our Company, in their discretion, and will depend on a number of factors, including but not limited to our Company's earnings, general financial condition, capital requirements, results of operations, contractual obligations and overall financial position, applicable Indian legal restrictions, Articles of Association, and other factors considered relevant by the Board of Directors. In addition, our Company's ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company may enter into to finance fund requirements for its business activities.

Our Company declared dividends for fiscal 2011, 2013, 2014 as stated in the restated financial statements. In addition, the Company has also declared interim dividends for fiscal 2015 and 2016. All the dividends and interim dividends declared by our Company have been paid as of the date of this Draft Red Herring Prospectus. Please see the chapter "*Risk Factors – Our Financial Statements have yet to reflect interim dividends paid after December 31, 2015*". The Company did not declare any dividends in fiscal 2012. The following table presents our dividends for the periods presented.

Particulars	Fiscal 2016 <sup>(1)</sup>	Fiscal 2015 <sup>(2)</sup>	Fiscal 2014 <sup>(3)</sup>	Fiscal 2013 <sup>(4)</sup>	Fiscal 2011 <sup>(5)</sup>
Face value per share	1,000	1,000	1,000	1,000	1,000
Dividend (₹ in million)	10,029.10	10,796.89	3,775.78	5,486.38	4,904.31
Dividend (in ₹ per share)	32,668	35,169	12,299	17,871	15,975
Dividend Tax (₹ in million)	2,041.72	2,114.18	641.70	890.03	795.59
Equity Share Capital	307,000	307,000	307,000	307,000	307,000
Rate of dividend (%)	3,266.81	3,516.90	1,229.90	1,787.10	1,597.50

Note:

(1) The Company declared an interim dividend of ₹ 10,029.10 million for fiscal 2016.

(2) The Company declared four interim dividends for fiscal 2015, being ₹ 1,606.91 million, ₹ 5,932.37 million, ₹ 2,260.23 million and ₹ 997.38 million.

(3) The Company declared a dividend of ₹ 3,775.78 million for fiscal 2014.

(4) The Company declared two dividends of ₹ 3,871.88 million and ₹ 1,614.50 million for fiscal 2013.

(5) The Company declared a dividend of ₹ 4,904.31 million for fiscal 2011.

## SECTION VI: FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### AUDITOR'S REPORT

**Report of Auditors on the summary statement of assets and liabilities, as restated, as at 31 December 2014, 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010 and the summary statement of profit and loss, as restated, and statement of cash flows, as restated for the nine months period ended 31 December 2014 and for each of the financial years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010.**

To,  
The Board of Directors  
InterGlobe Aviation Limited  
Level 1, Tower C, Global Business Park,  
Mehrauli-Gurgaon Road,  
Gurgaon 122 002, Haryana

Dear Sirs,

- 1) We have examined the attached financial information of InterGlobe Aviation Limited (the "Company") comprising summary statement of profit and loss, as restated, summary statement of assets and liabilities, as restated, statement of cash flows, as restated, together with the annexures and notes thereto and other financial information explained in paragraph 5(e) below, for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer of equity shares of Rs 10 each ("IPO"). The financial information, which has been approved by the Board of Directors of the Company, has been prepared by the Company in accordance with the requirements of sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of The Companies Act 2013 (the "Act") read with Rule 4 of The Companies (Prospectus and Allotment of Securities) Rules, 2014 and relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, issued by the Securities and Exchange Board of India on August 26, 2009 ('SEBI Regulations'), in pursuance of the Securities and Exchange Board of India Act, 1992. We have examined such financial information taking into consideration:
  - a. the terms of our engagement agreed with you vide our engagement letter dated 24 June 2015, requesting us to carry out work on such financial information proposed to be included in the offer document of the Company in connection with the Company's proposed IPO; and
  - b. the Guidance note on "Reports in Company's Prospectus (Revised)" issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable ('Guidance Note').
- 2) The Company proposes to make an IPO by offer for sale of the equity shares of the Company of Rs. 10 each at such price, arrived at through a book building process (referred to as the "Issue").
- 3) The above mentioned financial information have been extracted by management from:
  - a. the interim audited financial statements of the Company as at and for the nine months period ended 31 December 2014, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors; and
  - b. the audited financial statements of the Company, as at and for each of the years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011, and 31 March 2010 (audited jointly with Sethi & Mehra, Chartered Accountants), prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors, and books of account underlying those financial statements and other records of the Company to the extent considered necessary, for the presentation of the financial information under the requirements of Schedule III to the Companies Act, 2013 in relation to the years ended 31 March 2011 and 2010.
- 4) For the purpose of our examination of the financial information, we have relied on:
  - a. the interim audited financial statements of the Company as at and for the nine months period ended 31 December 2014, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors; and
  - b. the audited financial statements of the Company, as at and for each of the years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011, and 31 March 2010 (audited jointly with Sethi & Mehra, Chartered

Accountants), prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors, and books of account underlying those financial statements and other records of the Company to the extent considered necessary, for the presentation of the financial information under the requirements of Schedule III to the Companies Act, 2013 in relation to the years ended 31 March 2011 and 2010.

- 5) In accordance with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Act, read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations and in terms of our engagement agreed with you, we further report that:
- (a) We have examined the attached summary statement of profit and loss, as restated, of the Company for the financial years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010, and for the nine months ended 31 December 2014 as set out in Annexure I to the financial information. These are presented after making adjustments and regroupings as in our opinion, were appropriate and more fully described in the notes appearing in Annexure V to the financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years and nine months period.
  - (b) We have examined the attached summary statement of assets and liabilities, as restated, of the Company as at 31 December 2014, 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010, as set out in Annexure II to the financial information. These are presented after making adjustments and regroupings as in our opinion, were appropriate and more fully described in the notes appearing in Annexure VI to the financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years and nine months period.
  - (c) We have examined the attached statement of cash flows, as restated, of the Company for financial years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010, and for the nine months ended 31 December 2014, as set out in Annexure III to the financial information. These are presented after making resultant changes emanating out of various adjustments and regroupings, described in Annexure V and Annexure VI to the financial information as, in our opinion, were appropriate. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years and nine months period.
  - (d) Based on the above, we are of the opinion that the financial information, prepared by the management of the Company and approved by its Board of Directors, has been made after incorporating the following:
    - i. As explained in Annexure V, Annexure VI and Annexure VII to the financial information, the impact of changes in accounting policies and estimates/ correction of accounting policies have been adjusted with retrospective effect in the respective financial years to which they relate, to reflect the same accounting treatment as per changed/corrected accounting policy for all the reporting periods;
    - ii. As explained in Annexure V, Annexure VI and Annexure VII to the financial information, material amounts relating to previous years and regroupings have been adjusted in the financial information in the respective financial years to which they relate;
    - iii. There are no qualifications in the Auditor's Report which require any adjustments in the financial information. However those qualifications in the Auditor's Report and other remarks/comments in the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, which do not require any corrective adjustments in the financial information have been disclosed in Note G of Annexure VII to the financial information;
    - iv. There are no extraordinary items, which need to be disclosed separately in financial information in the respective financial years; and
    - v. There are no revaluation reserves which need to be disclosed separately in the financial information in the respective financial years.
  - (e) We have also examined the following other financial information set out in Annexures prepared by the management and approved by the Board of Directors relating to the Company for the nine months ended 31 December 2014, and financial years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010:
    - i. Other significant notes, as restated, and changes in the business of the Company during the nine months ended 31 December 2014, and the last five years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010 as appearing in Annexure VIII to the financial information;

- ii. Statement of secured and unsecured loans (long term borrowings and short term borrowings), as restated, as at 31 December 2014, 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010 and statement of details of terms and conditions, including interest rates, principal terms and security, repayment and prepayment terms of the long term and short term borrowings outstanding, as appearing in Annexure IX to the financial information;
  - iii. Statement of trade receivables, as restated, as at 31 December 2014, 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010 as appearing in Annexure X to the financial information;
  - iv. Statement of loans and advances (short term and long term), as restated, as at 31 December 2014, 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010 as appearing in Annexure XI to the financial information;
  - v. Statement of capitalisation, as restated, as appearing in Annexure XII to the financial information;
  - vi. Statement of investments, as restated, as at 31 December 2014, 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010, as appearing in Annexure XIII to the financial information;
  - vii. Statement of accounting ratios, as restated, for the financial years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010, and for nine months ended 31 December 2014 as appearing in Annexure XIV to the financial information;
  - viii. Statement of other income, as restated, for the financial years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010, and for the nine months ended 31 December 2014 as appearing in Annexure XV to the financial information;
  - ix. Statement of related parties and related party transactions, as restated, for the financial years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010, and for the nine months ended 31 December 2014, as per Accounting Standard 18 on Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as appearing in Annexure XVI to the financial information;
  - x. Statement of dividends declared per share, as restated, for the financial years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010, and for the nine months ended 31 December 2014, as appearing in Annexure XVII to the financial information;
  - xi. Statement of earning per share, as restated, for the financial years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010, and for the nine months ended 31 December 2014, as appearing in Annexure XVIII to the financial information; and
  - xii. Statement of tax shelter, for the financial years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010, and for the nine months ended 31 December 2014, as appearing in Annexure XIX to the financial information.
- 6) We have not audited or reviewed any financial statements of the Company as of any date or for any period subsequent to 31 December 2014. Accordingly, we express no opinion on the financial position, results of the operations or cash flow of the Company as of any date or for any period subsequent to 31 December 2014.
  - 7) In our opinion, the above financial information of the Company read with significant accounting policies appearing in Annexure IV to this financial information, after making adjustments and regroupings as considered appropriate and as set out in Annexure V, VI and VII to this financial information, has been prepared in accordance with Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Act, read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Guidance Note issued in this regard by ICAI, as amended from time to time, and in terms of our engagement agreed with you.
  - 8) This report should not in any way be construed as a reissuance or redating of any of the previous Auditor's Reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
  - 9) We have no responsibility to update our report for events and circumstances occurring after the date of the report.



- 10) Our report is intended solely for the use of management and for inclusion in the Offer Document in connection with the proposed issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **B S R & Co. LLP**

*Chartered Accountants*

ICAI firm registration number: 101248W / W-100022

**Jiten Chopra**

*Partner*

Membership No. 092894

Place: Gurgaon

Date:

**Annexure I: Summary Statement of Profit and Loss, As Restated**

(Rupees in Millions)

Particulars	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>Revenue</b>						
Revenue from operations	101,020.68	111,165.84	92,031.30	55,646.60	38,334.20	26,054.81
Other income	2,577.22	3,155.34	2,371.04	1,439.60	1,107.37	621.93
<b>Total revenue</b>	<b>103,597.90</b>	<b>114,321.18</b>	<b>94,402.34</b>	<b>57,086.20</b>	<b>39,441.57</b>	<b>26,676.74</b>
<b>Expenses</b>						
Aircraft fuel expenses	45,481.88	55,133.50	43,126.26	28,735.91	15,213.26	9,110.41
Aircraft and engine rentals	16,693.33	20,310.31	17,149.51	10,634.40	6,372.43	4,703.81
Less: Cash and non-cash incentives	(2,647.27)	(3,607.17)	(3,588.03)	(2,627.25)	(2,273.94)	(1,940.95)
Aircraft and engine rentals (net)	14,046.06	16,703.14	13,561.48	8,007.15	4,098.49	2,762.86
Purchase of stock in trade	578.40	589.63	559.94	341.79	190.93	126.69
Changes in inventories of stock in trade	(18.77)	7.06	(18.65)	(6.83)	(1.10)	(9.15)
Employee benefits	8,467.38	9,211.08	6,904.52	5,118.60	2,930.16	2,233.79
Other expenses	22,322.55	24,471.95	18,961.40	12,961.04	8,783.72	6,524.55
Finance costs	911.14	1,225.77	578.01	514.27	449.91	505.88
Depreciation and amortisation	2,203.19	2,260.08	856.20	665.23	628.70	459.96
<b>Total expenses</b>	<b>93,991.83</b>	<b>109,602.21</b>	<b>84,529.16</b>	<b>56,337.16</b>	<b>32,294.07</b>	<b>21,714.99</b>
<b>Profit before tax</b>	<b>9,606.07</b>	<b>4,718.97</b>	<b>9,873.18</b>	<b>749.04</b>	<b>7,147.50</b>	<b>4,961.75</b>
<b>Tax (charge)/benefit</b>						
Minimum Alternate Tax ('MAT')						
- Current period	(2,017.96)	(926.35)	(1,924.25)	(77.90)	(1,356.05)	(787.43)
Less: MAT credit entitlement	1,821.50	926.35	1,086.89	77.90	611.65	-
Deferred tax credit / (charge)	(2,201.22)	14.30	(1,202.25)	656.90	(608.45)	616.65
<b>Profit for the period / year</b>	<b>7,208.39</b>	<b>4,733.27</b>	<b>7,833.57</b>	<b>1,405.94</b>	<b>5,794.65</b>	<b>4,790.97</b>
<b>Earnings per equity share (Rs.)</b>						
Basic - Par value of Rs. 1,000 per share	<b>23,480</b>	<b>15,418</b>	<b>25,517</b>	<b>4,580</b>	<b>18,875</b>	<b>15,606</b>
Diluted - Par value of Rs. 1,000 per share	<b>20,972</b>	<b>13,771</b>	<b>22,791</b>	<b>4,090</b>	<b>16,859</b>	<b>13,939</b>

**Note:**

To be read together with significant accounting policies (Annexure IV), Notes to Summary Statement of Profit and Loss, as restated (Annexure V) and Notes to Summary Statement of Assets and Liabilities, as restated, (Annexure VI).

The reconciliation between the audited and the restated reserves and surplus is given in Note F of Annexure VII.

**Annexure II: Summary Statement of Assets and Liabilities, As Restated**

(Rupees in Millions)

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
<b>Equity and Liabilities</b>						
<b>Shareholders' funds</b>						
Share capital	343.72	343.72	343.72	343.72	343.72	1,897.72
Reserves and surplus	9,190.95	3,862.56	3,546.77	2,089.61	683.67	983.75
	<b>9,534.67</b>	<b>4,206.28</b>	<b>3,890.49</b>	<b>2,433.33</b>	<b>1,027.39</b>	<b>2,881.47</b>
<b>Non-current liabilities</b>						
Deferred tax liabilities (net)	2,724.06	522.85	537.15	-	-	-
Long-term borrowings	36,639.70	30,807.40	16,173.32	9,055.48	8,069.76	6,602.52
Other long-term liabilities	18,485.66	12,957.85	7,234.82	2,793.79	1,014.60	261.07
Long-term provisions	494.76	368.32	231.64	158.31	133.82	84.71
Deferred incentives	14,271.99	13,654.32	11,677.54	8,748.39	4,678.16	3,465.19
	<b>72,616.17</b>	<b>58,310.74</b>	<b>35,854.47</b>	<b>20,755.97</b>	<b>13,896.34</b>	<b>10,413.49</b>
<b>Current liabilities</b>						
Short-term borrowings	-	-	814.34	305.58	540.29	-
Trade payables	5,329.70	3,844.46	2,647.91	1,584.84	1,076.17	781.88
Other current liabilities	17,975.11	16,149.40	11,383.29	8,149.01	4,624.85	5,993.16
Short-term provision	886.57	4,645.06	307.85	186.51	5,808.63	136.33
Deferred incentives	4,313.93	3,878.42	3,626.58	3,055.37	2,220.83	2,214.32
	<b>28,505.31</b>	<b>28,517.34</b>	<b>18,779.97</b>	<b>13,281.31</b>	<b>14,270.77</b>	<b>9,125.69</b>
<b>Total</b>	<b>110,656.15</b>	<b>91,034.36</b>	<b>58,524.93</b>	<b>36,470.61</b>	<b>29,194.50</b>	<b>22,420.65</b>
<b>Assets</b>						
<b>Non-current assets</b>						
<b>Fixed assets</b>						
Tangible fixed assets	49,554.24	39,407.20	17,547.89	8,813.12	8,310.12	8,361.44
Intangible fixed assets	108.43	152.46	96.70	46.99	1.29	1.59
Capital work in progress	-	-	68.47	-	-	-
	<b>49,662.67</b>	<b>39,559.66</b>	<b>17,713.06</b>	<b>8,860.11</b>	<b>8,311.41</b>	<b>8,363.03</b>
Non-current investments	0.46	0.47	0.35	-	-	-
Deferred tax asset (net)	-	-	-	665.10	8.20	616.65
Long-term loans and advances	10,567.99	8,012.06	5,246.98	2,973.09	1,268.71	284.82
Other non-current assets	17,048.04	14,315.23	4,857.72	885.30	118.95	196.00
	<b>27,616.49</b>	<b>22,327.76</b>	<b>10,105.05</b>	<b>4,523.49</b>	<b>1,395.86</b>	<b>1,097.47</b>
	<b>77,279.16</b>	<b>61,887.42</b>	<b>27,818.11</b>	<b>13,383.60</b>	<b>9,707.27</b>	<b>9,460.50</b>
<b>Current assets</b>						
Current investments	10,947.05	12,714.84	11,383.42	5,234.18	8,022.44	6,570.86
Inventories	1,388.12	672.86	522.75	373.88	446.74	340.30

<b>Particulars</b>	<b>As at 31 December 2014</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>	<b>As at 31 March 2010</b>
Trade receivables	1,059.01	891.22	685.22	389.20	166.58	180.52
Cash and bank balances	16,245.47	11,015.33	13,405.88	13,088.26	7,756.93	3,005.96
Short-term loans and advances	1,458.19	2,231.34	3,586.59	3,179.45	2,491.33	2,450.73
Other current assets	2,279.15	1,621.35	1,122.96	822.04	603.21	411.78
	<b>33,376.99</b>	<b>29,146.94</b>	<b>30,706.82</b>	<b>23,087.01</b>	<b>19,487.23</b>	<b>12,960.15</b>
<b>Total</b>	<b>110,656.15</b>	<b>91,034.36</b>	<b>58,524.93</b>	<b>36,470.61</b>	<b>29,194.50</b>	<b>22,420.65</b>

**Note:**

To be read together with significant accounting policies (Annexure IV), Notes to Summary Statement of Profit and Loss, as restated (Annexure V) and Notes to Summary Statement of Assets and Liabilities, as restated, (Annexure VI).

The reconciliation between the audited and the restated reserves and surplus is given in Note F of Annexure VII.

**Annexure III: Statement of Cash Flows, As Restated**

(Rupees in Millions)

Particulars	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>A Cash flows from operating activities</b>						
Net profit before tax	9,606.07	4,718.97	9,873.18	749.04	7,147.50	4,961.75
Adjustments for:						
Depreciation and amortisation	2,203.19	2,260.08	856.20	665.23	628.70	459.96
Provision for redelivery cost (adjusted for provision utilized / reversed during the period / year)	47.25	62.73	58.93	42.34	30.50	20.76
Provision for bad and doubtful debts and loans and advances	-	0.24	(0.42)	1.17	-	1.02
Provision for inventory obsolescence	21.36	23.71	70.68	11.61	37.38	18.07
Loss / (profit) on sale of fixed asset (net)	0.15	(0.66)	0.60	1.07	(222.48)	(149.81)
Non cash incentives (net)	(21.22)	26.37	44.50	50.58	45.22	(43.17)
Assets written off	-	1.46	-	-	0.62	6.31
Unrealised foreign exchange loss (net)	1,311.61	562.56	126.20	17.11	63.48	46.45
Foreign exchange loss on forward contract	-	-	-	7.88	-	-
Bad debts written off	-	-	-	-	-	2.05
Amortisation of discount on forward exchange contracts	-	-	(1.03)	(4.87)	-	-
Advances written off	0.90	0.17	2.59	1.47	-	-
Interest expense	81.07	192.87	178.92	143.98	143.47	418.11
Finance lease charges	688.30	826.57	364.29	313.18	300.35	87.77
Interest income on fixed deposits	(1,941.27)	(1,868.62)	(1,419.60)	(804.44)	(333.38)	(226.26)
Gain/ (Loss) Mark to market loss on forward contracts	-	-	-	-	(5.75)	(44.56)
Net gain on sale of current investments	(583.99)	(639.28)	(257.96)	(18.31)	(11.12)	(4.51)
Dividend from current investments	-	(355.65)	(328.81)	(384.25)	(382.56)	(115.02)
<b>Operating profit before working capital changes</b>	<b>11,413.42</b>	<b>5,811.52</b>	<b>9,568.27</b>	<b>792.79</b>	<b>7,441.93</b>	<b>5,438.92</b>
Adjustment for:						
(Increase)/decrease in trade receivables	(166.32)	(210.46)	(296.16)	(220.89)	13.94	(118.66)

		For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
	<b>Particulars</b>						
	(Increase)/decrease in inventories	(736.62)	(173.82)	(219.55)	61.26	(143.95)	(32.46)
	(Increase)/decrease in loans and advances and other assets	463.17	390.88	(1,314.42)	(1,743.87)	(496.23)	(173.10)
	Increase/(decrease) in trade payables, other liabilities and provisions	6,156.31	9,004.11	8,157.12	5,596.75	2,107.84	1,527.54
	Increase/(decrease) in deferred incentives	1,077.38	2,208.21	3,369.28	4,841.78	1,118.54	658.91
	<b>Cash generated from operating activities</b>	<b>18,207.34</b>	<b>17,030.44</b>	<b>19,264.54</b>	<b>9,327.82</b>	<b>10,042.07</b>	<b>7,301.15</b>
	Taxes paid	(1,414.77)	(1,075.42)	(1,851.53)	(371.13)	(1,322.23)	(777.75)
	<b>Net cash generated from operating activities</b>	<b>16,792.57</b>	<b>15,955.02</b>	<b>17,413.01</b>	<b>8,956.69</b>	<b>8,719.84</b>	<b>6,523.40</b>
<b>B</b>	<b>Cash flows from investing activities</b>						
	Purchase of fixed assets (including capital advances), net of cash incentives	(9,926.96)	(23,241.67)	(9,155.68)	(331.74)	(2,133.12)	(10,201.83)
	Deposits made with banks due to mature within 12 months from the reporting date (net)	(5,230.77)	2,051.49	(1,446.78)	(3,212.69)	(4,835.26)	89.29
	Deposits made with banks due to mature after 12 months from the reporting date (net)	(2,379.43)	(8,907.53)	(3,842.08)	(770.90)	85.32	(79.69)
	Proceeds from sale of fixed assets	1.26	4.56	2.56	0.74	1,657.02	3,362.83
	Purchase of mutual funds/ shares	(45,580.50)	(71,175.76)	(64,831.09)	(45,218.79)	(106,291.94)	(63,250.49)
	Proceeds from sale of mutual funds	47,932.31	70,483.47	58,939.45	48,025.37	104,851.47	57,051.56
	Interest received	907.80	1,292.00	1,107.94	657.27	200.51	244.68
	Dividend received	-	355.65	328.81	384.25	382.56	115.02
	<b>Net cash (used) in investing activities</b>	<b>(14,276.29)</b>	<b>(29,137.79)</b>	<b>(18,896.87)</b>	<b>(466.49)</b>	<b>(6,083.44)</b>	<b>(12,668.63)</b>
<b>C</b>	<b>Cash flows from financing activities</b>						
	Proceeds from secured loans	7,727.93	18,153.29	10,301.45	2,934.99	3,428.19	11,807.85
	Proceeds from unsecured loans	-	-	-	-	-	367.20
	Repayment of secured loans	(3,404.90)	(4,515.80)	(3,031.95)	(2,475.73)	(3,690.62)	(5,717.27)
	Repayment of unsecured loans	-	-	-	(678.60)	-	-
	Interest paid	(56.14)	(185.86)	(169.14)	(143.98)	(143.47)	(430.69)
	Finance lease charges paid	(502.29)	(603.20)	(363.12)	(312.73)	(302.35)	(80.68)
	Repayment of share capital	-	-	-	-	(2,012.43)	-

	Particulars	For the nine month period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
	Dividend paid	(5,382.70)	-	(5,486.38)	(4,904.31)	-	-
	Tax paid on dividends	(914.79)	-	(890.03)	(795.59)	-	-
	<b>Net cash generated from / (used in) financing activities</b>	<b>(2,532.89)</b>	<b>12,848.43</b>	<b>360.83</b>	<b>(6,375.95)</b>	<b>(2,720.68)</b>	<b>5,946.41</b>
	<b>Net increase / (decrease) in cash and cash equivalents during the year / period (A+B+C)</b>	<b>(16.61)</b>	<b>(334.34)</b>	<b>(1,123.03)</b>	<b>2,114.25</b>	<b>(84.28)</b>	<b>(198.82)</b>
	<b>Effect of exchange rate difference on cash and cash equivalents held in foreign currency</b>	<b>15.98</b>	<b>(4.72)</b>	<b>(6.14)</b>	<b>4.39</b>	<b>-</b>	<b>5.51</b>
<b>D</b>	<b>Cash and cash equivalents at the beginning of the year / period</b>						
	Cash on hand	16.50	25.67	21.48	13.77	7.98	9.29
	Cheques on hand	-	-	137.00	53.20	57.02	-
	Funds in transit	1.00	-	1,690.96	-	-	-
	Balance with banks in:						
	- current accounts	838.94	1,063.83	675.23	389.06	225.52	534.83
	- deposit accounts (deposits having original maturity of three months or less)	250.00	356.00	50.00	-	249.79	189.50
		<b>1,106.44</b>	<b>1,445.50</b>	<b>2,574.67</b>	<b>456.03</b>	<b>540.31</b>	<b>733.62</b>
<b>E</b>	<b>Cash and cash equivalents as at the end of the year / period</b>						
	Cash on hand	19.78	16.50	25.67	21.48	13.77	7.98
	Cheques on hand	-	1.00	-	137.00	53.20	57.02
	Funds in transit	-	-	-	1,690.96	-	-
	Balance with scheduled banks in:						
	- current accounts	1,086.03	838.94	1,063.83	675.23	389.06	225.52
	- deposit accounts (deposits having original maturity of three months or less)	-	250.00	356.00	50.00	-	249.79
		<b>1,105.81</b>	<b>1,106.44</b>	<b>1,445.50</b>	<b>2,574.67</b>	<b>456.03</b>	<b>540.31</b>
Note: -							
1. The cash flow statement has been prepared in accordance with 'Indirect method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statements', as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.							

**Note:** To be read together with significant accounting policies (Annexure IV), Notes to Summary Statement of Profit and Loss, as restated (Annexure V) and Notes to Summary Statement of Assets and Liabilities, as restated, (Annexure VI).

## Annexure IV: Significant Accounting Policies

### 1. Background

InterGlobe Aviation Limited (the 'Company') was incorporated on 13 January 2004 as a private limited company. Subsequently, the Company changed its legal status from a private company to a public company on 11 August 2006. The Company is one of the key players in the low cost carrier (LCC) segment of the airline industry in India. The Company has commenced international operations during the year ended 31 March 2012.

### 2. Significant accounting policies

(i) ***Basis of accounting***

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, in accordance with the Generally Accepted Accounting Principles in India ('GAAP'), mandatory accounting standards notified under the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 and Companies Act, 1956 to the extent applicable to the Company. All income and expenditure having a material bearing on the financial statements are recognised on accrual basis.

(ii) ***Use of estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and reported amounts of income and expenses during the reporting period. Examples of estimates include useful life of fixed assets, retirement benefits, provision for inventory obsolescence, provision for redelivery costs, provision for doubtful trade receivables and loans and advances. Actual results could differ from these estimates. Any changes in estimates are adjusted prospectively.

(iii) ***Fixed assets, capital work-in-progress and depreciation and amortisation***

Tangible fixed assets

Owned tangible fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation, less accumulated depreciation and impairment losses, if any.

The cost of improvements to aircraft acquired on lease have been capitalised and disclosed separately as leasehold improvement - aircraft.

Capital work-in-progress

Fixed assets under construction and cost of assets not ready for use as at the balance sheet date are disclosed as capital work-in-progress.

Intangible fixed assets

Intangible fixed assets are recognised only if acquired and it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of assets can be measured reliably. The intangible fixed 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.

Leased assets

Leased assets under which the Company assumes substantially all risks and benefits of ownership are classified as finance lease. Other leases are classified as operating leases.

Finance lease: Assets taken on finance lease are capitalized at the lower of the fair value of the assets and the present value of the minimum lease rentals (which includes initial amount paid by the Company to the lessors) with the corresponding amount payable by the Company shown as lease liability. The principal component of the lease rentals is adjusted against the lease liability and interest component is charged to the Statement of Profit and Loss.

Operating lease: Lease rentals in respect of assets taken on operating lease are charged to the Statement of Profit and Loss with reference to the lease term and other considerations.

Depreciation and amortisation

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV to the Companies Act, 1956, were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013, prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV to the Companies Act, 1956. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for the difference is disclosed in the financial statements.

Considering the applicability of Schedule II, management has re-estimated useful lives and residual values of all its fixed assets as at 1 April 2014. Accordingly, depreciation has been charged based on the following useful lives:



<b>Asset Head</b>	<b>Useful life in years</b>
<b>Leased Aircraft</b>	
-Aircrafts and Engine Components	20
<b>Furniture and fixtures</b>	10
<b>Computer</b>	
-End user Devices	3
-Server and Networks	6
<b>Office equipment</b>	
-Office Equipment	5
-Electrical Equipment	10
<b>Ground support equipment</b>	15
<b>Ground support vehicles</b>	
-Motor Vehicles(GSE)	8
-Motor Vehicles (Com)	8

Depreciation on fixed assets except aircraft, leasehold improvements - aircraft, leasehold improvements and intangible assets is provided on written down value method.

Depreciation on aircraft (including aircraft taken on finance lease) is provided on the straight line method.

Intangible assets are amortised on a straight line basis over their estimated useful life of 3 years.

Expenditure incurred on improvements to aircraft acquired on lease (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.

The revised useful lives are based on an internal technical evaluation performed by management and are determined after considering following factors:

- Expected usage of the asset
- Expected physical wear and tear
- Technical and commercial obsolescence
- Understanding of past practices and general industry experience

The above mentioned lives and method of depreciation/ amortization are in line with the estimated useful lives, as determined by the management.

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

The appropriateness of depreciation/amortisation period and depreciation/amortisation method is reviewed by the management each financial year.

Pursuant to above mentioned change in useful life of fixed assets, the depreciation charge for the nine months ended 31 December 2014 is lower by Rs. 220.34 million. The adjustment to accumulated balance of retained earnings / (deficit) is Rs Nil.

(iv) ***Sale and lease back transactions***

Profit or loss on sale and lease back transactions resulting in operating leases are recognised immediately in case the transaction is established at fair value, else the excess of sale price over the fair value is deferred and amortised over the period for which the asset is expected to be used.

Any excess or deficiency 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 lease term in proportion to the depreciation of the leased asset.

(v) ***Manufacturers' incentives –non-refundable***

Cash incentives

The Company receives non-refundable incentives from manufacturers 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 period of the related lease. In case of return of an aircraft before the expiry of the lease term, the unamortised balance of deferred incentive is recorded in the Statement of Profit and Loss.

The Company also receives non-refundable milestone incentives from the engine manufacturer on achievement of certain milestones relating to 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 lease period of the related lease. Where the aircraft is held under finance lease, the incentives are deferred and recognised under the head 'Other operating revenue' in the Statement of Profit and Loss, on a straight line basis over the remaining lease period of the related lease.

#### 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 assets 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.

The deferred asset explained above is reduced on the basis of utilization of incentives against purchase of goods and services.

#### (vi) **Investments**

Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is presented under current assets as "current portion of long term investments" in consonance with the current /non- current classification scheme of Schedule III of Companies Act 2013.

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each category of investments.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

#### (vii) **Revenue recognition**

##### Passenger and Cargo revenue

Passenger revenue is recognised on flown basis, i.e. when the service is rendered, net of airport charges and discounts, if any. Cargo revenue is recognised when service is rendered, i.e. goods are transported, net of airport charges.

The sale of tickets not yet flown is credited to unearned revenue, i.e. 'Forward Sales' disclosed under current liabilities. Fees charged for any changes to flight tickets and towards special service requests are recognised as revenue immediately on rendering of services.

The unutilized 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.

##### Dividend income

Dividend is recognised as and when the right to receive such income is established.

##### Tours and packages

Income and related expense from the sale of tours and packages are recognised upon services being rendered and where applicable, are stated net of discounts. The income and expense is stated on gross basis.

Passenger revenue earned from sale of tours and packages is recognised on flown basis and disclosed under tours and packages.

The sale of tours and packages not yet serviced is credited to unearned revenue, i.e. 'Forward Sales' disclosed under current liabilities.

##### Interest income

Interest income is recognised on a time proportion basis.

##### Commission and advertisement income

Commission and advertisement income is recognised on an accrual basis and in accordance with the terms of specific contracts, provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection. The amount recognised is net of applicable taxes.

(viii) **Commission**

The commission paid / payable on sales is recognised on sale of ticket and in accordance with the terms of contracts with agents.

(ix) **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.

(x) **Foreign currency transactions and translations**

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of foreign currency assets and liabilities (except for gains/(losses) arising on translation of foreign currency loans used for purchase of fixed assets) are recognised in the Statement of Profit and Loss. Gains/ (losses) arising on translation of foreign currency loans used for purchase of fixed assets are adjusted in the cost of fixed assets.

*Foreign exchange forward contracts*

The Company uses foreign exchange forward contracts to hedge its foreign currency risk exposure relating to firm commitments, highly probable transactions and underlying assets and liabilities. These foreign exchange forward contracts are not used for trading or speculation purposes.

*Foreign exchange forward contracts to hedge foreign currency risk exposure relating to firm commitments and highly probable transactions*

Forward contracts are fair valued at each Balance Sheet date. The resultant gain or loss (except relating to effective hedges) from these transactions is recognised in the Statement of Profit and Loss. The gain or loss on effective hedges is recorded in the Hedging Reserve (reported under Reserves and Surplus) until the transactions are complete. On completion, the gain or loss is transferred to the Statement of Profit and Loss of that period. To designate a forward contract as an effective hedge, the management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of being designated as an effective hedge, a gain or loss is recognised in the Statement of Profit and Loss.

*Foreign exchange forward contracts to hedge foreign currency risk exposure relating to underlying assets and liabilities*

The premium or discount that arises on entering into a forward exchange contract for hedging underlying assets and liabilities is measured by the difference between the exchange rate at the date of the inception of the forward exchange contract and the forward rate specified in the contract and is amortised as expense or income over the life of the contract. Exchange difference on a forward exchange contract is the difference between:

- (a) the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period; and
- (b) the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date.

These exchange differences are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense in the Statement of Profit and Loss.

(xi) **Taxation**

Income tax expense comprises current tax (i.e. amount of tax for the year/period determined in accordance with the Income-tax law) and deferred tax charge or credit. Income taxes are accrued in the same period the related revenues and expenses arise.

The differences that result between the profit / (loss) considered for income taxes and the profit / (loss) as per the financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on tax rates that have been enacted or substantially enacted by the Balance Sheet date.

Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only to the extent there is virtual certainty of realisation of such assets. In other situations, deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternative Tax ('MAT') expense under the provisions of the Income-tax Act, 1961 is recognised as an asset in the Balance Sheet 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 Balance Sheet date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability.

(xii) ***Employee benefits***

Short – term employee benefits

All employee benefits payable / available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Defined benefit plans

Defined benefit plans of the Company comprise of 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 liability in respect of defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. The gratuity plan of the Company is unfunded.

Defined contribution plans

Under the provident fund, a defined contribution plan, the Company pays fixed contributions to the appropriate government authorities and has no obligation to pay further amounts. Such fixed contributions are recognised in the Statement of Profit and Loss on accrual basis in the financial year to which they relate.

Other employee benefits

Benefits under leave encashment constitute short term employee benefits which are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

(xiii) ***Provisions, contingent liabilities and contingent assets***

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(xiv) ***Contingencies***

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

(xv) ***Impairment of assets***

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed 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.

- (xvi) ***Inventories***  
Inventories primarily include fuel, and tools and engineering stores, which include rotables, consumables and non-aircraft equipments. Inventories are valued at lower of cost and net realisable value ('NRV'). Cost of inventories comprise of all costs of purchase and incidental costs incurred in bringing the inventories to their present location and condition. Cost is determined on the weighted average cost basis. In arriving at NRV, 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.  
  
In respect of reusable items such as rotables, non-aircraft equipments and tools, NRV takes into consideration provision for obsolescence and wear and tear and also provision for non-moving/slow moving items, if any.
- (xvii) ***Aircraft maintenance and repair cost***  
Aircraft maintenance, Auxiliary Power Unit (APU), and Engine maintenance and repair costs are expensed as incurred except where such overhaul costs in respect of engines/APU are covered by third party maintenance agreements, which are accounted in accordance with terms of the agreements.
- (xviii) ***Redelivery cost***  
The Company has in its fleet aircraft on operating lease. As contractually agreed under the lease agreements, the aircraft have to be redelivered to the lessors at the end of the lease term under stipulated technical conditions. Such redelivery conditions entail costs for technical inspection, maintenance checks, repainting costs prior to its redelivery and the cost of ferrying the aircraft to the location as stipulated under the lease agreement. These costs are estimated by management based on historical trends and data, and recorded in the financial statements in proportion to the expired lease period.
- (xix) ***Earnings per share***  
Basic earnings per share are computed using the weighted average number of the equity shares outstanding during the year / period. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year / period end, except where the results would be anti-dilutive.
- (xx) ***Expenditure***  
Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

**ANNEXURE V: Notes to Summary Statement of Profit and Loss, As Restated**
**(Rupees in millions)**

	Summary of results of adjustments / rectifications made in the audited accounts of the respective years / period and its impact on profit and loss	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>A.</b>	<b>Changes in accounting policies and estimates/correction of accounting policies - ( ) represents decrease in expense and increase in income</b>						
	a) Accounting for non-cash incentives - Other expenses. (Refer to note A 1 of Annexure VII)	-	-	-	-	-	(86.64)
	b) Accounting for non-cash incentives - Aircraft fuel expenses. (Refer to note A 1 of Annexure VII)	-	-	-	-	-	(10.11)
	c) Accounting for non-cash incentives - Aircraft and engine rentals (cash and non cash incentives). (Refer to note A 2 of Annexure VII)	-	-	-	-	-	98.96
	d) Accounting for redelivery cost- Other expenses. (Refer to note A 3 of Annexure VII)	-	-	-	-	-	(30.21)
	e) Accounting for liability no longer required, written back - Other Income. (Refer to note A 5 of Annexure VII)	90.94	149.05	181.30	94.49	31.77	58.02
	f) Accounting for tyre scrappage expenses – Other expenses. (Refer to note A 4 of Annexure VII)	-	-	-	-	-	(27.68)
	g) Accounting for mark to market loss / (gain) on forward contracts - Mark to market loss / (gain) – Other income (Refer to note A 6 of Annexure VII)	-	-	-	-	-	(51.92)
	h) Accounting for foreign currency restatement impact on foreign exchange (gain) / loss. – Other Income (Refer to note A 7 of Annexure VII)	-	-	-	-	-	(44.23)
	i) Accounting for liability no longer required, written back – Employee benefits. (Refer to note A 5 of Annexure VII)	-	(78.32)	(67.81)	(99.47)	(8.02)	-
	j) Accounting for liability no longer required, written back - Aircraft lease rentals. (Refer to note A 5 of Annexure VII)	-	-	-	-	-	(2.87)

	Summary of results of adjustments / rectifications made in the audited accounts of the respective years / period and its impact on profit and loss	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
	k) Accounting for liability no longer required, written back – Other expenses. (Refer to note A 5 of Annexure VII)	-	(8.51)	(53.94)	(100.24)	(76.73)	(15.73)
	l) Accounting for MAT write off (Refer to note E)	-	(1,602.03)	-	-	744.40	787.43
	m) Accounting for liability no longer required, written back – Passenger revenue. (Refer to note A 5 of Annexure VII)	-	-	(0.50)	-	-	-
	n) Accounting for liability no longer required, written back – Purchase of stock in trade. (Refer to note A 5 of Annexure VII)	-	(3.64)	-	(4.78)	-	(2.24)
	<b>Impact of changes in accounting policies and estimates/correction of accounting policies on Statement of Profit and Loss - (Profit) / Loss</b>	<b>90.94</b>	<b>(1,543.45)</b>	<b>59.05</b>	<b>(110.00)</b>	<b>691.42</b>	<b>672.78</b>
<b>B.</b>	<b>Prior period items - ( ) represents decrease in expense and increase in income</b>						
	a) Accounting for Aircraft and engine rentals – cash and non cash incentives. (Refer to note B of Annexure (VII))	-	-	-	-	-	62.85
	b) Accounting for training cost. (Refer to note B of Annexure (VII))	-	-	-	-	-	17.11
	c) Accounting for salaries, bonus and allowances. (Refer to note B of Annexure (VII))	-	-	-	-	-	(4.25)
	d) Accounting for aircraft maintenance cost. (Refer to note B of Annexure (VII))	-	-	-	-	-	(1.29)
	e) Accounting for provident and other funds. (Refer to note B of Annexure (VII))	-	-	-	-	-	(4.04)
	f) Accounting for commission. (Refer to note B of Annexure (VII))	-	-	-	-	-	(12.73)
	g) Accounting for insurance expense. (Refer to note B of Annexure (VII))	-	-	-	-	-	(15.57)
	h) Accounting for interest on fixed deposit. (Refer to note B of Annexure (VII))	-	-	-	-	-	1.18
	i) Accounting for income tax. (Refer to note E of Annexure (VII))	-	-	-	-	5.65	(15.85)
	j) Accounting for minimum alternative tax entitlement. (Refer to note E of Annexure (VII))	-	-	-	-	(5.65)	15.85
	<b>Impact of prior period items on Statement of Profit and Loss - (Profit) / Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43.26</b>

	Summary of results of adjustments / rectifications made in the audited accounts of the respective years / period and its impact on profit and loss	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>C</b>	<b>Regroupings. ( ) indicates increase in income and decrease in expense.</b>						
	a) Operating income (Refer to Note C of Annexure VII)	-	-	-	(122.56)	(80.11)	(39.12)
	b) Other income (Refer to Note C of Annexure VII)	-	-	-	122.56	80.11	39.12
	c) Other expenses – bank charges (Refer to Note D7 of Annexure VII)	-	-	-	-	70.94	54.49
	d) Finance charges – bank charges (Refer to Note D7 of Annexure VII)	-	-	-	-	(70.94)	(54.49)
	e) Other expenses – rates and taxes (Refer to Note D8 of Annexure VII)	-	-	-	-	0.11	0.15
	f) Wealth tax – Profit and Loss account (Refer to Note D8 of Annexure VII)	-	-	-	-	(0.11)	(0.15)
	g) Other income – Foreign exchange loss (Refer to Note D9 of Annexure VII)	-	-	-	-	(6.09)	-
	h) Finance charges – Foreign exchange loss (Refer to Note D9 of Annexure VII)	-	-	-	-	6.09	-
	i) Mark to market – Profit and Loss account (Refer to Note D10 of Annexure VII)	-	-	-	-	5.75	(7.36)
	j) Other income – Mark to market (Refer to Note D10 of Annexure VII)	-	-	-	-	(5.75)	7.36
	k) Selling and marketing expenses – Reservation cost, Commission and Sales promotion and advertisement (Refer to Note D11 of Annexure VII)	-	-	-	-	(3,178.66)	(2,390.97)
	l) Other expenses – Reservation cost, Commission and Sales promotion and advertisement (Refer to Note D11 of Annexure VII)	-	-	-	-	3,178.66	2,390.97
	m) Other expenses – Purchase of stock in trade (Refer to Note D12 of Annexure VII)	-	-	-	-	(190.93)	(128.93)
	n) Purchase of stock in trade – Statement of Profit and Loss (Refer to Note D12 of Annexure VII)	-	-	-	-	190.93	128.93
	o) Other expenses – Change in inventories of stock in trade (Refer to Note D13 of Annexure VII)	-	-	-	-	1.10	9.15
	p) Change in inventories of stock in trade –Statement of Profit and Loss (Refer to Note D13 of Annexure VII)	-	-	-	-	(1.10)	(9.15)
	<b>Impact of regroupings on Statement of Profit And Loss - (profit) / loss.</b>	-	-	-	-	-	-



	Summary of results of adjustments / rectifications made in the audited accounts of the respective years / period and its impact on profit and loss	For the nine month period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
	<b>Net impact on Statement of Profit And Loss - (profit) / loss (A+B+C)</b>	<b>90.94</b>	<b>(1,543.45)</b>	<b>59.05</b>	<b>(110.00)</b>	<b>691.42</b>	<b>716.04</b>
<b>D</b>	<b>MAT impact on Statement of Profit And Loss ( ) indicates increase in income and decrease in expenses (Refer to note E of Annexure (VII)).</b>						
	MAT – current year / period	(19.06)	(12.28)	(11.81)	22.01	10.55	(9.49)
	MAT credit entitlement	19.06	12.28	(7.34)	(22.01)	(10.55)	9.49
	Deferred tax credit	-	(14.30)	-	(17.18)	-	-
	Deferred tax charge	(30.91)	(5.61)	-	-	17.18	-
	<b>Net MAT impact on Statement of Profit and Loss</b>	<b>(30.91)</b>	<b>(19.91)</b>	<b>(19.15)</b>	<b>(17.18)</b>	<b>17.18</b>	<b>-</b>

**Note:-**

Considering the applicability of Schedule II to the Companies Act, 2013, management has re-estimated useful lives and residual values of all its fixed assets, as detailed in Significant Accounting Policies. Pursuant to this change in useful life of fixed assets, the depreciation charge for the nine months ended 31 December 2014 is lower by Rs. 220.34 million. This adjustment has not been adjusted with retrospective effect in the preceding financial years, as it does not represent an error/omission or a change in accounting policy. It represents a change in accounting estimate made in the latest period, which does not have an impact on the earlier years.

**ANNEXURE VI: Notes to Summary Statement of Assets and Liabilities, As Restated**
**(Rupees in millions)**

	Summary of results of adjustments / rectifications made in the audited accounts of the respective years / period and its impact on assets and liabilities.	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>A.</b>	<b>Change in accounting policies/correction of accounting policies/impact of adjustment entries. Increase in liabilities and decrease in assets is indicated by ( ).</b>						
	a) Trade payable / Other current liabilities (Refer to note A5 of Annexure VII)	-	90.92	149.50	208.55	98.54	45.58
	b) Long term loans and advances – MAT (Refer to note E of Annexure VII)	9.28	28.34	(1,561.41)	(1,568.75)	(1,590.76)	(856.92)
	c) Long term loans and advances – Advance Tax (Refer to note E of Annexure VII)	9.85	(9.19)	(21.47)	-	-	-
	d) Short term provisions – Provision for Tax (Refer to note E of Annexure VII)	-	-	-	(33.28)	(11.26)	(0.72)
	e) Impact of adjustments on reserves and surplus	(69.95)	(129.98)	1,433.38	1,393.48	1,520.66	812.06
	f) Deferred tax assets (net) (Refer to note E of Annexure VII)	-	-	-	-	(17.18)	-
	g) Deferred tax liabilities (net) (Refer to note E of Annexure VII)	50.82	19.91	-	-	-	-
<b>B.</b>	<b>Reclassifications / Regroupings</b>						
<b>(I)</b>	<b>Financial Statement captions as per Audited Financial Statements: Loans and advances and other assets</b>						
	a) Loans and advances (Refer to Note D5 of Annexure VII)	-	-	-	-	(5,638.42)	(3,772.35)
	b) Capital advances (Refer to Note D5 of Annexure VII)	-	-	-	-	(11.33)	(11.32)
	c) Other current assets (Refer to Note D5 of Annexure VII)	-	-	-	-	(282.41)	(190.48)
	d) Restatement adjustments - MAT (Refer to Note A(b) of Annexure VI and Note E of Annexure VII)	-	-	-	-	1,590.76	856.92
						<b>(4,341.40)</b>	<b>(3,117.23)</b>
	<b>Corresponding regroupings as per revised Schedule VI of Companies Act 1956:</b>						
	a) Short term loans and advances (Refer to Note D5 of Annexure VII)	-	-	-	-	2,491.33	2,450.73
	b) Long term loans and advances (Refer to Note D5 of Annexure VII)	-	-	-	-	1,268.71	284.82
	c) Other Non-current assets (Refer to Note D5 of Annexure VII)	-	-	-	-	118.95	196.00

	<b>Summary of results of adjustments / rectifications made in the audited accounts of the respective years / period and its impact on assets and liabilities.</b>	<b>For the nine month period ended 31 December 2014</b>	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>	<b>For the year ended 31 March 2011</b>	<b>For the year ended 31 March 2010</b>
	d) Other current assets (Refer to Note D5 of Annexure VII)	-	-	-	-	603.21	411.78
	e) Regrouping adjustments to long term loans and advances – Advance tax (Refer to Note E of Annexure VII, B (II) (g) of Annexure VI)	-	-	-	-	(47.19)	(47.17)
	f) Regrouping adjustment to other non-current assets – bank deposits (Refer to D3 of Annexure VII and B (III) (b) of Annexure VI)	-	-	-	-	(93.61)	(178.93)
						<b>4,341.40</b>	<b>3,117.23</b>
<b>(II)</b>	<b>Financial Statement captions as per Audited Financial Statements: Current liabilities and Provisions</b>						
	a) Current liabilities (Refer to Note D4 of Annexure VII)	-	-	-	-	6,110.59	3,996.31
	b) Provisions (Refer to Note D4 of Annexure VII)	-	-	-	-	5,883.99	173.16
	c) Restatement adjustment on trade payables and short term provisions (Refer to Note A (a) of Annexure VI)	-	-	-	-	(98.54)	(45.58)
	d) Restatement adjustment on short term provisions (Refer to Note A (d) of Annexure VI and Note E of Annexure VII)	-	-	-	-	11.26	0.72
						<b>11,907.30</b>	<b>4,124.61</b>
	<b>Corresponding regroupings for Liabilities as per revised Schedule VI of Companies Act 1956:</b>						
	a) Trade payables (Refer to Note D4 of Annexure VII)	-	-	-	-	(1,076.17)	(781.88)
	b) Other current liabilities (Refer to Note D4 of Annexure VII)	-	-	-	-	(4,624.85)	(5,993.16)
	c) Short term provisions (Refer to Note D4 of Annexure VII)	-	-	-	-	(5,808.63)	(136.33)
	d) Other long term liabilities (Refer to Note D4 of Annexure VII)	-	-	-	-	(1,014.60)	(261.07)
	e) Long term provisions (Refer to Note D4 of Annexure VII)	-	-	-	-	(133.82)	(84.71)
	f) Regrouping adjustment - Other current liabilities current maturities of loan (Refer to Note B (IV) (c) of Annexure VI)	-	-	-	-	703.58	3,085.37
	g) Regrouping adjustment - Short term provisions- income tax grossing up(Refer to Note E of Annexure VII and B (I) (e) of Annexure VI)	-	-	-	-	47.19	47.17
						<b>(11,907.30)</b>	<b>(4,124.61)</b>

	Summary of results of adjustments / rectifications made in the audited accounts of the respective years / period and its impact on assets and liabilities.	For the nine month period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>(III)</b>	<b>Financial Statement captions as per Audited Financial Statements: Cash and bank balance</b>						
	a) Cash and bank balance (Refer to Note D3 of Annexure VII)	-	-	-	-	(7,850.54)	(3,184.89)
	<b>Corresponding regroupings for Cash and bank balances as per revised Schedule VI of Companies Act 1956:</b>						
	a) Cash and bank balance (Refer to Note D3 of Annexure VII)	-	-	-	-	7,756.93	3,005.96
	b) Regrouping adjustment – Bank deposits being regrouped to Other Non-Current assets (Refer to Note D3 of Annexure VII and B (I) (f) of Annexure VI)	-	-	-	-	93.61	178.93
						<b>7,850.54</b>	<b>3,184.89</b>
<b>(IV)</b>	<b>Financial Statement captions as per Audited Financial Statements: Loan funds (Refer to note D1)</b>						
	a) Secured loans (Refer to Note D1 of Annexure VII)	-	-	-	-	8,635.03	9,003.89
	b) Unsecured loans (Refer to Note D1 of Annexure VII)	-	-	-	-	678.60	684.00
						<b>9,313.63</b>	<b>9,687.89</b>
	<b>Corresponding regroupings for Loans fund as per revised Schedule VI of Companies Act 1956:</b>						
	a) Long term borrowing (Refer to Note D1 of Annexure VII)	-	-	-	-	(8,069.76)	(6,602.52)
	b) Short term borrowings (Refer to Note D1 of Annexure VII)	-	-	-	-	(540.29)	-
	c) Regrouping adjustment - Other current liabilities – current maturities of loan (Refer to Note D1 of Annexure VII and B (II) (f) of Annexure VI)	-	-	-	-	(703.58)	(3,085.37)
						<b>(9,313.63)</b>	<b>(9,687.89)</b>
<b>(V)</b>	<b>Financial Statement captions as per Audited Financial Statements: Deferred incentive</b>						
	a) Deferred Incentive (Refer to Note D2 of Annexure VII)	-	-	-	-	6,898.99	5,679.51
	<b>Corresponding regroupings as per revised Schedule VI of Companies Act 1956:</b>						
	a) Non current liabilities – Deferred incentive (Refer to Note D2 of Annexure VII)	-	-	-	-	(4,678.16)	(3,465.19)
	b) Current liabilities - Deferred incentives (Refer to Note D2 of Annexure VII)	-	-	-	-	(2,220.83)	(2,214.32)
		-	-	-	-	<b>(6,898.99)</b>	<b>(5,679.51)</b>

**ANNEXURE VII: SUMMARY OF RESULTS OF ADJUSTMENTS / RECTIFICATIONS MADE IN THE AUDITED ACCOUNTS OF THE RESPECTIVE YEARS / PERIOD AND ITS IMPACT ON STATEMENT OF PROFIT AND LOSS, AND ASSETS AND LIABILITIES**

**A. Changes in accounting policies and estimates/correction of accounting policies – Expense / (Income)**

- 1) Accounting for non-cash incentives – deferred asset (other current assets):  
Non cash incentives are recorded as and when due to the Company by setting up a deferred asset and a corresponding deferred incentive. The deferred asset is reduced on the basis of utilization against purchase of goods and services. The outstanding deferred asset as at the year-end is included under Other Current Assets. Up to 31 March 2009, the recognition and utilization of deferred asset against purchase of goods and services was not recorded in the books of account which was subsequently recorded in the year ended 31 March 2010. Accordingly, adjustment has been made to deferred asset (Other Current Assets) with consequential impact of the adjustment to other expenses, and aircraft fuel expenses in the summary Statement of Profit and Loss, as restated, and summary Statement of Assets and Liabilities, as restated, for the year ended 31 March 2010.
- 2) Accounting for non cash incentives – deferred incentives:  
Non cash incentives are recorded as and when due to the Company by setting up a deferred asset and a corresponding deferred incentive. Where the aircraft is held under operating lease, non cash incentives are deferred and reduced from the lease rentals on a straight line basis over the remaining lease period of the related lease. Up to 31 March 2009, the adjustment of these amortized deferred incentives was not made to aircraft and engine lease rental which was subsequently recorded in the year ended 31 March 2010. Accordingly, adjustment has been made to deferred incentives with a consequential impact of the adjustment to aircraft and engine lease rentals in the summary Statement of Profit and Loss, as restated, and summary Statement of Assets and Liabilities, as restated, for the year ended 31 March 2010.
- 3) Accounting for redelivery cost:  
The Company has contractually agreed as per the terms of the lease agreements to redeliver the aircraft to the lessors at the end of the lease term under stipulated technical conditions. Such redelivery conditions entail costs of ferrying the aircraft, technical inspection, maintenance checks, repainting costs, etc. prior to redelivery. These costs are estimated by management based on historical trends and data, and recorded in the financial statements in proportion to the expired lease period. Up to 31 March 2009, no such costs were estimated and booked by the Company which was subsequently recorded in the year ended 31 March 2010. Accordingly, adjustments have been made to account for such costs under Other expenses with a consequential impact of the adjustment in Provisions, in the the summary Statement of Profit and Loss, as restated, and summary Statement of Assets and Liabilities, as restated, for the year ended 31 March 2010.
- 4) Accounting for tyre scrappage expenses:  
Up to 31 March 2009, the Company classified tyres as rotables and included the same under inventories. A provision for obsolescence was created based on management’s best estimate without considering the actual usage of tyres. This was subsequently corrected and necessary adjustments were made in inventories with a consequential impact in other expenses in the summary Statement of Profit and Loss, as restated, and in the summary Statement of Assets and Liabilities, as restated, for the year ended 31 March 2010.
- 5) Accounting for liability no longer required, written back:  
In the financial statements for the years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010, and nine months ended 31 December 2014, certain liabilities, which were recorded in earlier years, were written back. For the purpose of this statement, the said liabilities have been appropriately adjusted in the respective financial statement captions, in the years in which the same were originally recorded.
- 6) Accounting for mark to market loss / (gain) on forward contracts:  
For the year ended 31 March 2009, the company had not recorded marked to market loss on outstanding forward contracts. Accordingly, adjustments on account of the above of the resultant gains or losses from these transactions are recognised in the relevant financial statement captions in the summary Statement of Profit and Loss, as restated, as Mark to Market loss / (gain) with a consequential impact in Current liabilities and Loans and Advances in the Summary Statement of Assets and Liabilities, as restated, for the year ended 31 March 2010.
- 7) Accounting for foreign currency restatement:  
For the year ended 31 March 2009, the Company had not recorded restatement impact on monetary foreign currency Assets and Liabilities remaining unsettled at the balance sheet date, in accordance with Accounting Standard 11 on “The Effects of Changes in Foreign Exchange Rates”, which was subsequently recorded in the year ended 31 March 2010. Accordingly, adjustments on account of the above restatements relating to the year ended 31 March 2009 have been made in the respective financial statement captions, in the summary statement of Profit and Loss, as restated and summary statement of Assets and Liabilities, as restated, for the year ended 31 March 2010.

**B. Prior period items**

In the financial statements for the year ended 31 March 2010, various expenses and deferred incentives have been disclosed as prior period items. For the purposes of summary Statement of Profit and Loss, as restated, and the summary Statement of Assets and Liabilities, as restated, such prior period items have been appropriately adjusted in the opening reserves with corresponding adjustments in the year ended 31 March 2010.

**C. Regroupings**

Figures have been regrouped to ensure consistency of presentation. The following significant regroupings have been made in the summary statement of Profit and Loss, as restated:

For the years ended 31 March 2012, 31 March 2011 and 31 March 2010, Incentives, Advertisement Income and Commission, as applicable, have been regrouped to “Other Operating Income” from “Other Income” in the summary Statement of Profit and Loss, as restated.

**D. Regrouping / Reclassification pursuant to requirements of revised Schedule VI under Companies Act, 1956.**

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956 became applicable for preparation and presentation of its financial statements. Accordingly, the Company has presented the financial statements as at 31 December 2014, 31 March 2014, 31 March 2013, 31 March 2012 and for the year then ended along with the comparatives as at 31 March 2011, following the requirements of revised Schedule VI to the Companies Act, 1956 which is consistent with the requirement of Schedule III of the Companies Act, 2013. There is no significant impact on presentation and disclosures made in the financial statements. The Company also reclassified the previous year figures pertaining to year ended 31 March 2010 in accordance with the requirements of revised Schedule VI of the Companies Act, 1956.

The following material regroupings / reclassifications have been made in the summary Statement of Profit and Loss, as restated, and summary Statement of Assets and Liabilities, as restated, pursuant to the requirements of revised Schedule VI:

1. For the years ended 31 March 2011 and 31 March 2010, “Secured Loans” and “Unsecured Loans” have been reclassified/regrouped to “Long-term Borrowing”, “Short-term Borrowings”, and current portion of “Long-term Borrowings” which have been classified under “Other Current Liabilities”, in the summary Statement of Assets and Liabilities, as restated.
2. For the years ended 31 March 2011 and 31 March 2010, “Deferred Incentives” have been reclassified/regrouped under “Non-Current Liabilities” and “Current Liabilities” in the summary statement of Assets and Liabilities, as restated.
3. For the years ended 31 March 2011 and 31 March 2010, bank deposits have been reclassified as “Other Bank Balance” under “Cash and Bank Balances” where deposits are due for maturity within twelve months from the reporting date and as “Other non-current assets” where deposits are due for maturity after twelve months from the reporting date, in the summary Statement of Assets and Liabilities, as restated.
4. For the years ended 31 March 2011 and 31 March 2010, “Current Liabilities” and “Provisions” have been reclassified/regrouped to “Trade Payables”, “Other Current Liabilities”, “Other Long term liabilities”, “Long-term Provisions” and “Short-term Provisions” in the summary Statement of Assets and Liabilities, as restated.
5. For the years ended 31 March 2011 and 31 March 2010, “Loans and Advances”, “Capital Advances” and “Other Current Assets” have been reclassified/regrouped to “Short-term Loans and Advances”, “Long-term Loans and Advances”, “Other Non-Current Assets” and “Other Current Assets” in the summary Statement of Assets and Liabilities, as restated.
6. For the years ended 31 March 2011 and 31 March 2010, Incentives and Advertisement Income have been regrouped / reclassified to “Other Operating Income” from “Other Income” in the summary Statement of Profit and Loss, as restated.
7. For the years ended 31 March 2011 and 31 March 2010, “Bank charges” have been regrouped / reclassified from “Interest and Finance Charges” to “Other Expenses” in the summary Statement of Profit and Loss, as restated.
8. For the years ended 31 March 2011 and 31 March 2010, “Wealth tax” has been regrouped / reclassified from “Profit and Loss account” to “Rates and taxes – Other Expenses” in the summary Statement of Profit and Loss, as restated.
9. For the year ended 31 March 2011, net loss on foreign currency transactions and translation to the extent regarded as borrowing cost has been regrouped / reclassified from “Other Income” to “Finance Costs” in the summary Statement of Profit and Loss.

10. For the years ended 31 March 2011 and 31 March 2010, “mark to market loss and gain” have been regrouped / reclassified from “Profit and Loss Account” to “Other Income”.
11. For the years ended 31 March 2011 and 31 March 2010, reservation costs, commission and sales promotion and advertisement expense have been regrouped / reclassified from “selling and marketing expenses” to “Other expenses”.
12. For the years ended 31 March 2011 and 31 March 2010, In-flight purchases have been regrouped / reclassified from “Operating and other expenses” to “Purchase of stock in trade”.
13. For the years ended 31 March 2011 and 31 March 2010, changes in inventories have been regrouped / reclassified from “Operating and other expenses” to “Changes in inventories of stock in trade”.

#### E. Taxation

Minimum Alternative Tax (‘MAT’) for the respective years has been recomputed on the above adjustments basis the rates applicable to the respective years. A MAT credit entitlement has also been created for the respective years on the above mentioned adjustments, as management believes that, there exists convincing evidence that the MAT credit will be utilised in accordance with the provisions of the Income Tax Act, 1961.

Following tax adjustments have been recorded in these statements:

1. For the years ended 31 March 2011 and 31 March 2010, “Minimum alternative tax credit entitlement” under the head “Long term loans and advances”, “short term provisions” and corresponding MAT as disclosed in the Profit and Loss Account have been adjusted for tax impact of earlier years.
2. In the financial statements for the year ended 31 March 2014, minimum alternative tax recoverable was written off. For the purpose of these statements, the said write off has been appropriately adjusted in the respective financial statement captions, in the years in which the same was originally recorded.
3. For the years ended 31 March 2011 and 31 March 2010, provision for tax and advances tax have been netted assessment year wise.

#### F. Movement in Reserves and Surplus account, is given below:

(Rupees in millions)

Particulars	Audited Amount	Adjustments / Rectifications	Restated Amount
Reserves and Surplus as at 01 April 2009	(3,689.97)	(96.02)	(3,785.99)
Profit for the year	5,507.01	(716.04)	4,790.97
	1,817.04	(812.06)	1,004.98
<b>Appropriations</b>			
Premium payable on redemption of 0.00% non cumulative redeemable preference shares	(21.23)	-	(21.23)
<b>Balance of Reserves and Surplus as at 31 March 2010</b>	<b>1,795.81</b>	<b>(812.06)</b>	<b>983.75</b>
Profit for the year	6,503.25	(708.60)	5,794.65
	8,299.06	(1,520.66)	6,778.40
<b>Appropriations</b>			
Premium payable on redemption of 0.00% non cumulative redeemable preference shares	(394.83)	-	(394.83)
Transfer to capital redemption reserve	(1,554.00)	-	(1,554.00)
Proposed dividend	(4,904.31)	-	(4,904.31)
Corporate dividend tax	(795.59)	-	(795.59)
Transfer to general reserve	(650.33)	-	(650.33)
<b>Balance of profit and loss</b>	<b>-</b>	<b>(1,520.66)</b>	<b>(1,520.66)</b>
Capital redemption reserve balance	1,554.00	-	1,554.00
General reserve balance	650.33	-	650.33

Particulars	Audited Amount	Adjustments / Rectifications	Restated Amount
<b>Balance of Reserves and Surplus as at 31 March 2011</b>	<b>2,204.33</b>	<b>(1,520.66)</b>	<b>683.67</b>
Opening Balance of profit and loss	0.00	(1,520.66)	(1,520.66)
Profit for the year	1,278.76	127.18	1,405.94
	1,278.76	(1,393.48)	(114.72)
<b>Appropriations</b>			
Nil	-	-	-
<b>Balance of profit and loss</b>	<b>1,278.76</b>	<b>(1,393.48)</b>	<b>(114.72)</b>
Capital redemption reserve balance	1,554.00	-	1,554.00
General reserve balance	650.33	-	650.33
<b>Balance of Reserves and Surplus as at 31 March 2012</b>	<b>3,483.09</b>	<b>(1,393.48)</b>	<b>2,089.61</b>
Opening Balance of profit and loss	1,278.76	(1,393.48)	(114.72)
Profit for the year	7,873.47	(39.90)	7,833.57
	9,152.23	(1,433.38)	7,718.85
<b>Appropriations</b>			
Proposed dividend	(5,486.38)	-	(5,486.38)
Corporate dividend tax	(890.03)	-	(890.03)
Transfer to general reserve	(787.35)	-	(787.35)
<b>Balance of profit and loss</b>	<b>1,988.47</b>	<b>(1,433.38)</b>	<b>555.09</b>
Capital redemption reserve balance	1,554.00	-	1,554.00
General reserve balance	1,437.68	-	1,437.68
<b>Balance of Reserves and Surplus as at 31 March 2013</b>	<b>4,980.15</b>	<b>(1,433.38)</b>	<b>3,546.77</b>
Opening Balance of profit and loss	1,988.47	(1,433.38)	555.09
Profit for the year	3,169.91	1,563.36	4,733.27
	5,158.38	129.98	5,288.36
<b>Appropriations</b>			
Proposed dividend	(3,775.78)	-	(3,775.78)
Corporate dividend tax	(641.70)	-	(641.70)
Transfer to general reserve	(490.83)	-	(490.83)
<b>Balance of profit and loss</b>	<b>250.07</b>	<b>129.98</b>	<b>380.05</b>
Capital redemption reserve balance	1,554.00	-	1,554.00
General reserve balance	1,928.51	-	1,928.51



Particulars	Audited Amount	Adjustments / Rectifications	Restated Amount
<b>Balance of Reserves and Surplus as at 31 March 2014</b>	<b>3,732.58</b>	<b>129.98</b>	<b>3,862.56</b>
Opening Balance of profit and loss	250.07	129.98	380.05
Profit for the period	7,268.42	(60.03)	7,208.39
	7,518.49	69.95	7,588.44
<b>Appropriations</b>			
Proposed dividend	(1,606.91)	-	(1,606.91)
Corporate dividend tax	(273.09)	-	(273.09)
Transfer to general reserve	-	-	-
<b>Balance of profit and loss</b>	<b>5,638.49</b>	<b>69.95</b>	<b>5,708.44</b>
Capital redemption reserve balance	1,554.00	-	1,554.00
General reserve balance	1,928.51	-	1,928.51
<b>Balance of Reserves and Surplus as at 31 December 2014</b>	<b>9,121.00</b>	<b>69.95</b>	<b>9,190.95</b>

#### G. Audit qualifications

**Other audit qualifications and other remarks / comments in the Companies (Auditor's Report) Order 2003, as amended, issued by the Central Government in terms of Sub-Section 4(A) of Section 227 of the Companies Act, 1956, which do not require any corrective adjustments in the financial information, are as follows:**

##### 1. Financial year ended 31 March 2010

The Company had entered into certain transactions for purchase of services with two parties (InterGlobe Hotels Private Limited and InterGlobe Technologies Private Limited) covered under section 297 of the Companies Act, 1956. No prior approval of the Central Government was obtained by the Company. Subsequently, the Company applied for and obtained approval of Central Government. However, inadvertently the application did not cover some of the transactions aggregating to Rs. 55.07 million with the relevant parties. Accordingly, these are not in compliance with the provisions of Section 297. The Company is in the process of filing an application for condonation of the non compliance.

##### 2. Financial year ended 31 March 2013

Amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities *though there have been delays in few cases.*

##### 3. Financial year ended 31 March 2014

Amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities *though there have been delays in few cases.*

**ANNEXURE VIII: Other Significant notes, as restated and changes in the business of the Company during the nine months ended 31 December 2014 and last five years ended 31 March 2014, 31 March 2013, 31 March 2012, 31 March 2011 and 31 March 2010.**

**1. Contingent Liabilities**

**(A) Financial year ended 31 March 2010**

**Claims against the Company not acknowledged as debts**

- a) 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.
- b) Income Tax - Rs. Nil.

**(B) Financial year ended 31 March 2011**

**Claims against the Company not acknowledged as debts**

- a) 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.
- b) Income Tax - Rs. Nil, The income tax authority has assessed and revised the taxable income on account of disallowance of certain expenses and/or adjustment and in respect of the tax treatment of certain incentives received from the manufacturer with the acquisition of aircraft and engines. In view of sufficient carry forward losses, no demand has been raised by the income tax authority. Management has filed an appeal against the disallowance and/or adjustments made by tax authorities and believe, based on advice from counsels/experts, that the views taken by the tax authority are not sustainable at higher levels.

**(C) Financial year ended 31 March 2012**

**Claims against the Company not acknowledged as debts**

- a) **Income Tax- Rs. 4.66 million**, 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. Management has filed an appeal against the disallowance and/or adjustment made by tax authorities and believe, based on advice from counsels/experts, that the views taken by the tax authority are not sustainable at higher levels and accordingly no provision is required to be recorded in the books of account on account of the same. Liability as at 31 March 2012 is net of Rs. 1,602.03 million, which represents minimum alternate tax recoverable written off.
- b) 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.

**(D) Financial year ended 31 March 2013**

**Claims against the Company not acknowledged as debts**

- a) **Income Tax- Rs. 97.00 million**, 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. Management has filed an appeal against the disallowance and/or adjustment made by tax authorities and believe, based on advice from counsels/experts, that the views taken by the tax authority are not sustainable at higher levels and accordingly no provision is required to be recorded in the books of account on account of the same. Liability as at 31 March 2013 is net of Rs. 1,602.03 million, which represents minimum alternate tax recoverable written off.
- b) During the current and previous years, the Company has received certain show cause notices and demand orders from the Office of the Commissioner of Service tax and Commissioner of Central Excise (Adjudication), on account of non-payment of service tax on expenditure in foreign currency amounting to Rs. 0.97 million and excess availment of centvat credit on cargo services amounting to Rs. 55.07 million. The claims are disputed by the Company. The Company is of the opinion that the above mentioned claims are not tenable and accordingly no provision is required in the books of account.

- c) 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.

**(E) Financial year ended 31 March 2014**

**Claims against the Company not acknowledged as debts**

- a) **Income Tax- Rs. 100.21 million**, 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. Management has filed an appeal against the disallowance and/or adjustments made by tax authorities and believe, based on advice from counsels/experts, that the views taken by the tax authority are not sustainable at higher levels and accordingly no provision is required to be recorded in the books of account on account of the same. Liability as at 31 March 2014 is net of Rs. 1,602.03 million, which represents minimum alternate tax recoverable written off.
- b) During the current and previous years, the Company has received certain show cause notices and demand orders from the Office of the Commissioner of Service tax, Commissioner of Customs and Commissioner of Central Excise (Adjudication), on account of non-payment of custom duty on goods imported by the company amounting to Rs. 24.05 million, non-payment of service tax on expenditure in foreign currency amounting to Rs. 0.97 million and excess availment of cenvat credit on cargo services amounting to Rs. 55.07 million. The claims are disputed by the Company. The Company is of the opinion that the above mentioned claims are not tenable and accordingly no provision is required in the books of account.
- c) Claims against the Company by supplier not acknowledged as debt amounting to Rs. 176.38 million on account of certain disputed matters.
- d) 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.

**(F) Financial period ended 31 December 2014**

**Claims against the Company not acknowledged as debts**

- a) **Income Tax- Rs. 100.21 million**, 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. Management has filed an appeal against the disallowance and/or adjustments made by tax authorities and believe, based on advice from counsels/experts, that the views taken by the tax authority are not sustainable at higher levels and accordingly no provision is required to be recorded in the books of account on account of the same. Liability as at 31 December 2014 is net of Rs. 1,602.03 million, which represents minimum alternate tax recoverable written off.
- b) During the current period and in previous years, the Company has received certain show cause notices and demand orders from the Office of the Commissioner of Service tax, Commissioner of Customs and Commissioner of Central Excise (Adjudication), on account of non-payment of custom duty on goods imported by the company amounting to Rs. 24.05 million, non-payment of service tax on expenditure in foreign currency amounting to Rs. 0.97 million and excess availment of cenvat credit on cargo services amounting to Rs. 55.07 million. The claims are disputed by the Company. The Company is of the opinion that the above mentioned claims are not tenable and accordingly no provision is required in the books of account.
- c) Claims against the Company by supplier not acknowledged as debt amounting to Rs. 188.37 million on account of certain disputed matters.
- d) 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.

## 2. Share capital

(Rupees in millions, except for number of shares data)

Particulars	As at 31 December 2014		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011		As at 31 March 2010	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
<b>Authorised</b>												
500,000 equity shares of Rs. 1,000 each		500.00		500.00		500.00		500.00		500.00		500.00
1,600,000 0.00% non-cumulative redeemable preference shares of Rs. 1,000 each		1,600.00		1,600.00		1,600.00		1,600.00		1,600.00		1,600.00
100,000 0.00% convertible preference shares of Rs. 1,000 each		100.00		100.00		100.00		100.00		100.00		100.00
<b>Issued, subscribed and paid up</b>												
307,000 equity shares of Rs. 1,000 each fully paid up		307.00		307.00		307.00		307.00		307.00		307.00
1,554,000 0.00% non-cumulative redeemable preference shares of Rs. 1,000 each		-		-		-		-		-		1,554.00
36,716 0.00% convertible preference shares of Rs. 1,000 each		36.72		36.72		36.72		36.72		36.72		36.72

### I. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year / period

(Rupees in millions, except for number of shares data)

Particulars	As at 31 December 2014		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011		As at 31 March 2010	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
<b>1. Equity shares issued, subscribed and paid up</b>												
Shares at the beginning of the year / period	307,000	307.00	307,000	307.00	307,000	307.00	307,000	307.00	307,000	307.00	307,000	307.00
Shares at the end of the year / period	307,000	307.00	307,000	307.00	307,000	307.00	307,000	307.00	307,000	307.00	307,000	307.00

Particulars	As at 31 December 2014		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011		As at 31 March 2010	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
<b>2. Preference shares</b>												
<b>A. 0.00% convertible preference shares</b>												
Shares at the beginning of the year/period	36,716	36.72	36,716	36.72	36,716	36.72	36,716	36.72	36,716	36.72	36,716	36.72
<b>Shares at the end of the year/period</b>	<b>36,716</b>	<b>36.72</b>	<b>36,716</b>	<b>36.72</b>	<b>36,716</b>	<b>36.72</b>	<b>36,716</b>	<b>36.72</b>	<b>36,716</b>	<b>36.72</b>	<b>36,716</b>	<b>36.72</b>
<b>B. 0.00% non-cumulative redeemable preference shares</b>												
Shares at the beginning of the year / period	-	-	-	-	-	-	-	-	1,554,000	1,554	1,554,000	1,554.00
Less: Shares redeemed during the year / period	-	-	-	-	-	-	-	-	1,554,000	1,554	-	-
Shares at the end of the year / period	-	-	-	-	-	-	-	-	-	-	1,554,000	1,554.00

## II. Terms/ rights attached to the equity shares

The Company has only one class of equity share having a par value of Rs. 1,000 per share. Each holder of the equity share is entitled to one vote per share and is entitled to dividend, declared if any. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## III. Terms/ rights attached to the preference shares

### Convertible preference shares

The fully paid up convertible preference shares of Rs.1,000 each are issued at a premium ranging from Rs. 5,650 to Rs. 6,642 per share with 0.00% coupon rate and are convertible into equity shares of the Company in the ratio of 1:1 not earlier than (a) the initial public offering of the Company; or (b) a strategic sale of the Company. In the event of liquidation of the Company before conversion of preference shares, the preference shareholders have priority over the equity shares in the repayment of the capital. The holder of preference shares are entitled to one vote per share at any meeting of the Company on any resolutions of the Company directly affecting their rights.

### Non-cumulative redeemable preference shares

The fully paid up non-cumulative redeemable shares of Rs. 1,000 each were issued at premium of Rs. 295 per share with 0.00% coupon rate. The shares have to be redeemed within twenty years from the date of issue. On 25 August 2010, the board of directors approved the redemption of all of its 0.00% non-cumulative redeemable preference shares in accordance with applicable regulations and terms of issue, from profits of the Company. In accordance with the terms of issue 1,554,000 0.00% non-cumulative redeemable preference shares were redeemed at a premium of Rs. 295 per share. Total redemption value aggregated to Rs. 2,012.43 million (nominal value Rs. 1,554 million and premium Rs. 458.43 million).

The preference shares are entitled to one vote per share at any meeting of the Company on any resolutions of the Company directly affecting their rights.

### IV. Shares held by holding/ultimate holding company and /or their subsidiaries/ associates

*(Rupees in millions, except for number of shares data)*

Particulars	As at 31 December 2014		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011		As at 31 March 2010	
	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount
<b>Equity shares of Rs. 1,000 each, fully paid up held by:</b>												
InterGlobe Enterprises Limited, holding and ultimate holding company	156,950	156.95	156,950	156.95	156,950	156.95	156,950	156.95	156,950	156.95	156,950	156.95
<b>0.00% non cumulative redeemable preference shares of Rs. 1,000 each fully paid up held by:</b>												
InterGlobe Enterprises Limited, holding and ultimate holding company	-	-	-	-	-	-	-	-	-	-	854,000	854.00

**V. Details of each shareholder holding more than 5% shares in the Company**

*(Rupees in millions, except for number of shares data)*

Name of shareholders	Class of shares	As at 31 December 2014		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011		As at 31 March 2010	
		Number	%*	Number	%*	Number	%*	Number	%*	Number	%*	Number	%*
InterGlobe Enterprises Limited	Equity Shares	156,950	51.12	156,950	51.12	156,950	51.12	156,950	51.12	156,950	51.12	156,950	51.12
Caelum Investment LLC	Equity Shares	147,000	47.88	147,000	47.88	147,000	47.88	147,000	47.88	147,000	47.88	147,000	47.88
Riyaz Haider Peer Mohamed	Convertible preference shares	5,110	13.92	5,110	13.92	5,110	13.92	5,110	13.92	5,110	13.92	5,110	13.92
Steven Eugene Harfst	Convertible preference shares	3,607	9.82	3,607	9.82	3,607	9.82	3,607	9.82	3,607	9.82	3,607	9.82
Newton Bruce Ashby	Convertible preference shares	6,012	16.37	6,012	16.37	6,012	16.37	6,012	16.37	6,012	16.37	6,012	16.37
Chesapeake International Investments LLC	Convertible preference shares	-	-	4,008	10.92	4,008	10.92	4,008	10.92	4,008	10.92	4,008	10.92
Kunal Chanana	Convertible preference shares	3,006	8.19	6,012	16.37	6,012	16.37	6,012	16.37	6,012	16.37	6,012	16.37
Anil Chanana	Convertible preference shares	3,006	8.19	6,012	16.37	6,012	16.37	6,012	16.37	6,012	16.37	6,012	16.37
IGT- InterGlobe Technologies Philippines Inc	Convertible preference shares	6,038	16.45	4,034	10.99	-	-	-	-	-	-	-	-
Tariq Taher Carrimjee	Convertible preference shares	-	-	-	-	4,034	10.99	4,034	10.99	4,034	10.99	4,034	10.99
Rahul Bhatia	Convertible preference shares	3,006	8.19	-	-	-	-	-	-	-	-	-	-
Shobha Gangwal	Convertible preference shares	3,006	8.19	-	-	-	-	-	-	-	-	-	-
Rakesh Gangwal	Convertible preference shares	2,004	5.46	-	-	-	-	-	-	-	-	-	-
Galileo India Private Limited	Non-convertible preference shares	-	-	-	-	-	-	-	-	-	-	700,000	45.05
InterGlobe Enterprises Limited	Non-convertible preference shares	-	-	-	-	-	-	-	-	-	-	854,000	54.95

\* Represents % of total shares in the respective class.

The share data has not been adjusted for events of bonus issue, sub division of shares and conversion of convertible preference shares as discussed and disclosed in Annexure XII 'Statement of Capitalisation', As Restated and the impact of Scheme of arrangement as disclosed in Annexure VIII (9) – 'Other Significant Notes'.

### 3. Capital commitments

(Rupees in millions)

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of accounts. (net of advances)	587,944.99	578,899.54	553,366.45	544,592.50	113,170.05	138,659.79

### 4. Leases

#### A. Operating leases

- (i) The Company has taken its office premises, various commercial premises and residential premises for its employees under cancelable operating lease arrangements. The lease payments charged during the year / period to Statement of Profit and Loss are as follows:

(Rupees in millions)

Particulars	For the period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Rent	323.82	355.88	279.32	216.41	140.56	128.13

- (ii) The Company has taken aircraft on dry operating lease from lessors. Under the aircraft operating lease arrangement, the Company pays monthly rental in the form of base and supplementary rentals.

Base rental payments are either based on floating interest rates or on fixed rentals.

Supplementary rentals are based on aircraft utilisation and are calculated with reference to the number of hours operated during each month. Both base and supplementary rentals have been charged to Statement of Profit and Loss.

Total future minimum lease payments due under non-cancellable operating lease (except supplementary rental which are based on aircraft utilisation and calculated on number of hours or cycles operated) as follows:

(Rupees in millions)

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
Not later than one year	15,702.54	13,612.09	11,126.23	8,942.14	5,531.54	3,013.83
Later than one year but not later than five years	40,946.43	40,070.13	30,677.17	24,484.44	13,963.13	5,216.99
Later than five years	6,012.88	5,915.82	1,072.54	2,060.96	1,570.67	-



Lease rental expense including supplementary rental, recognized in the Statement of Profit and Loss are as follows:

(Rupees in millions)

Particulars	For the period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Aircraft rental – Gross	16,693.33	20,310.31	17,149.51	10,634.40	6,372.43	4,703.81
Less: Cash and non cash incentives	(2,647.27)	(3,607.17)	(3,588.03)	(2,627.25)	(2,273.94)	(1,940.95)
Aircraft rental – Net	14,046.06	16,703.14	13,561.48	8,007.15	4,098.49	2,762.86

#### B. Finance leases

Certain aircraft and items of furniture and fixtures have been obtained on finance lease. The legal title to these items vests with the lessors and the security trustee. The lease term of aircraft ranges between maximum of 10-12 years for financial period ended 31 December 2014, 10-12 years for financial year ('FY') 2013 - 2014, 10-12 years for FY 2012 - 2013, 10 years for FY 2011 - 2012, 10 years for FY 2010 - 2011 and 10 years for FY 2009 - 2010 and for furniture and fixtures is between 2.3 – 3 years for financial period ended 31 December 2014, 2.3 – 3 years FY 2013 - 2014, 2.3 – 3 years for FY 2012 - 2013, 3 years for FY 2011 - 2012, 3 years for FY 2010 - 2011 with equated monthly payments beginning from the month subsequent to the commencement of the lease. There were no furniture and fixtures on finance lease in FY 2009 - 2010. The total future minimum lease payments as at the balance sheet date, element of interest included in such payments and present value of these minimum lease payments are as follows:

#### Non-current

(Rupees in millions)

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
Total future minimum lease payments	36,446.70 <sup>^</sup>	30,864.23 <sup>*</sup>	15,536.48 <sup>***</sup>	8,947.75	8,531.55	7,293.67
Future interest included in above	2,423.16	3,111.86	2,131.95	1,420.17	1,479.69	1,375.15
<b>Present value of future minimum lease payments</b>	<b>34,023.54<sup>^</sup></b>	<b>27,752.37<sup>*</sup></b>	<b>13,404.53<sup>***</sup></b>	<b>7,527.58</b>	<b>7,051.86</b>	<b>5,918.52</b>

#### Current

(Rupees in millions)

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
Total future minimum lease payme	4,012.58 <sup>^^</sup>	3,366.05 <sup>**</sup>	1,509.99 <sup>****</sup>	743.46	659.74	526.72
Future interest included in above	624.07	711.05	493.47	330.85	295.46	240.64
<b>Present value of future minimum lease payments</b>	<b>3,388.51<sup>^^</sup></b>	<b>2,655.00<sup>**</sup></b>	<b>1,016.52<sup>****</sup></b>	<b>412.61</b>	<b>364.28</b>	<b>286.08</b>

\* net of borrowing cost associated with finance lease amounting to Rs. 2,294.02.

\*\* net of borrowing cost associated with finance lease amounting to Rs. 223.53.

\*\*\* net of borrowing cost associated with finance lease amounting to Rs. 746.80.

\*\*\*\* net of borrowing cost associated with finance lease amounting to Rs. 56.98.

<sup>^</sup> net of borrowing cost associated with finance lease amounting to Rs. 2,942.88.

<sup>^^</sup> net of borrowing cost associated with finance lease amounting to Rs. 301.99.

The rate of interest for aircraft is less than 450 basis points over 1/3/6 months USD LIBOR for financial period ended 31 December 2014, less than 450 basis points over 1/3/6 months USD LIBOR for financial year ('FY') 2013 - 2014, less than 450 basis points over 1/3/6 months USD LIBOR for FY 2012 - 2013, less than 450 basis points over 6 months USD LIBOR for FY 2011 - 2012, less than 450 basis points over 6 months USD LIBOR for FY 2010 - 2011 and less than 450 basis points over 6 months USD LIBOR for FY 2009 -2010, and for furniture and fixtures it is 15.5% for financial period ended 31 December 2014, for 15.5% for FY 2013 - 2014, 15.5% for FY 2012 - 2013, 15.5% for FY 2011 - 2012, 15.5% for FY 2010 - 2011. There were no furniture and fixtures on finance lease in FY 2009 - 2010. Finance lease liability is secured against the respective aircraft Rs. 37,412.05 million for financial period ended 31 December 2014, Rs. 30,405.78 million for FY 2013 - 2014, Rs. 14,410.30 million for FY 2012 - 2013, Rs. 7,921.07 million for FY 2011 - 2012, Rs. 7,391.75 million for FY 2010 - 2011 and Rs. 6,204.60 million for FY 2009 - 2010 and furniture and fixtures it is Rs. Nil for financial period ended 31 December 2014, Rs. 1.59 million for FY 2013 - 2014, Rs. 10.75 million for FY 2012 - 2013, Rs. 19.12 million for FY 2011 - 2012 and Rs. 24.39 million for FY 2010 - 2011.

The future minimum lease payments and their present value as at 31 December 2014 is as follows:

(Rupees in millions)

Particulars	Present value of minimum lease payments	Future interest	Minimum lease payments
Not later than one year <sup>^</sup>	3,388.51	624.07	4,012.58
Later than one year but not later than five years <sup>^^</sup>	15,186.83	1,774.49	16,961.32
Later than five years <sup>^^^</sup>	18,836.71	648.67	19,485.38
<b>Total</b>	<b>37,412.05</b>	<b>3,047.23</b>	<b>40,459.28</b>

<sup>^</sup> net of borrowing cost associated with finance lease amounting to Rs. 301.99.

<sup>^^</sup> net of borrowing cost associated with finance lease amounting to Rs. 1,207.97.

<sup>^^^</sup> net of borrowing cost associated with finance lease amounting to Rs. 1,734.91.

The future minimum lease payments and their present value as at 31 March 2014 is as follows:

(Rupees in millions)

Particulars	Present value of minimum lease payments	Future interest	Minimum lease payments
Not later than one year*	2,655.00	711.05	3,366.05
Later than one year but not later than five years**	11,239.41	2,130.53	13,369.94
Later than five years***	16,512.96	981.33	17,494.29
<b>Total</b>	<b>30,407.37</b>	<b>3,822.91</b>	<b>34,230.28</b>

\* net of borrowing cost associated with finance lease amounting to Rs. 223.53

\*\* net of borrowing cost associated with finance lease amounting to Rs. 894.12

\*\*\* net of borrowing cost associated with finance lease amounting to Rs. 1,399.90

The future minimum lease payments and their present value as at 31 March 2013 is as follows:

(Rupees in millions)

Particulars	Present value of minimum lease payments	Future interest	Minimum lease payments
Not later than one year*	1,016.52	493.47	1,509.99
Later than one year but not later than five years**	5,708.81	1,495.92	7,204.73
Later than five years***	7,695.72	636.03	8,331.75
<b>Total</b>	<b>14,421.05</b>	<b>2,625.42</b>	<b>17,046.47</b>

\* net of borrowing cost associated with finance lease amounting to Rs. 56.98

\*\* net of borrowing cost associated with finance lease amounting to Rs. 247.51

\*\*\* net of borrowing cost associated with finance lease amounting to Rs. 499.29

The future minimum lease payments and their present value as at 31 March 2012 is as follows:

(Rupees in millions)

Particulars	Present value of minimum lease payments	Future interest	Minimum lease payments
Not later than one year	412.61	330.85	743.46
Later than one year but not later than five years	3,152.94	1,042.06	4,195.00
Later than five years	4,374.64	378.11	4,752.75
<b>Total</b>	<b>7,940.19</b>	<b>1,751.02</b>	<b>9,691.21</b>

The future minimum lease payments and their present value as at 31 March 2011 is as follows:

*(Rupees in millions)*

Particulars	Present value of minimum lease payments	Future interest	Minimum lease payments
Not later than one year	364.28	295.46	659.74
Later than one year but not later than five years	2,383.58	980.09	3,363.67
Later than five years	4,668.28	499.60	5,167.88
<b>Total</b>	<b>7,416.14</b>	<b>1,775.15</b>	<b>9,191.29</b>

The future minimum lease payments and their present value as at 31 March 2010 is as follows:

*(Rupees in millions)*

Particulars	Present value of minimum lease payments	Future interest	Minimum lease payments
Not later than one year	286.08	240.64	526.72
Later than one year but not later than five years	1,594.62	839.71	2,434.33
Later than five years	4,323.90	535.44	4,859.34
<b>Total</b>	<b>6,204.60</b>	<b>1,615.79</b>	<b>7,820.39</b>

## 5. Derivative instruments

The Company uses foreign exchange forward contracts to hedge its foreign currency risk exposure relating to firm commitments and highly probable transactions. These foreign exchange forward contracts are not used for trading or speculation purposes. Forward contracts outstanding at each year / period end are as follows:

*(Rupees in millions)*

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
Forward contracts in USD millions	-	-	-	2.49	10.98	3.00
Forward contracts in cross currency INR millions	-	-	-	124.84	500.22	142.71
Buy / Sell	-	-	-	USD sell and INR buy	USD sell and INR buy	USD sell and INR buy
Purpose	-	-	-	Hedge underlying asset / liability	Hedge firm commitment / highly probable transaction	Hedge firm commitment / highly probable transaction

There have been no forward contracts which have been classified as cash flow hedges and effective, in any of the concerned years / period.

## 6. Segment reporting

### a) Primary Segment: Geographical Segment

The Company commenced International operations on 01 September 2011. The Company, considering its higher level of international operations and internal financial reporting, which is based on geographic segment, has identified geographic segment as primary segment.

The geographic segment consists of:

- i) Domestic (air transportation within India)
- ii) International (air transportation outside India)

**Accounting policies:** Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**Segment revenue and expenses:**

Segment revenue and expenses represents revenue and expenses that are either directly attributed to individual segments or are attributed to individual segments on a reasonable basis. The remainder of the revenue and expenses are categorized as unallocated which mainly comprises finance costs and other operating expenses and certain other incomes since the underlying assets / liabilities / services are used interchangeably. The Company believes that it is not practical to provide segment disclosures relating to these unallocated revenue and expenses, and accordingly these are separately disclosed as “unallocated”.

**Segment assets and liabilities:**

Segment assets includes all operating assets used by a segment and consists primarily of fixed assets, inventories, trade receivables, loan and advances etc. which are directly attributed to individual segments or are attributed to individual segments on a reasonable basis. Segment liabilities include all operating liabilities and consist primarily of forward sales, advance from customers etc. which are directly attributed to individual segments or attributed to individual segments on a reasonable basis. The remainder of assets and liabilities are categorized as unallocated, since the Company believes that it is not practical to allocate the same over reportable segments on a reasonable basis.

**b) Secondary Segment: Business Segment**

The Company operates into one business segment only i.e. Air transportation. Therefore business segmenting is not applicable to the Company.

*(Rupees in millions)*

Particulars	For the period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>Segment Revenue</b>						
Domestic	92,191.24	99,937.99	83,175.86	53,044.33	N.A	N.A
International	8,827.52	11,338.50	9,000.72	2,596.21	N.A	N.A
<b>Total</b>	<b>101,018.76</b>	<b>111,276.49</b>	<b>92,176.58</b>	<b>55,640.54</b>	<b>N.A</b>	<b>N.A</b>
<b>Segment Results</b>						
Domestic	10,319.07	7,112.33	11,364.53	2,093.78	N.A	N.A
International	1,225.84	(507.52)	(450.65)	(224.06)	N.A	N.A
<b>Total</b>	<b>11,544.91</b>	<b>6,604.81</b>	<b>10,913.88</b>	<b>1,869.72</b>	<b>N.A</b>	<b>N.A</b>
<b>Less:</b>						
Finance costs	911.14	1,225.77	578.01	514.27	N.A	N.A
Unallocable portion of depreciation and amortization	230.15	171.39	114.15	68.46	N.A	N.A
Un-allocable expenses	3,376.69	3,533.37	2,574.30	1,983.61	N.A	N.A
<b>Add:</b>						
Other Un-allocable revenue	2,579.14	3,044.69	2,225.76	1,445.66	N.A	N.A
<b>Profit before tax</b>	<b>9,606.07</b>	<b>4,718.97</b>	<b>9,873.18</b>	<b>749.04</b>	<b>N.A</b>	<b>N.A</b>

Particulars	For the period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>Less:</b>						
Tax expenses (charge) / benefit	(2,397.68)	14.30	(2,039.61)	656.90	N.A	N.A
<b>Net Profit after tax</b>	<b>7,208.39</b>	<b>4,733.27</b>	<b>7,833.57</b>	<b>1,405.94</b>	<b>N.A</b>	<b>N.A</b>
<b>Segment Assets:</b>						
International	4,288.40	5,020.55	2,473.13	689.11	N.A	N.A
Domestic	48,835.44	36,933.87	17,181.04	9,686.37	N.A	N.A
Un-allocable assets	57,532.31	49,079.94	38,870.76	26,095.13	N.A	N.A
<b>Total</b>	<b>110,656.15</b>	<b>91,034.36</b>	<b>58,524.93</b>	<b>36,470.61</b>	<b>N.A</b>	<b>N.A</b>
<b>Segment Liabilities:</b>						
International	2,659.65	3,495.50	2,902.83	1,316.06	N.A	N.A
Domestic	29,359.46	26,467.26	22,055.18	16,980.07	N.A	N.A
Un-allocable liabilities	78,637.04	61,071.60	33,566.92	18,174.48	N.A	N.A
<b>Total</b>	<b>110,656.15</b>	<b>91,034.36</b>	<b>58,524.93</b>	<b>36,470.61</b>	<b>N.A</b>	<b>N.A</b>

## 7. Redelivery cost

The schedule of provision as required to be disclosed in compliance with Accounting Standard 29 on 'Provisions, Contingent Liabilities and Contingent Assets' is as under:

(Rupees in millions)

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
Opening balance at the beginning of the year / period	208.91	164.13	139.49	83.68	50.97	30.21
<b>Add:</b> Provisions created during the year / period	47.25	62.73	58.93	42.34	30.50	20.76
<b>Less:</b> Provisions utilized / reversed during the year / period	(25.75)	(43.69)	(51.57)	-	-	-
<b>Add:</b> Exchange loss on restatement of closing liability	38.62	25.74	17.28	13.47	2.21	-
<b>Closing balance at the end of the year / period</b>	<b>269.03</b>	<b>208.91</b>	<b>164.13</b>	<b>139.49</b>	<b>83.68</b>	<b>50.97</b>
- Non current	269.03	203.00	121.36	85.53	83.68	50.97
- Current	-	5.91	42.77	53.96	-	-

Provision for redelivery cost represents provision set up for expenses to be incurred on redelivery of the aircraft that in the opinion of management could result in an outflow of funds depending upon the condition of the aircraft at the time of redelivery.

## 8. Employee benefits

### Defined contribution plan

The Company's contribution to Provident Fund and Employee State Insurance Fund deposited with the relevant authorities has been recognized as an expense in Statement of Profit and Loss as follows:

*(Rupees in millions)*

Particulars	For the period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Contribution to provident fund and employee state insurance fund	178.63	193.83	151.90	102.20	66.52	48.34

### Defined benefit plan

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the Payment of Gratuity Act.

The following table sets forth the status of the Gratuity Plan of the Company and the amounts recognized in the summary Statement of Assets and Liabilities, as restated and summary of Statement of Profit and Loss, as restated:

### Passenger services

*(Rupees in millions)*

Particulars	For the period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>Changes in present value of defined benefit obligation</b>						
Present value of obligation as at the beginning year / period	174.81	117.95	78.93	52.86	35.00	12.85
Interest cost	13.10	11.44	7.85	5.30	3.34	1.03
Past service cost	-	-	-	-	0.11	0.09
Current service cost	41.25	44.26	37.31	21.56	15.30	12.65
Benefits paid	(11.16)	(7.44)	(2.93)	(0.90)	(0.29)	(-)
Actuarial loss/ (gain) on obligations	32.17	8.60	(3.21)	0.11	(0.60)	8.38
<b>Present value of obligation as at the end of the year / period</b>	<b>250.17</b>	<b>174.81</b>	<b>117.95</b>	<b>78.93</b>	<b>52.86</b>	<b>35.00</b>
<b>Change in the fair value of plan assets</b>						

Particulars	For the period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
The Scheme does not have any assets as at the valuation date to meet the gratuity liability	-	-	-	-	-	-
<b>Amount recognised in the Balance Sheet</b>						
Present value of obligation as at the end of the year / period	(250.17)	(174.81)	(117.95)	(78.93)	(52.86)	(35.00)
Funded status of the plan – (liability)	(250.17)	(174.81)	(117.95)	(78.93)	(52.86)	(35.00)
<b>Net (liability) recognized in the Balance Sheet</b>	<b>(250.17)</b>	<b>(174.81)</b>	<b>(117.95)</b>	<b>(78.93)</b>	<b>(52.86)</b>	<b>(35.00)</b>
<b>Expense recognized in the Statement of Profit and Loss</b>						
Current service cost	41.25	44.26	37.31	21.56	15.30	12.65
Past service cost – vested	-	-	-	-	0.11	0.09
Interest cost	13.10	11.44	7.85	5.30	3.34	1.03
Expected return on plan assets	-	-	-	-	-	-
Net actuarial (gain)/ loss recognized in the year / period	32.17	8.60	(3.21)	0.11	(0.60)	8.38
<b>Net gratuity cost</b>	<b>86.52</b>	<b>64.30</b>	<b>41.95</b>	<b>26.97</b>	<b>18.15</b>	<b>22.15</b>
<b>Experience adjustment</b>						
Experience adjustment loss/ (gain) – plan	-	-	-	-	-	-
Experience adjustment (loss)/ gain - obligations	(17.54)	8.60	(8.43)	(0.14)	0.60	0.02
<b>Assumptions</b>						
<b>Economic assumptions</b>						
Discount rate	7.98%	8.75%	8.00%	8.50%	8.00%	8.00%
Rate of increase in compensation levels	Non crew 10.75% Crew 5.75%	Non crew 10.75% Crew 5.75%	Non crew 10% Crew 5%	Non crew 10% Crew 5%	Non crew 10% Crew 5%	Non crew 10% Crew 5%
Average remaining working lives of employees (years)	28.21	27.00	26.94	28.85	29.38	29.64

Particulars	For the period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>Demographic assumptions</b>						
Retirement age	40/ 60 / 65 years	40/ 60 / 65 years	40/ 60 / 65 years	35 / 58 / 65 years	35 / 58 / 65 years	35 / 58 / 65 years
Mortality table	IALM (2006-08)	IALM (2006-08)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
Withdrawal	18%	18%	18%	18%	18%	18%

### Cargo

(Rupees in millions)

Particulars	For the period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>Changes in present value of defined benefit obligation</b>						
Present value of obligation as at the beginning year / period	5.94	2.90	1.95	1.25	0.66	-
Interest cost	0.43	0.23	0.16	0.11	0.05	0.03
Past service cost	-	-	-	-	-	-
Current service cost	1.07	1.15	0.68	0.53	0.38	0.68
Benefits paid	(0.08)	(0.36)	(0.05)	(-)	(-)	(-)
Actuarial loss/ (gain) on obligations	0.68	2.02	0.16	0.06	0.16	(0.05)
<b>Present value of obligation as at the end of the year / period</b>	<b>8.04</b>	<b>5.94</b>	<b>2.90</b>	<b>1.95</b>	<b>1.25</b>	<b>0.66</b>
<b>Change in the fair value of plan assets</b>						
The Scheme does not have any assets as at the valuation date to meet the gratuity liability	-	-	-	-	-	-
<b>Amount recognized in the Balance Sheet</b>						
Present value of obligation as at the end of the year / period	(8.04)	(5.94)	(2.90)	(1.95)	(1.25)	(0.66)
Fair value of plan assets at the end of the year / period	-	-	-	-	-	-



Particulars	For the period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Funded status of the plan – (liability)	(8.04)	(5.94)	(2.90)	(1.95)	(1.25)	(0.66)
<b>Net (liability) recognised in the Balance Sheet</b>	<b>(8.04)</b>	<b>(5.94)</b>	<b>(2.90)</b>	<b>(1.95)</b>	<b>(1.25)</b>	<b>(0.66)</b>
<b>Expense recognized in the Statement of Profit and Loss</b>						
Current service cost	1.07	1.15	0.68	0.53	0.38	0.68
Past service cost – vested	-	-	-	-	-	-
Interest cost	0.43	0.23	0.16	0.11	0.05	0.03
Net actuarial (gain)/ loss recognized in the year / period	0.68	2.02	0.16	0.06	0.16	(0.05)
<b>Net gratuity cost</b>	<b>2.18</b>	<b>3.40</b>	<b>1.00</b>	<b>0.70</b>	<b>0.59</b>	<b>0.66</b>
<b>Experience adjustment</b>						
Experience adjustment loss/ (gain) – plan	-	-	-	-	-	-
Experience adjustment (loss)/ gain - obligations	(0.16)	3.32	(0.15)	(0.06)	(0.16)	-
<b>Assumptions</b>						
<b>Economic assumptions</b>						
Discount rate	7.98%	8.75%	8.00%	8.50%	8.00%	8.00%
Rate of increase in compensation levels	10.75%	10.75%	5.50%	6.00%	5.50%	5.50%
Average remaining working lives of employees (years)	31.83	27.84	26.40	26.59	27.11	26.30
<b>Demographic assumptions</b>						
Retirement age	60 years	60 years	58 years	58 years	58 years	58 years
Mortality table	IALM (2006-08)	IALM (2006-08)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
Withdrawal	Up to 30 years - 18% From 31 to 44 years – 18%	Up to 30 years - 18% From 31 to 44 years –	Up to 30 years - 3% From 31 to 44 years –	Up to 30 years - 3% From 31 to 44 years –	Up to 30 years - 3% From 31 to 44 years –	Up to 30 years - 3% From 31 to 44

Particulars	For the period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
	Above 45 years – 18%	18% Above 45 years – 18%	2% Above 45 years – 1%	2% Above 45 years – 1%	2% Above 45 years – 1%	years – 2% Above 45 years – 1%
<b>Bifurcation of provision for gratuity at the end of year / period:</b>						
Provision for employee benefits						
<b>Passenger services</b>						
- Current liability (amount due within one year)	31.48	14.52	10.40	8.06	3.92	1.92
- Non-current liability (Amount due over one year)	218.69	160.29	107.55	70.87	48.94	33.08
<b>Cargo services</b>						
- Current liability (amount due within one year)	1.00	0.91	0.17	0.04	0.05	-
- Non-current liability (Amount due over one year)	7.04	5.03	2.73	1.91	1.20	0.66
	<b>258.21</b>	<b>180.75</b>	<b>120.85</b>	<b>80.88</b>	<b>54.11</b>	<b>35.66</b>

9. The Company and Caelum Investment LLC filed a scheme of arrangement (Company Petition No. 599 of 2014 connected with Company Application (M) No. 107 of 2014) before the High Court of Delhi at New Delhi (“High Court of Delhi”) for its approval under Sections 391 and 394 of the Companies Act, 1956 (“Scheme”). The Scheme was sanctioned by the High Court of Delhi pursuant to an order dated 22 December 2014 which was subsequently filed with the RoC on 24 April 2015, with this date being the ‘Effective Date’. The Company also obtained approval from the FIPB (No. 69(2014)/90(2014) dated 10 September 2014 and an approval from the CCI vide its order Combination Registration No. C-2014/06/185 dated 30 July 2014 with respect to the Scheme.

In relation to the Scheme, the Company has received a certificate of merger dated 24 April 2015 from the Secretary of State, Division of Corporations, State of Delaware, United States of America giving effect to the merger of Caelum Investment LLC with the Company.

In accordance with the terms of the Scheme, the Company at its Board Meeting held on 25 April 2015, cancelled 147,000 Equity Shares held by Caelum Investment LLC and issued fresh Equity Shares in the following proportion to the members of Caelum Investment LLC, i.e., Mr. Rakesh Gangwal, Ms. Shobha Gangwal and The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J.P Morgan Trust Company of Delaware):

S. No.	Name of Shareholder	Number of Equity Shares
1.	Mr. Rakesh Gangwal	58,800
2.	Ms. Shobha Gangwal	29,400
3.	The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J.P Morgan Trust Company of Delaware)	58,800

**ANNEXURE IX: STATEMENT OF SECURED AND UNSECURED LOANS (LONG TERM BORROWINGS AND SHORT TERM BORROWINGS) AS RESTATED**

*(Rupees in millions)*

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
<b>Long-term borrowings</b>						
<b>Secured term loans:</b>						
Foreign currency term loan						
-from banks	-	958.18	1,628.70	1,527.90	678.60	-
-from others	2,616.16	2,096.85	1,140.09	-	-	-
<b>Secured other loans:</b>						
Finance lease obligations (Gross)	36,966.42	30,046.39	14,151.33	7,527.58	7,051.86	5,918.52
Less: Borrowing cost associated with finance lease	2,942.88	2,294.02	746.80	-	-	-
Finance lease obligations (net)	<b>34,023.54</b>	<b>27,752.37</b>	<b>13,404.53</b>	<b>7,527.58</b>	<b>7,051.86</b>	<b>5,918.52</b>
<b>Total – secured loans</b>	<b>36,639.70</b>	<b>30,807.40</b>	<b>16,173.32</b>	<b>9,055.48</b>	<b>7,730.46</b>	<b>5,918.52</b>
<b>Unsecured term loans:</b>						
Foreign currency term loan from banks	-	-	-	-	339.30	684.00
<b>Total – Unsecured loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>339.30</b>	<b>684.00</b>
<b>Total</b>	<b>36,639.70</b>	<b>30,807.40</b>	<b>16,173.32</b>	<b>9,055.48</b>	<b>8,069.76</b>	<b>6,602.52</b>

*(Rupees in millions)*

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
<b>Short term borrowings</b>						
<b>Secured term loans:</b>						
Indian currency loans from banks	-	-	-	-	268.85	-
Foreign currency loans from banks	-	-	814.34	305.58	271.44	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>814.34</b>	<b>305.58</b>	<b>540.29</b>	<b>-</b>

(Rupees in millions)

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
<b>Other current liabilities</b>						
Current maturities of finance lease obligations-Secured (Gross)	3,690.50	2,878.53	1,073.50	412.61	364.28	286.08
Less: Borrowing cost associated with finance lease	301.99	223.53	56.98	-	-	-
Current maturities of finance lease obligations-Secured (Net)	3,388.51	2,655.00	1,016.52	412.61	364.28	286.08
Current maturities of foreign currency loans from banks-Secured	-	-	-	381.98	-	2,799.29
Current maturities of foreign currency loans from banks-Unsecured	-	-	-	-	339.30	-
<b>Total</b>	<b>3,388.51</b>	<b>2,655.00</b>	<b>1,016.52</b>	<b>794.59</b>	<b>703.58</b>	<b>3,085.37</b>

Note: Principal terms and security relating to finance lease is disclosed in Note (4)(B) of Annexure VIII.

Statement of principal terms of secured and unsecured loans and assets charged as security

Secured loans as at 31 December 2014

(Rupees in millions)

Particulars	Disclosed under	As at 31 December 2014	Rate of Interest *	Period of maturity from the balance sheet date
Foreign currency term loan #	Long term borrowings	2,616.16	USD LIBOR plus markup	109.0 months

\* Markup for 275 basis points over 6 month USD LIBOR. The period of maturity from the date of origination is 137 months.

# The above mentioned loan is repayable in twenty unequal installments between the periods September 2022 - December 2023.

There are no defaults as on balance sheet date in repayment of principal and interest.

Secured term loans are secured against the assignment of certain rights under aircraft purchase agreement signed with Airbus SAS.

Secured loans as at 31 March 2014

(Rupees in millions)

Particulars	Disclosed under	As at 31 March 2014	Rate of Interest *	Period of maturity from the balance sheet date
Foreign currency term loan #	Long term borrowings	449.32	USD LIBOR plus markup	30 months
Foreign currency term loan #	Long term borrowings	59.54	USD LIBOR plus markup	24.5 months
Foreign currency term loan #	Long term borrowings	449.32	USD LIBOR plus markup	31 months

Particulars	Disclosed under	As at 31 March 2014	Rate of Interest *	Period of maturity from the balance sheet date
Foreign currency term loan ##	Long term borrowings	2,096.85	USD LIBOR plus markup	118 months

\* Markup ranges from 275 basis points to 550 basis points over 6 month USD LIBOR. The period of maturity from the date of origination ranges from 36 to 137 months.

# The above mentioned loans are repayable in one bullet payment.

## The above mentioned loan is repayable in twenty unequal installments between the periods March – December 2023.

There are no defaults as on balance sheet date in repayment of principal and interest.

Secured term loans are secured against the assignment of certain rights under aircraft purchase agreement signed with Airbus SAS.

#### Secured loans as at 31 March 2013

*(Rupees in millions)*

Particulars	Disclosed under	As at 31 March 2013	Rate of Interest *	Period of maturity from the balance sheet date
Foreign currency term loan #	Long term borrowings	407.18	USD LIBOR plus markup	23.5 months
Foreign currency term loan #	Long term borrowings	407.18	USD LIBOR plus markup	25.5 months
Foreign currency term loan #	Long term borrowings	407.17	USD LIBOR plus markup	29 months
Foreign currency term loan #	Long term borrowings	407.17	USD LIBOR plus markup	33 months
Foreign currency term loan #	Short term borrowings	407.17	USD LIBOR plus markup	8.5 months
Foreign currency term loan #	Short term borrowings	407.17	USD LIBOR plus markup	9 months
Foreign currency term loan ##	Long term borrowings	1,140.09	USD LIBOR plus markup	130.5 months

\* Markup ranges from 275 basis points to 550 basis points over 6 month USD LIBOR. The period of maturity from the date of origination ranges from 12 to 137 months.

# The above mentioned loans are repayable in one bullet payment.

## The above mentioned loan is repayable in twenty unequal installments between the periods March – December 2023.

There are no defaults as on balance sheet date in repayment of principal and interest.

Secured term loans are secured against the assignment of certain rights under aircraft purchase agreement signed with Airbus SAS.

Secured loan includes Rs. 34.35 million representing foreign currency restatement loss which exceeds the amount of charge created.

#### Secured loans as at 31 March 2012

*(Rupees in millions)*

Particulars	Disclosed under	As at 31 March 2012	Rate of Interest *	Period of maturity from the balance sheet date
Foreign currency term loan #	Other current liabilities	381.98	USD LIBOR plus markup	3.5 months
Foreign currency term loan #	Long term borrowings	381.98	USD LIBOR plus markup	26 months
Foreign currency term loan #	Long term borrowings	381.98	USD LIBOR plus markup	35 months

Particulars	Disclosed under	As at 31 March 2012	Rate of Interest *	Period of maturity from the balance sheet date
Foreign currency term loan #	Long term borrowings	381.97	USD LIBOR plus markup	22.5 months
Foreign currency term loan #	Long term borrowings	381.97	USD LIBOR plus markup	27.5 months
Foreign currency term loan #	Short term borrowings	305.58	USD LIBOR plus markup	2 months

\* Markup ranges from 450 basis points to 900 basis points over 3/6 month USD LIBOR. The period of maturity from the date of origination ranges from 12 to 36 months.

# The above mentioned loans are repayable in one bullet payment.

There are no defaults as on balance sheet date either in repayment of principal or interest.

Secured term loans are secured against the assignment of certain rights under aircraft purchase agreement signed with Airbus SAS.

As at year end, secured term loan amounting to Rs. 1,069.53 million were secured by personal guarantee of the directors of the Company. Further, secured loan includes Rs. 40.12 million representing foreign currency restatement loss which exceeds the amount of charge created.

#### Secured loans as at 31 March 2011

*(Rupees in millions)*

Particulars	Disclosed under	As at 31 March 2011	Rate of Interest *	Period of maturity from the balance sheet date
Foreign currency term loan	Long term borrowings	339.30	USD LIBOR plus markup*	23 months
Foreign currency term loan	Long term borrowings	339.30	USD LIBOR plus markup*	29 months
Foreign currency term loan	Short term borrowings	271.44	USD LIBOR plus markup*	8.5 months
Indian currency term loan	Short term borrowings	268.85	11.25% to 12.5%	7.5 months

\* Markup ranges from 450 basis points to 900 basis points over 3/6 month USD LIBOR for foreign currency loan. The period of maturity ranges from 12 to 36 months from the date of origination. These loans are repayable in one bullet payment and there are no defaults as on balance sheet date either in repayment of principal or interest.

Secured term loans are secured against the assignment of certain rights under aircraft purchase agreement signed with Airbus SAS.

As at year end, secured term loan and unsecured term loan amounting to Rs. 1,218.89 million and Rs. 678.60 million respectively, were secured by personal guarantee of the directors of the Company.

#### Unsecured loans as at 31 March 2011

*(Rupees in millions)*

Particulars	Disclosed under	As at 31 March 2011	Rate of Interest *	Period of maturity from the balance sheet date
Foreign currency term loan	Long term borrowings	339.30	USD LIBOR plus markup*	16 months
Foreign currency term loan	Other current liabilities	339.30	USD LIBOR plus markup*	7 months

\* Markup ranges from 450 basis points to 900 basis points over 3/6 month USD LIBOR for foreign currency loan. The period of maturity ranges from 12 to 36 months from the date of origination. These loans are repayable in one bullet payment and there are no defaults as on balance sheet date either in repayment of principal or interest.

As at year end, secured term loan and unsecured term loan amounting to Rs. 1,218.89 million and Rs. 678.60 million respectively, were secured by personal guarantee of the directors of the Company.

**Secured loans as at 31 March 2010**

*(Rupees in millions)*

<b>Particulars</b>	<b>Disclosed under</b>	<b>As at 31 March 2010</b>	<b>Rate of Interest *</b>	<b>Period of maturity from the balance sheet date</b>
Foreign currency term loan	Other current liabilities	273.60	USD LIBOR plus markup*	1.6 months
Foreign currency term loan	Other current liabilities	273.60	USD LIBOR plus markup*	8.8 months
Foreign currency term loan	Other current liabilities	342.00	USD LIBOR plus markup*	1.2 months
Foreign currency term loan	Other current liabilities	342.00	USD LIBOR plus markup*	7.7 months
Foreign currency term loan	Other current liabilities	1,568.09	USD LIBOR plus markup*	2.9 months

\* Markup ranges from 450 basis points to 900 basis points over 3/6 month USD LIBOR for foreign currency loan. The period of maturity ranges from 12 to 36 months from the date of origination. These loans are repayable in one bullet payment and there are no defaults as on balance sheet date either in repayment of principal or interest.

Secured term loans are secured against the assignment of certain rights under aircraft purchase agreement signed with Airbus SAS.

**Unsecured loans as at 31 March 2010**

*(Rupees in millions)*

<b>Particulars</b>	<b>Disclosed under</b>	<b>As at 31 March 2010</b>	<b>Rate of Interest *</b>	<b>Period of maturity from the balance sheet date</b>
Foreign currency term loan	Long term borrowings	342.00	USD LIBOR plus markup*	29.5 months
Foreign currency term loan	Long term borrowings	342.00	USD LIBOR plus markup*	32.5 months

\* Markup ranges from 450 basis points to 900 basis points over 3/6 month USD LIBOR for foreign currency loan. The period of maturity ranges from 12 to 36 months from the date of origination. These loans are repayable in one bullet payment and there are no defaults as on balance sheet date either in repayment of principal or interest.

The above statement should be read with the Notes to the Summary Statement of Profit and Loss, as restated and Notes to Summary Statement of Assets and Liabilities, as restated, as appearing in Annexure V and VI respectively.

**ANNEXURE X: STATEMENT OF TRADE RECEIVABLES, AS RESTATED**

*(Rupees in millions)*

<b>Particulars</b>	<b>As at 31 December 2014</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>	<b>As at 31 March 2010</b>
<i>Unsecured, considered good, except otherwise stated</i>						
Receivables outstanding for a period exceeding six months from the date they became due for payment	101.63	24.64	2.01	3.92	1.13	1.36
Other receivables	957.38	866.58	683.21	385.28	165.45	179.16
<b>Total</b>	<b>1,059.01</b>	<b>891.22</b>	<b>685.22</b>	<b>389.20</b>	<b>166.58</b>	<b>180.52</b>

The above statement should be read with the Notes to the Summary Statement of Profit and Loss, as restated and Notes to Summary Statement of Assets and Liabilities, as restated, as appearing in Annexure V and VI respectively.



**ANNEXURE XI: STATEMENT OF LOANS AND ADVANCES (SHORT TERM AND LONG TERM), AS RESTATED**

**A. Long term loans and advances**

*(Rupees in millions)*

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
<i>Unsecured, considered good, except otherwise stated</i>						
<b>To parties other than related parties:</b>						
Capital advances	42.58	659.26	32.88	31.03	11.33	11.32
Security deposits	5,653.52	4,331.69	3,144.83	1,857.34	594.65	217.79
Other loans and advances:						
- Prepaid expenses	-	-	12.38	104.29	-	-
- Advance to employees	4.01	5.21	10.75	15.60	3.89	8.54
-Minimum alternate tax recoverable	4,524.29	2,702.79	1,776.44	689.55	611.65	-
- Advance tax (gross)	4,115.55	4,104.14	1,190.57	401.37	117.39	117.37
- Less: Provision for income tax	3,771.96	3,791.03	928.62	126.09	70.20	70.20
- Advance tax (net)	343.59	313.11	261.95	275.28	47.19	47.17
<b>To related parties:</b>						
Loan to employee	-	-	7.75	-	-	-
<b>Total</b>	<b>10,567.99</b>	<b>8,012.06</b>	<b>5,246.98</b>	<b>2,973.09</b>	<b>1,268.71</b>	<b>284.82</b>

**B. Short term loans and advances**

(Rupees in millions)

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
<i>Unsecured, considered good, except otherwise stated</i>						
<b>To parties other than related parties:</b>						
Prepaid expenses	796.67	740.60	723.22	589.79	303.87	165.24
Loan and advances to employee:						
- Considered good	94.86	51.20	44.59	39.19	22.61	7.36
- Considered doubtful	-	-	1.50	1.50	-	-
Balance with service tax and custom authorities	207.50	282.99	157.02	10.15	62.40	216.38
Value added tax recoverable	10.56	11.43	7.66	2.30	0.06	0.92
Advance to suppliers:						
- Considered good	269.94	200.68	212.83	198.85	48.77	8.99
- Considered doubtful	3.94	3.94	2.20	2.61	2.73	2.73
Security deposits:						
- Considered good	78.66	944.44	2,441.08	2,339.17	2,050.18	2,051.84
- Considered doubtful	-	-	-	-	0.21	0.21
	<b>1,462.13</b>	<b>2,235.28</b>	<b>3,590.10</b>	<b>3,183.56</b>	<b>2,490.83</b>	<b>2,453.67</b>
Less: Provision for doubtful loans and advances	3.94	3.94	3.70	4.11	2.94	2.94
	<b>1,458.19</b>	<b>2,231.34</b>	<b>3,586.40</b>	<b>3,179.45</b>	<b>2,487.89</b>	<b>2,450.73</b>
<b>To related parties:</b>						
Loan to employee	-	-	0.19	-	-	-
Recoverable from related parties	-	-	-	-	3.44	-
<b>Total</b>	<b>1,458.19</b>	<b>2,231.34</b>	<b>3,586.59</b>	<b>3,179.45</b>	<b>2,491.33</b>	<b>2,450.73</b>

The above statement should be read with the Notes to the Summary Statement of Profit and Loss, as restated and Notes to Summary Statement of Assets and Liabilities, as restated, as appearing in Annexure V and VI respectively.

**ANNEXURE XII: STATEMENT OF CAPITALISATION, AS RESTATED**

*(Rupees in millions except for shares data)*

<b>Particulars</b>	<b>Pre Issue (As at 31 December 2014)</b>	<b>Post Issue (As adjusted for IPO)</b>
Long term debt	40,028.21	<b>Refer to note 8 below</b>
Short term debt	-	
<b>Total Debt</b>	<b>40,028.21</b>	
Shareholders' funds		
- Equity share capital	307.00	
- Preference share capital	36.72	
Reserves as restated	9,190.95	
<b>Total shareholders fund</b>	<b>9,534.67</b>	
Long term debt / Shareholders fund	4.20	
Total Debt / Shareholders fund	4.20	

**Notes:**

- 1) The above statement should be read with the Notes to the Summary Statement of Profit and Loss, as restated and Notes to Summary Statement of Assets and Liabilities, as restated, as appearing in Annexure V and VI respectively.
- 2) The Board of Directors (the "Board") at its meeting held on 23 June 2015 gave their consent for the conversion of 36,716 convertible Preference Shares of Rs. 1,000 each into 36,716 equity shares of Rs. 1,000 each, ranking Pari Passu with the existing fully paid-up Equity Shares of the Company.
- 3) The Shareholders' at the Extraordinary General Meeting ('EGM') of the Company held on 25 June 2015, approved the sub-division of the authorized Share Capital of the Company aggregating to Rs. 2,200 million, comprising of 500,000 Equity Shares of Rs. 1,000 each aggregating to Rs. 500 million; 1,600,000 Redeemable Preference Shares of Rs 1,000 each aggregating Rs. 1,600 million and 100,000 Convertible Preference Shares of Rs 1,000 each aggregating Rs 100 million to 220,000,000 Equity Shares of Rs. 10 each aggregating to Rs. 2,200 million.
- 4) The Shareholders' at the EGM of the Company held on 25 June 2015, approved capitalization of sum of Rs. 3,093.44 million, out of the sum standing in the Company's General Reserve /Capital Redemption Reserve, and transfer of the said amount to the Share Capital for further to be applied for the issue and allotment of 309,344,400 equity shares of Rs. 10 each as bonus shares in the proportion of 9 fully paid Equity shares of Rs. 10 each for every 1 Equity share of Rs. 10 held as on the record date which is 25 June 2015.
- 5) The Shareholders' EGM of the Company held on 25 June 2015, approved increase in authorized Share Capital of the Company from Rs. 2,200 million comprising of 220,000,000 Equity shares of Rs. 10 each to Rs. 7,500 million comprising of 750,000,000 Equity Shares of Rs. 10 each.

- 6) The Shareholders' EGM of the Company held on 25 June 2015, approved adoption and implementation of "InterGlobe Aviation Limited Tenured Employee Stock Option Scheme – 2015 (ESOS 2015 – I)" comprising 1,111,819 options which are convertible into equivalent number of equity shares of Rs. 10 each as per the terms of the ESOS 2015-I scheme. All options under ESOS 2015-I scheme have been granted on 25 June 2015.
- 7) The Shareholders' EGM of the Company held on 25 June 2015, approved adoption and implementation of "InterGlobe Aviation Limited- Employee Stock Option Scheme 2015 (ESOS 2015-II)" comprising 3,107,674 options which are convertible into equivalent number of Equity shares of Rs. 10 each as per the terms of the ESOS 2015-II scheme. No options have been granted under ESOS 2015-II scheme.
- 8) The Post issue debt equity ratio will be computed on the conclusion of book building process.

**ANNEXURE XIII: STATEMENT OF INVESTMENTS, AS RESTATED**

**A. Non-current Investments**

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

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
*Equity shares of Thai Baht (THB) 100 each, fully paid up, of Aeronautical Radio of Thailand, a state enterprise under the Ministry of Transport.	0.46	0.47	0.35	-	-	-
Number of shares	2,815	2,845	2,216	-	-	-

\* The transfer of this investment is restricted to Airline Members flying in Thailand.

The investment mentioned above also represents long term investment within the meaning of Accounting Standard 13 “Accounting for Investments” as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

**B. Current Investments**

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

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
9,869,698 units of face value of Rs. 100 each of Birla Sun Life Savings-Growth - Regular Plan	2,557.76	-	-	-	-	-
66,290,029 units of face value of Rs. 10 each of HDFC Liquid Fund - Growth	1,782.57	-	-	-	-	-
8,447,148 units of face value of Rs. 100 each of ICICI Prudential Savings Fund - Regular Plan - Growth	1,624.13	-	-	-	-	-
49,629,291 units of face value of Rs. 10 each of Reliance Medium Term Fund - Growth Plan - Growth Option - IPGP	1,394.00	-	-	-	-	-
467,086 units of face value of Rs. 1,000 each of Tata Money Market Fund Plan A - Growth	1,003.83	-	-	-	-	-
27,972,554 units of face value of Rs. 10 each of HDFC Floating Rate Income Fund - STP - Wholesale Option - Growth	639.00	-	-	-	-	-
269,154 units of face value of Rs. 1,000 each of Reliance Money Manager Fund - Growth Plan - Growth Option - LPIG	489.14	-	-	-	-	-
18,985,316 units of face value of Rs. 10 each of Sundaram Ultra Short Term Fund Regular Growth	350.00	-	-	-	-	-

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
6,240,739 units of face value of Rs. 100 each of Birla Sun Life Cash Plus – Growth Regular plan	-	1,248.31	-	-	-	-
10,248,369 units of face value of Rs. 10 each of BNP Paribas Money Plus Fund – Growth	-	-	178.12	-	-	-
662,077 units of face value of Rs. 1,000 each of Canara Robeco Liquid Fund – Regular Growth	-	-	940.00	-	-	-
30,611,407 units of face value of Rs. 10 each of Canara Robeco Short Term Fund – Regular Growth	-	-	410.00	-	-	-
708,764 units of face value of Rs. 10 each of Canara Robeco Treasury Advantage Fund – Regular - Growth	-	-	1,257.50	-	-	-
10,629,043 units of face value of Rs. 10 each of ICICI Prudential Savings Fund – Regular Plan – Growth	-	2,006.24	-	-	-	-
249,226,649 units of face value of Rs. 10 each of ICICI Prudential Ultra Short Term Regular Plan- Growth	-	-	2,894.80	-	-	-
86,249,229 units of face value of Rs. 10 each of JP Morgan India Treasury Fund Super Instt Growth	-	-	1,320.00	-	-	-
40,778,425 units (31 December 2014) and 40,778,425 units (31 March 2014) of face value of Rs. 10 each of DWS Short Maturity Fund –Regular Plan Annual Bonus	586.39	586.39	-	-	-	-
21,962,054 units (31 December 2014) and 21,962,054 units (31 March 2014) of the face value of Rs. 10 each of DWS Cash Opportunities Fund - Regular Plan – Annual Bonus	215.20	215.20	-	-	-	-
10,938,804 units of face value of Rs. 10 each of Sundaram Ultra Short Term Fund Bonus	198.03	-	-	-	-	-
488,295 units of face value of Rs. 100 each of Birla Sun Life Cash Plus - Growth - Regular Plan	107.00	-	-	-	-	-

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
278,022 units of the face value of Rs. 1,000 each of Union KBC liquid Fund Growth	-	353.01	-	-	-	-
96,963,585 units of the face value of Rs. 10 each of Reliance Short Term Fund-Growth Plan	-	-	2000.00	-	-	-
34,385,333 units of the face value of Rs. 10 each of Reliance Income Fund-Growth Plan Bonus Option	-	-	375.00	-	-	-
1,797,501 units of the face value of Rs. 1,000 each of Reliance Liquid Fund-Cash Plan Growth Option – Growth Plan	-	3,668.97	-	-	-	-
76,152,256 units (31 March 2014) and 40,537,199 units (31 March 2013) of the face of Rs. 10 each of Sundaram Money Fund-Regular-Growth	-	2025.84	1000.00	-	-	-
63,214,902 units of the face value of Rs. 10 each of Sundaram Ultra Short Term Fund-Regular-Growth	-	-	1,008.00	-	-	-
40,346,918 units of the face value of Rs. 10 each of HDFC Liquid Fund - Growth	-	1,014.38	-	-	-	-
1,252,272 units of the face value of Rs. 1,000 each of HSBC Cash Fund – Growth	-	1,596.50	-	-	-	-
83,73,405 units (31 March 2012) and 97,619,781 units (31 March 2011) of face value of Rs. 10 each of Birla Sun Life Cash Manager-Instt Premium-Growth	-	-	-	1,503.65	1,602.59	-
892,394 units of face value of Rs. 1000 each of Baroda Pioneer Liquid Fund – Institutional Growth Plan	-	-	-	-	1,000.00	-
200,822,890 units of face value of Rs. 10 each of ICICI Prudential Banking & PSU Debt Fund Premium Growth	-	-	-	-	2,037.11	-
1,483,944 units of face value of Rs. 100 each of ICICI 100 each of ICICI Floating Rate Plan D-Growth	-	-	-	-	215.73	-

<b>Particulars</b>	<b>As at 31 December 2014</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>	<b>As at 31 March 2010</b>
55,864,502 units (31 March 2012) and 69,282,570 units (31 March 2011) of face value of Rs. 10 each of ICICI Prudential Blended Plan B-Growth	-	-	-	892.83	1,017.01	-
162,300,817 units of face value of Rs. 10 each of SundaramUltra Short Term Fund Super Instt Growth	-	-	-	-	2,150	-
53,161,874 units of face value of Rs. 10 each of Kotak Flexi Debt Scheme-Instt Premium-Growth	-	-	-	702.07	-	-
1,064,411 units of the face value of Rs. 1,000 each of Principal Cash Management Liquid Option –Instt Premium-Growth	-	-	-	1,773.40	-	-
247,731 units of the face value of Rs. 1,000 each of Reliance Money Manager Fund-Instt Premium-Growth	-	-	-	362.23	-	-
64,842,074 units of face value Rs 10 of Birla Sun Life Dynamic Bond Fund – Growth	-	-	-	-	-	1,004.59
490,436,040 units of face value Rs 10 of ICICI Liquid Ultra Short Term Plan Super Premium – Growth	-	-	-	-	-	5,065.91
2,922,492 units of face value Rs 100 of ICICI Prudential Flexible Income Plan - Growth Option	-	-	-	-	-	500.36
<b>Aggregate book value</b>	<b>10,947.05</b>	<b>12,714.84</b>	<b>11,383.42</b>	<b>5,234.18</b>	<b>8,022.44</b>	<b>6,570.86</b>
<b>Aggregate net assets value (fair value) of unquoted investment</b>	<b>11,249.09</b>	<b>12,881.04</b>	<b>11,602.16</b>	<b>5,240.73</b>	<b>8,028.60</b>	<b>6,574.00</b>

The investment mentioned above also represents current investments within the meaning of Accounting Standard 13 “Accounting for Investments” as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

The above statement should be read with the Notes to the Summary Statement of Profit and Loss, as restated and Notes to Summary Statement of Assets and Liabilities, as restated, as appearing in Annexure V and VI respectively.



**ANNEXURE XIV: STATEMENT OF ACCOUNTING RATIOS, AS RESTATED**

*(Rupees in millions, except for number of shares data)*

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
Basic Earnings per share (Rs.)	23,480	15,418	25,517	4,580	18,875	15,606
Diluted Earnings per share (Rs.)	20,972	13,771	22,791	4,090	16,859	13,939
Return on net worth %	75.89%	113.52%	203.27%	58.66%	584.92%	371.18%
Net asset value per equity share (Rs.)	30,938	13,582	12,553	7,807	3,227	4,204
Weighted average number of equity shares outstanding during the year/ period	307,000	307,000	307,000	307,000	307,000	307,000
Total number of shares outstanding at the end of the year/ period	343,716	343,716	343,716	343,716	343,716	1,897,716
Net Profit after tax	7,208.39	4,733.27	7,833.57	1,405.94	5,794.65	4,790.97
Net worth	9,534.67	4,206.28	3,890.49	2,433.33	1,027.39	2,881.47
Revaluation reserve	-	-	-	-	-	-
Preference share capital	36.72	36.72	36.72	36.72	36.72	1,590.72

Notes:

- The ratios have been computed as below:

Basic Earnings per share (Rs.)  $\frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year / period}}$

Diluted Earnings per share (Rs.)  $\frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares and dilutive equity shares outstanding during the year / period}}$

Return on net worth (%)  $\frac{\text{Net profit after tax}}{\text{Net worth excluding revaluation reserve and preference shares capital at the end of the year/period}}$

Net asset value per equity share (Rs.)  $\frac{\text{Net worth excluding revaluation reserve and preference shares capital at the end of the year/period}}{\text{Number of equity shares outstanding at the end of the year/ period}}$

- Net profit, as restated as appearing in the Statement of profit and loss, as restated has been considered for the purpose of computing the above ratios.
- Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.
- Ratios for the nine months period ended 31 December 2014 are not annualized.
- The share data has not been adjusted for events of bonus issue, sub division of shares and conversion of convertible preference shares as discussed and disclosed in Annexure XII 'Statement of Capitalisation', As Restated.

The above statement should be read with the Notes to the Summary Statement of Profit and Loss, as restated and Notes to Summary Statement of Assets and Liabilities, as restated, as appearing in Annexure V and VI respectively.

**ANNEXURE XV: STATEMENT OF OTHER INCOME, AS RESTATED**

*(Rupees in millions)*

Particulars	For the nine month period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Other income	2,577.22	3,155.34	2,371.04	1,439.60	1,107.37	621.93
Net profit before tax, as restated	9,606.07	4,718.97	9,873.18	749.04	7,147.50	4,961.75
Percentage	26.83%	66.86%	24.01%	192.19%	15.49%	12.53%

Particulars	For the nine month period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Dividend income from current investments	-	355.65	328.81	384.25	382.56	115.02
Interest income on fixed deposits	1,941.27	1,868.62	1,419.60	804.44	333.38	226.26
Net gain on sale of investments	583.99	639.28	257.96	18.31	11.12	4.51
<b>Other non-operating income:</b>						
Amortization of discount on forward exchange contracts	-	-	1.03	4.87	-	-
Profit on sale of fixed assets (net)	-	0.66	-	-	222.48	149.81
Profit on redelivery of aircrafts	-	113.31	152.88	-	-	-
Foreign exchange gain, net	-	-	-	-	73.09	52.71
Profit on sale of stores and spares	-	-	-	98.00	-	-
Mark to Market gain on forward contract	-	-	-	-	5.75	44.56
Miscellaneous income	51.96	177.82	210.76	129.73	78.99	29.06
<b>Total</b>	<b>2,577.22</b>	<b>3,155.34</b>	<b>2,371.04</b>	<b>1,439.60</b>	<b>1,107.37</b>	<b>621.93</b>

The above statement should be read with the Notes to the Summary Statement of Profit and Loss, as restated and Notes to Summary Statement of Assets and Liabilities, as restated, as appearing in Annexure V and VI respectively.

**ANNEXURE XVI: STATEMENT OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS, AS RESTATED**

**A. Related Party relationships**

**(1) List of related parties and nature of relationship where control exists:**

Name of the related party	Relation					
	For the nine month period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
InterGlobe Enterprises Limited	Holding and ultimate holding company	Holding and ultimate holding company	Holding and ultimate holding company	Holding and ultimate holding company	Holding and ultimate holding company	Holding and ultimate holding company
Mr. Kapil Bhatia	Key management personnel – Director	Key management personnel – Director	Key management personnel – Director	Key management personnel – Chairman	Key management personnel – Chairman	Key management personnel – Chairman
Mr. Rahul Bhatia	Key management personnel – Managing Director	Key management personnel – Managing Director	Key management personnel – Managing Director	Key management personnel – Managing Director	Key management personnel – Managing Director	Key management personnel – Managing Director
Mr. Aditya Ghosh	Key management personnel – President and Whole Time Director	Key management personnel – President and Whole Time Director (Whole Time Director till 31 October 2013)	Key management personnel – Whole time Director and President	Key management personnel – Whole time Director and President	Key management personnel – Director and President	Key management personnel – Director and President
Mr. Anil Parashar	Key management personnel – Director	Key management personnel - Director	Key management personnel - Director	Key management personnel – Director and Group Chief Financial Officer	Key management personnel – Director and Group Chief Financial Officer	Key management personnel – Director and Group Chief Financial Officer
Ms. Rohini Bhatia	Relative of Key management personnel (Wife of Mr. Rahul Bhatia)	Relative of Key management personnel (Wife of Mr. Rahul Bhatia)	Relative of Key management personnel (Wife of Mr. Rahul Bhatia)	Relative of Key management personnel (Wife of Mr. Rahul Bhatia)	Relative of Key management personnel (Wife of Mr. Rahul Bhatia)	Relative of Key management personnel (Wife of Mr. Rahul Bhatia)

**(2) List of related parties and nature of relationship with whom transactions have taken place during the respective year / period:**

Name of the related party	Relation					
	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
InterGlobe Enterprises Limited	Holding and ultimate holding company	Holding and ultimate holding company	Holding and ultimate holding company	Holding and ultimate holding company	Holding and ultimate holding company	Holding and ultimate holding company
InterGlobe Air Transport Limited	Fellow subsidiary	Fellow subsidiary	Fellow subsidiary	Fellow subsidiary	Fellow subsidiary	-

Name of the related party	Relation					
	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
InterGlobe Technologies Private Limited	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists
Acquire Services Private Limited (formerly known as Galileo India Private Limited)	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists
InterGlobe Hotels Private Limited	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists
Zelos Developers Private Limited (formerly known as Zelos Real Estate Developers Private Limited)	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists
Navigator Travel Services Private Limited	-	-	-	-	-	Enterprises where significant influence of key management personnel or their relatives exists
CAE Simulation Training Private Limited	Enterprises where significant influence of key management personnel or their relatives exists	Enterprises where significant influence of key management personnel or their relatives exists	-	-	-	-

Name of the related party	Relation					
	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Mr. Aditya Ghosh	Key management personnel – President and Whole Time Director	Key management personnel – President and Whole Time Director (Whole Time Director till 31 October 2013)	Key management personnel – President and Whole Time Director	Key management personnel – President and Whole Time Director	-	-
Mr. Kapil Bhatia	Key management personnel – Director	Key management personnel – Director	Key management personnel – Director	-	Key management personnel – Chairman	-
Mr. Rahul Bhatia	Key management personnel – Managing Director	Key management personnel – Managing Director	Key management personnel – Managing Director	-	Key management personnel – Managing Director	-
Ms. Rohini Bhatia	Relative of Key management personnel (Wife of Mr. Rahul Bhatia)	Relative of Key management personnel (Wife of Mr. Rahul Bhatia)	Relative of Key management personnel (Wife of Mr. Rahul Bhatia)	-	Relative of Key management personnel (Wife of Mr. Rahul Bhatia)	-

**(3) Transactions with related parties during the respective year / period:**

*(Rupees in millions)*

Name of the related party	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>Rent:</b>						
InterGlobe Enterprises Limited	28.54	36.15	35.97	32.15	29.98	31.85
Acquire Services Private Limited (formerly known as Galileo India Private Limited)	34.37	42.61	23.25	17.93	17.36	17.78
<b>Commission:</b>						
InterGlobe Air Transport Limited	702.62	790.13	616.37	373.01	274.87	-
InterGlobe Enterprises Limited	-	-	-	-	-	226.71
<b>Reservation cost:</b>						
InterGlobe Technologies Private Limited	140.98	170.71	122.66	112.18	83.61	78.94

Name of the related party	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>Legal and professional:</b>						
InterGlobe Enterprises Limited	98.51	131.93	131.24	136.53	86.50	34.40
InterGlobe Air Transport Limited	-	-	1.16	0.93	0.74	-
Zelos Developers Private Limited (formerly known as Zelos Real Estate Developers Private Limited)	-	0.07	1.90	1.38	0.78	0.67
InterGlobe Technologies Private Limited	-	-	-	2.01	-	-
Acquire Services Private Limited (formerly known as Galileo India Private Limited)	-	-	-	-	-	-
<b>Travelling and conveyance:</b>						
Navigator Travel Services Private Limited	-	-	-	-	-	0.42
<b>Landing fees and en route charges:</b>						
InterGlobe Air Transport Limited	1.75	2.48	2.91	2.89	2.87	-
InterGlobe Enterprises Limited	-	-	-	-	-	2.79
<b>Repairs and maintenance – others</b>						
InterGlobe Enterprises Limited	8.77	5.94	4.34	-	0.82	1.93
Acquire Services Private Limited	8.44	0.27	-	-	-	-
<b>Purchase of tangible fixed assets:</b>						
InterGlobe Enterprises Limited	-	-	-	0.05	0.01	0.54
<b>Sales of tangible fixed assets:</b>						
InterGlobe Enterprises Limited	-	-	-	0.03	-	-
<b>Crew accommodation:</b>						
InterGlobe Hotels Private Limited	56.28	64.15	47.27	45.86	65.66	44.28

Name of the related party	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>Reimbursement of expenses:</b>						
InterGlobe Technologies Private Limited	-	0.46	1.58	0.65	0.13	-
InterGlobe Air Transport Limited	0.05	0.46	0.61	0.03	-	-
InterGlobe Enterprises Limited	0.33	-	8.25	-	-	0.24
InterGlobe Hotels Private Limited	-	-	0.04	-	-	-
Zelos Developers Private Limited (formerly known as Zelos Real Estate Developers Private Limited)	-	-	-	0.07	0.04	-
Acquire Services Private Limited	0.54	-	-	-	-	-
<b>Redemption of preference shares (including premium on redemption):</b>						
InterGlobe Enterprises Limited	-	-	-	-	1,105.93	-
Acquire Services Private Limited (formerly known as Galileo India Private Limited)	-	-	-	-	906.50	-
<b>Operating cost of software:</b>						
InterGlobe Technologies Private Limited	5.05	8.21	5.39	-	-	-
<b>Managerial remuneration:</b>						
Salaries, wages and bonus	31.05	895.01	37.66	11.04	-	-
Contribution to provident and other funds	0.77	0.94	0.86	0.30	-	-
<b>Loan given to:</b>						
Aditya Ghosh	-	-	8.00	-	-	-
<b>Repayment of Loan:</b>						
Aditya Ghosh	-	7.94	0.06	-	-	-
<b>Interest income:</b>						
Loan to Aditya Ghosh	-	0.68	0.35	-	-	-

Name of the related party	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
<b>Deposit received from:</b>						
Aditya Ghosh	-	0.81	-	-	-	-
<b>Proposed dividend:</b>						
InterGlobe Enterprises Limited	-	1,930.33	-	-	2507.27	-
Kapil Bhatia	-	0.61	-	-	0.80	-
Rahul Bhatia	-	0.49	-	-	0.64	-
Rohini Bhatia	-	0.12	-	-	0.16	-
<b>Interim dividend:</b>						
InterGlobe Enterprises Limited	821.51	-	2,804.84	-	-	-
Kapil Bhatia	0.26	-	0.89	-	-	-
Rahul Bhatia	0.21	-	0.71	-	-	-
Rohini Bhatia	0.05	-	0.18	-	-	-
<b>Training expense:</b>						
CAE Simulation Training Private Ltd.	183.90	168.06	-	-	-	-
<b>Miscellaneous Income:</b>						
InterGlobe Air Transport Limited	-	0.84	-	-	-	-
<b>Electricity and water charges:</b>						
InterGlobe Enterprises Limited	4.38	5.16	3.92	-	-	-
Acquire Services Private Limited	4.72	0.16	-	-	-	-
<b>Capital expenditure:</b>						
InterGlobe Technologies Private Limited	-	4.17	-	-	-	-

**(4) Balances as at year / period end:**

*(Rupees in millions)*

Name of the related party	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
<b>Payables:</b>						
InterGlobe Air Transport Limited	101.18	76.25	63.20	40.29	26.77	-
InterGlobe Technologies Private Limited	46.03	66.82	34.38	37.90	9.52	6.69
InterGlobe Hotels Private Limited	6.86	6.86	1.83	4.38	5.04	2.32
Zelos Developers Private Limited (formerly known as Zelos Real Estate Developers Private Limited)	-	0.03	0.11	0.08	-	0.07



Aditya Ghosh	0.81	6.31	4.38	1.12	-	-
InterGlobe Enterprises Limited	4.83	2.79	3.07	-	-	27.39
Acquire Services Private Limited	3.78	2.23	-	-	-	-
CAE Simulation Training Private Limited	4.03	-	-	-	-	-
<b>Receivables:</b>						
Aditya Ghosh	-	-	7.94	-	-	-
Zelos Developers Private Limited (formerly known as Zelos Real Estate Developers Private Limited)	-	-	-	-	3.44	-

The above statement should be read with the Notes to the Summary Statement of Profit and Loss, as restated and Notes to Summary Statement of Assets and Liabilities, as restated, as appearing in Annexure V and VI respectively.

**ANNEXURE XVII: STATEMENT OF DIVIDEND DECLARED PER SHARE, AS RESTATED**

*(Rupees)*

Class of shares	Face value	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Equity shares							
- Interim	1,000	5,234 (523.4%)	-	17,871 (1,787.1%)	-	-	-
- Final	1,000		12,299 (1,229.9%)	-	-	15,975 (1,597.5%)	-

(Figure in brackets represents rate of dividend per share)

The above statement should be read with the Notes to the Summary Statement of Profit and Loss, as restated and Notes to Summary Statement of Assets and Liabilities, as restated, as appearing in Annexure V and VI respectively.

**ANNEXURE XVIII: STATEMENT OF EARNING PER SHARE, AS RESTATED**

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

Particulars	As at 31 December 2014		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011		As at 31 March 2010	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Net profit for the period / year	7,208.39	7,208.39	4,733.27	4,733.27	7,833.57	7,833.57	1,405.94	1,405.94	5,794.65	5,794.65	4,790.97	4,790.97
Less: Premium payable on preference shares	-	-	-	-	-	-	-	-	-	-	-	-
Amount attributable to equity shares	7,208.39	7,208.39	4,733.27	4,733.27	7,833.57	7,833.57	1,405.94	1,405.94	5,794.65	5,794.65	4,790.97	4,790.97
Number of equity shares	307,000	307,000	307,000	307,000	307,000	307,000	307,000	307,000	307,000	307,000	307,000	307,000
Potential number of equity shares	-	36,716	-	36,716	-	36,716	-	36,716	-	36,716	-	36,716
Earning per equity share (Rs.)	23,480	20,972	15,418	13,771	25,517	22,791	4,580	4,090	18,875	16,859	15,606	13,939

**Notes:**

- 1) The above statement should be read with the Notes to the Summary Statement of Profit and Loss, as restated and Notes to Summary Statement of Assets and Liabilities, as restated, as appearing in Annexure V and VI respectively.
- 2) The share data has not been adjusted for events of bonus issue, sub division of shares and conversion of convertible preference shares as discussed and disclosed in Annexure XII 'Statement of Capitalisation, As Restated'.

**ANNEXURE XIX: STATEMENT OF TAX SHELTER**

(Rupees in Millions)

Particulars	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Profit Before Tax, Restated (A)	9,606.07	4,718.97	9,873.18	749.04	7,147.50	4,961.75
Normal Rate of Tax [including applicable surcharge and education cess] (B)	34.0%	34.0%	32.4%	32.4%	33.2%	33.9%
Minimum Alternate Tax (MAT) [including applicable surcharge and education cess] (C)	20.9%	20.9%	20.0%	20.0%	19.9%	16.9%
Tax as per actual rate on profits (D = A*B)	3,265.11	1,603.98	3,203.36	243.01	2,374.22	1,686.49
<b>Adjustments:</b>						
<b>Permanent Differences</b>						
Donation	15.00	42.15	0.10	0.02	0.05	1.10
Provision for inventory obsolescence	21.36	23.71	70.68	11.61	37.38	-
Amounts disallowed u/s 36 and 37 of Income Tax Act, 1961 along with Corporate Social Responsibility (CSR) expenses	18.37	31.86	1.37	3.24	0.92	26.69
Disallowance u/s 14A	-	1.33	0.79	0.72	0.65	-
Assets written off	-	0.80	0.60	1.07	0.62	6.31
Bad Debt written off	-	-	-	-	-	(1.76)
Amount amortised out of total capital receipts	(3,039.41)	(3,920.56)	(3,663.21)	(2,689.15)	(2,335.03)	(2,057.34)
Discount on forward exchange contracts (Notional Income)	-	-	-	(4.87)	(5.75)	-
Dividend Income	-	(355.65)	(328.81)	(384.25)	(382.56)	(115.02)
Profit / Loss on sale of Mutual Funds	-	(792.84)	0.15	-	0.58	-
Profit / Loss on sale of Fixed assets	0.15	-	-	-	(120.21)	(149.81)
Foreign Exchange Loss / (Profit) on repayment of loan acquired in foreign currency	-	-	-	-	15.56	-
1/5th of Pre-operative expenses (AY 2007-08)	-	-	-	-	(30.55)	(30.55)
Prior Period Expenses	-	-	-	-	-	33.83
<b>Total Permanent Difference (E)</b>	<b>(2,984.53)</b>	<b>(4,969.20)</b>	<b>(3,918.33)</b>	<b>(3,061.61)</b>	<b>(2,818.34)</b>	<b>(2,286.55)</b>
<b>Timing Differences</b>						
Difference between Book Depreciation and Tax Depreciation including lease rentals for Finance Lease aircrafts	(4,502.69)	(5,016.05)	(1,054.00)	(21.67)	36.86	(50.02)

Particulars	For the nine months period ended 31 December 2014	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Disallowance u/s 40A(7) of Income Tax Act, 1961	88.68	67.70	39.96	26.77	18.74	22.81
Allowance u/s 40(A)(7) of Income Tax Act, 1961	(11.21)	-	-	-	-	-
Disallowance u/s 43B of Income Tax Act, 1961	430.53	117.18	105.74	310.82	1.56	1.43
Allowance u/s 43B of Income Tax Act, 1961	-	-	-	-	-	(7.51)
Disallowance u/s 40(a)(ia) of Income Tax Act, 1961	-	180.19	116.72	345.57	133.28	117.93
Allowance u/s 40(a)(ia) of Income Tax Act, 1961	-	(116.72)	(879.68)	(234.18)	(29.00)	(15.36)
Liabilities no longer required	-	-	-	(52.11)	-	-
Provision for Doubtful debts	-	0.24	0.28	-	-	1.02
Preliminary expenses u/s 35D of Income Tax Act, 1961	-	-	-	-	-	(0.34)
<b>Total Timing Difference (F)</b>	<b>(3,994.69)</b>	<b>(4,767.46)</b>	<b>(1,670.98)</b>	<b>375.20</b>	<b>161.44</b>	<b>69.96</b>
<b>Total Adjustments (G = E+F)</b>	<b>(6,979.22)</b>	<b>(9,736.66)</b>	<b>(5,589.31)</b>	<b>(2,686.41)</b>	<b>(2,656.90)</b>	<b>(2,216.59)</b>
Tax on Total Adjustments (G*B)	(2,372.24)	(3,309.49)	(1,813.45)	(871.61)	(882.56)	(753.42)
Gross Taxable Profit/(Loss) (H = A+G)	2,626.85	(5,017.69)	4,283.87	(1,937.37)	4,490.60	2,745.16
Brought Forward Tax Losses adjusted (I)	(2,048.86)	-	(1,703.03)	-	(4,490.60)	(2,745.16)
<b>Taxable Profit/(Loss) (J = H-I)</b>	<b>577.99</b>	<b>(5,017.69)</b>	<b>2,580.84</b>	<b>(1,937.37)</b>	<b>-</b>	<b>-</b>
Tax Liability on Taxable Profit/(Loss) (K = J*B)	196.46	-	837.36	-	-	-
Adjusted Book Profit under MAT, as Restated (L)	9,627.45	4,419.49	9,617.52	389.35	6,803.90	4,644.05
Tax Liability as per MAT (M = L*C)	2,017.96	926.35	1,924.25	77.90	1,356.05	787.43
Tax Liability Higher of (K) and (M)	2,017.96	926.35	1,924.25	77.90	1,356.05	787.43

Notes:

1. The aforesaid tax shelter has been prepared as per the restated summary statement of profit and loss of the Company.
2. The permanent/ timing differences have been computed considering the income-tax computations prepared at the time of preparation of annual financial statements for the relevant years / period. Issues which are pending adjudication have not been given effect while determining permanent / timing differences.

The above statement should be read with the Notes to the Summary Statement of Profit and Loss, as restated and Notes to Summary Statement of Assets and Liabilities, as restated, as appearing in Annexure V and VI respectively.

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

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements for the fiscal years ended March 31, 2010, 2011, 2012, 2013 and 2014 and the nine months ended December 31, 2014, including the significant accounting policies and notes thereto and report thereon which begin on page 253 of this Draft Red Herring Prospectus. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.*

### Overview

We operate IndiGo, India's largest passenger airline with a 33.8% market share of domestic passenger volume for fiscal 2015, according to the DGCA. We operate on a low-cost carrier, or LCC, business model and focus primarily on the domestic Indian air travel market. We were the seventh largest low-cost carrier globally in terms of seat capacity in 2014, according to CAPA. We continuously focus on maintaining our cost advantage and a high frequency of flights while striving to fulfil our simple brand message of providing "low fares, on-time flights and a hassle-free experience" to our passengers.

We commenced operations in August 2006 with a single aircraft, and have grown our fleet to 96 aircraft as of April 30, 2015, all of which are Airbus A320 aircraft. We currently have an order book of 180 A320neo aircraft and expect to take delivery of 15 additional aircraft, including nine A320neos, by March 31, 2016. As of April 30, 2015, the average age of our aircraft was 3.26 years. As of December 31, 2014, the average age of our aircraft was 3.1 years, which, according to CAPA, was the second youngest average fleet age among Indian carriers and one of the youngest fleets of any LCC globally.

As of the week ended April 30, 2015 we operated scheduled services to 33 airports in India, with a maximum of 593 domestic flights per day. We operated scheduled services to 31 airports in India, with an average of 515 domestic flights per day, for the month ending December 31, 2014, resulting in more passenger flights in India than any other airline, according to CAPA. We also had the highest market share in each of the top five domestic routes in India by traffic in the nine months ended December 31, 2014, according to CAPA.

We primarily operate in India's domestic air travel market, which is forecast to be the world's fastest growing airline by origin-and-destination market between 2013 and 2033, estimated to grow at an average annual rate of 9.5%, according to Airbus. India was the ninth largest aviation market in the world by total domestic and international seat capacity in 2014, according to CAPA. Additionally, India has achieved strong and sustained growth in air traffic over the last ten years. Passenger volumes for domestic air traffic have increased at a CAGR of 19.4% between fiscal 2004 and fiscal 2010 and a CAGR of 7.6% between fiscal 2010 and fiscal 2014, according to CAPA.

From fiscal 2010 to fiscal 2015, our domestic passenger volume increased at a CAGR of 29.3% from 6.6 million domestic passengers in fiscal 2010 to 23.7 million domestic passengers in fiscal 2015, according to the DGCA. Our market share of domestic passenger volume increased from 14.5% in fiscal 2010 to 33.8% in fiscal 2015, according to the DGCA.

We are committed to achieving industry-leading on-time performance and operational reliability. Our average on-time performance was 86.7% in fiscal 2015 and 88.2% in fiscal 2014. We had operational reliability ratings of 99.95% in fiscal 2015 and 99.94% in fiscal 2014, according to Airbus. In 2014, Airbus awarded us its "Best Operational Excellence" award in the large fleet category based on the number of aircraft in the fleet, daily utilization rate, technical reliability and the number of delays caused due to operational reasons over a two-year period of operations. We had the second highest load factor on domestic scheduled services in fiscal 2015, according to the DGCA, and the second lowest level of complaints per 10,000 passengers for the period from June to December 2014, according to CAPA. We have received industry accolades in recognition of the quality of our airline service, including the award for "Best Low-Cost Airline in Central Asia & India" at the SkyTrax World Airline Awards for six consecutive years from 2010 to 2015.

InterGlobe Enterprises (including our Company), was ranked among the "Best Companies to Work For" in India in 2014 for the seventh consecutive year by a study done by the Great Places to Work<sup>®</sup> Institute in partnership with The Economic Times. No other airline was included in these rankings during this period. We

have the highest employee productivity among the Indian carriers that were operational during the full fiscal year 2014 as measured by ASKs per employee, according to CAPA.

Our firm orders for 100 A320 aircraft in June 2005 and 180 A320neo aircraft in June 2011 were each the largest single order of aircraft from Airbus at the time of the order, according to Airbus. We have taken delivery of all 100 aircraft under our 2005 order as of November 3, 2014, two years ahead of the initially scheduled final delivery date.

We were one of the first airlines globally to order the A320neo aircraft, according to Airbus. According to Airbus, A320neo aircraft are expected to consume up to 15% less fuel than current generation A320 aircraft without sharklets, which will further reduce our fuel consumption per flight as these aircraft enter our fleet from fiscal 2016 onwards.

We believe that the magnitude of our 2005 and 2011 aircraft orders helped us to negotiate favorable terms with Airbus and our other aircraft-related suppliers and service providers, which provides us with a structural cost advantage by reducing the overall costs associated with the acquisition, maintenance and operation of our aircraft.

We believe that we have considerable flexibility to prudently manage the expansion of our fleet. Our firm orders with Airbus, subject to negotiation with Airbus, may allow us to advance or defer deliveries; a number of the 100 aircraft delivered under our 2005 order were advanced deliveries from their initially scheduled delivery dates and we did not defer any aircraft deliveries under our 2005 order. As of March 31, 2015, we have extended the operating leases of 24 of our current aircraft, seven of which had been scheduled to be redelivered to our lessors in fiscal 2015.

Our total revenue has increased to ₹ 114,321.18 million in fiscal 2014, growing at a CAGR of 43.9% since fiscal 2010. Our EBITDAR increased to ₹ 22,044.41 million in fiscal 2014, growing at a CAGR of 27.5% since fiscal 2010. Please see the chapter *“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Our Results of Operations”* beginning on page 336. We achieved positive net profit in fiscal 2009 and have remained profitable in each subsequent fiscal year through fiscal 2014. No other Indian airline has consistently remained profitable over the same period, according to CAPA.

We had the lowest CASK of all Indian carriers in fiscal 2014, and amongst one of the lowest CASK excluding fuel expenses compared with publicly-listed LCCs globally, according to SAP. Our airline had the highest profitability as measured by RASK minus CASK for any airline in India and is at a level in line with LCCs operating in Asia during the most recently completed fiscal year, according to SAP. Please see the chapter *“Industry Overview—Cost Competitiveness—Unit Profitability”* beginning on page 157. We have used our consistent profitability to reinvest in our business to build scale and efficiencies and to provide returns to our shareholders. We believe we have a strong balance sheet. As of December 31, 2014, we had total indebtedness of ₹ 40,028.21 million and ₹ 24,746.03 million of net debt (net of free cash). As of December 31, 2014, all of our indebtedness was aircraft related, and we did not have any working-capital-related indebtedness.

We believe that our fleet expansion strategy along with our profitability and strong balance sheet will enable us to strengthen and sustain our market leading position in India’s large and fast-growing air travel market. We also believe that our focus on providing customers with affordable air travel, on-time performance and hassle-free customer service positions us well for profitable and sustainable growth within the Indian market.

#### **Certain Observations noted by Auditors**

In connection with the audits of our financial statements, our Auditor has noted that there were delays in the deduction/accrual and deposit of certain statutory dues as a qualification with respect to matters specified in the Companies (Auditors Report) Order, 2003, as amended, in the annexures to their audit reports for each of the fiscal years 2013 and 2014. Although these qualifications did not require any corrective adjustments in our financial statements, the reports were nonetheless qualified in accordance with the requirements of the Companies (Auditors Report) Order, 2003, as amended. Such qualifications may be repeated in future years.

Our Auditor also noted a qualification in their audit report for our fiscal 2010 financial statements with respect to our failure to comply with Section 297 of the Companies Act, 1956 concerning related party transactions. We have received an order dated December 24, 2010 from the Company Law Board condoning our non-compliance. This qualification did not require any corrective adjustments in our fiscal 2010 financial statements and we have not entered into any transactions in violation of Section 297 in any fiscal year since fiscal 2010. Please see “*Risk Factors - Based on certain qualifications noted by our auditors in their audit reports, there are deficiencies in certain aspects of our internal controls over financial reporting*” on page 28.

## **Factors Affecting Our Results of Operations and Financial Condition**

Our business and results of operations have been affected by a number of important factors that we believe will continue to affect our business and results of operations in the future. These factors include the following:

### ***General Economic and Business Conditions***

We are predominantly a domestic carrier operating out of India. We operate scheduled services to 33 airports in India, with a maximum of 593 domestic flights per day for the week ending April 30, 2015. We operated scheduled services to 31 airports in India, with an average of 515 domestic flights per day, for the month ending December 31, 2014, resulting in more passenger flights in India than any other airline, according to CAPA. India is one of the fastest growing economies in the world, according to the EIU, and is forecasted by Airbus to be the fastest growing aviation market in the world between 2014 and 2033.

As a result, we will be significantly affected by general economic conditions in India and in the international destinations we serve, in particular economic conditions that affect business and leisure travel within India. The GDP of the countries where we currently operate has been and will continue to be of importance in determining our operating results and future growth.

The airline industry is highly competitive. We face competition from other airlines (including both low-cost air carriers as well as full-service carriers) that service the same routes as us. Our principal competitors include (in alphabetical order) Air Costa, Air India, AirAsia India, Alliance Air, GoAir, Jet Airways (including the former Jet Lite/Konnect brands), SpiceJet and Vistara as well as potential new entrants into the routes/markets that we serve or plan to serve. The intensity of the competition we face varies from route to route and depends on a number of factors, including the strength of competing airlines.

We also face competition from ground transportation, especially from the Indian railways, which offers cheaper alternative modes of transportation than airlines. The efforts of the Indian Government to introduce high speed rail through the High Speed Rail Corporation of India Limited and upgrade highways through the National Highways Development Project are likely to increase the attractiveness of these modes of transportation for the Indian middle class who comprise the bulk of our current and targeted passengers.

### ***Seasonality***

Seasonal variations in air travel affect our results of operations. We generally experience higher load factors during the first quarter of each fiscal year (April to June), as this quarter coincides with the summer holiday season in India, and during the third quarter of each fiscal year (October to December), as this quarter coincides with the festival season in India as well as the Indian winter holiday season. In addition, some of our areas of operations in North and East India experience bad weather conditions in winter, resulting in additional expenses caused by delayed and cancelled flights. Given our high proportion of fixed cost obligations, these seasonal factors are likely to cause our results of operations to vary from quarter to quarter during a particular fiscal year.

### ***Expansion of Aircraft Fleet***

The continued growth in our fleet size has enabled a corresponding ramp-up in our operations and will be a critical factor in any future expansions of our operations. The size of our fleet has a major effect on both our revenues and expenses.

Since commencing scheduled airline operations with a single aircraft in August 2006, our fleet size has grown annually. The number of aircraft in our fleet was 25, 39, 55, 66, 77 and 94 as of March 31, 2010, 2011, 2012, 2013, 2014 and 2015, respectively. As of April 30, 2015, we had a total fleet of 96 aircraft, each an Airbus A320.



The following table sets forth our fleet size and capacity (in number of seats and available seat kilometers, or ASKs, for the periods indicated.

	Fiscal Year Ended March 31,					
	2010	2011	2012	2013	2014	2015
Fleet size <sup>(1)</sup>	25	39	55	66	77	94
ASK (millions)	9,286	12,491	18,006	24,977	29,968	35,327
Departures	51,520	70,217	98,416	131,237	158,488	192,920
Block Hours	93,487	125,553	179,252	246,140	297,653	354,276

Note:

(1) Total aircraft on the last day of the period indicated.

We placed a firm order with Airbus for 100 A320 aircraft in June 2005, all of which were delivered by November 2014, two years ahead of the initially scheduled final delivery date. We additionally placed a firm order with Airbus for 180 A320neo aircraft in June 2011. The purchase agreement for our 2011 order has secured a series of scheduled deliveries from November 2015 to November 2023, subject to any delivery advancements or deferrals which may be negotiated with Airbus. We expect these deliveries to increase our operating fleet to approximately 111 aircraft, net of retirements, by the end of fiscal 2016. We have also leased 12 aircraft previously leased by Tiger Airways, all of which have been delivered.

We expect that our continued fleet growth over the next several years will have a corresponding impact on our results of operations and financial condition, including continued growth in our capacity and capital expenditure for the foreseeable future.

### ***Route Portfolio Management***

The significant expansion of our aircraft fleet since we commenced flight operations in August 2006 has resulted in a corresponding expansion in our route portfolio. The following table sets out certain information regarding our total departures, routes operated and airports served by our domestic operations for the periods presented.

	Fiscal Year Ended March 31					
	2010	2011	2012	2013	2014	2015
Total departures during period.....	51,520	70,217	95,594	123,222	148,342	183,149
Number of routes operated at end of period.....	53	66	81	87	103	114
Number of airports served at end of period.....	22	25	27	28	31	32

Factors we consider when managing our route portfolio include, among others, our ability to sustain high passenger load factors and high aircraft utilization rates. We believe that we have maintained high utilization of our aircraft through efficient schedule management. For fiscal 2010, 2011, 2012, 2013, 2014 and 2015, our average aircraft utilization in terms of block hours for each day was 11.6 hours, 10.7 hours, 10.4 hours, 11.1 hours, 11.4 hours and 11.4 hours, respectively. In fiscal 2014, our average aircraft utilization was higher than the average of 9.4 hours for all other Indian carriers in fiscal 2014, according to CAPA.

Selecting and flying good routes, competing effectively on those routes and handling aircraft and passengers efficiently at the airports on those routes are crucial for the successful performance of our airline operations and, as a result, our financial condition and results of operations.

### ***Aircraft Leases***

It has generally been our practice to assign our right to purchase each aircraft under our purchase agreement with Airbus to a third-party lessor and lease the aircraft from such lessor following delivery of the aircraft. Under the terms of our assignment, the third-party lessor is typically required to pay the purchase price for each

delivered aircraft directly to Airbus. Accordingly, in the past, we have not generally been required to expend significant funds for the acquisition of aircraft, other than for aircraft pre-delivery payments, which we pay ourselves.

Of the 96 aircraft we operated as of April 30, 2015, net of redeliveries, we hold 74 under operating leases and 22 under finance leases. We have taken delivery of all 100 aircraft under our 2005 order as of November 3, 2014, of which 77 were on operating leases, 17 were on European Export Credit Agency backed finance leases, five were on IAE backed finance leases and one was purchased with internal funds. All of our operating aircraft leases are sale-and-leaseback agreements as of April 30, 2015, other than short term leases of 12 aircraft previously used by Tiger Airways which we entered into on October 9, 2014, all of which have been delivered.

We believe that short-term operating leases are suitable for our airline. As our operating leases are relatively short-term, we are able to maintain a young fleet which allows us to achieve better reliability in terms of aircraft performance, lower maintenance costs, improved fuel efficiency and higher operational reliability, all of which improve our airline's cost profile. It also helps us to re-fleet faster and cater to changing market dynamics by extending our leases if required. As of March 31, 2015, we have extended the operating leases of 24 of our current aircraft, seven of which had been scheduled to be redelivered to our lessors in fiscal 2015.

### ***Passenger Volume and Fare***

As a low cost carrier, we operate in a highly competitive fare market. Our revenues are predominantly derived from passenger ticket revenue, which is determined by passenger load factor, number of passengers carried and average passenger fares as detailed in the table below for the periods indicated.

	Fiscal Year Ended					Nine Months
	2010	2011	March 31, 2012	2013	2014	Ended December 31, 2014
Passenger load factor (%) .....	80.0	85.1	82.3	81.1	77.2	78.6
Passengers carried (thousands) .....	6,555	9,467	12,752	16,888	19,569	17,995
Average passenger fares (₹) .....	3,548.47	3,581.94	3,911.14	4,895.00	5,071.38	4,969.49
Passenger ticket revenue (₹ million) .....	23,259.89	33,909.86	49,873.04	82,666.57	99,239.83	89,427.37

While our number of passengers carried has increased annually from fiscal 2010 to fiscal 2014, our passenger load factor has been fairly consistent and exceeded 75% in each of these years as a result of our increased capacity during the period.

### ***Aircraft Fuel Expenses***

Aircraft fuel is a major cost component for airlines. The cost of our aircraft fuel has fluctuated significantly in recent years, accounting for 42.0%, 47.1%, 51.0%, 51.0%, 50.3% and 48.4% of our total expenses in fiscal 2010, 2011, 2012, 2013 and 2014 and the nine months ended December 31, 2014, respectively.

The cost of aircraft fuel cannot be predicted with any degree of certainty. To date, we have not undertaken any forward fuel purchases or other hedging strategies with respect to our fuel purchases. However, we have developed a platform to hedge fuel (which has included, among other things, obtaining necessary Governmental approvals and establishing relationships with potential hedging counterparties), if required.

We have taken steps to reduce our fuel consumption. We have utilized sharklet-equipped A320 aircraft from January 2013, which according to Airbus consumes less fuel than aircraft without sharklets. In 2008, we upgraded to IAE Select One engines, which we believe consume less fuel than those engines which we used previously. In March 2011, we began to use the Pratt & Whitney EcoPower Engine Wash process for our engines, which we believe results in incremental fuel savings. As a result of these and other measures, we have been able to reduce our fuel consumption per block hour by 3.0% from fiscal 2010 to fiscal 2015.

According to Airbus, the A320neo aircraft we have ordered are expected to consume up to 15% less fuel than current A320 aircraft without sharklets, which will further reduce our fuel consumption per flight as these aircraft enter our fleet from fiscal 2016 onwards. This is likely to bring significant cost advantages in our operations.

### ***Fluctuations in Currency Exchange Rates***

Substantially all of our operating income is received in Indian Rupees. However, 70% of our total expenses for fiscal 2014, including aircraft fuel expenses, aircraft and engine rental payments, aircraft and engine maintenance and aircraft insurance, were USD denominated and therefore exposed to fluctuations in the USD/Indian Rupee exchange rate. Furthermore, as of December 31, 2014, our total debt aggregated ₹ 40,028.21 million, all of which is comprised of USD denominated secured loans for aircraft acquisitions.

We have in the past entered into short term currency hedging to manage our exposure to fluctuations between the USD and Indian Rupees within the parameters allowed by the Reserve Bank of India. We may in the future enter into additional hedging arrangements in order to manage our exposure to currency fluctuations. Fluctuations in USD/Indian Rupee the currency exchange rate have a substantial effect on our results of operations.

### **Our Significant Accounting Policies**

The preparation of our financial statements in conformity with Indian GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of cash flows and contingent liabilities, among other items. Certain key accounting policies relevant to our business and operations have been described below. For a detailed description of our significant accounting policies, see Annexure IV of the restated financial statements included in this Draft Red Herring Prospectus.

#### ***Revenue***

*Passenger and Cargo Revenue:* passenger revenue is recognized on a flown basis when the flight occurs and the service is rendered, net of airport charges and discounts, if any. Cargo revenue is recognized when goods are transported, net of airport charges. The sale of tickets not yet flown is credited to unearned revenue disclosed as 'Forward Sales' under current liabilities. Fees charged for ancillary services such as changes to flight tickets or for special service requests are recognized as revenue immediately on rendering of services. Forward Sales unutilized for more than a year are recognized as revenue based on historical statistics, data and management estimates, and considering our cancellation policy.

*In flight Sales:* revenue from the sale of merchandise is recognized upon the transfer of all significant risks and rewards to the passenger. Revenue from sale of food and beverages is recognized upon the sale of goods to the passenger.

*Dividend income:* dividend is recognized as and when the right to receive such income is established.

*Tours and packages:* income and related expense from the sale of tours and packages are recognized upon services being rendered, net of applicable discounts. The income and expense are stated on a gross basis. Passenger revenue earned from the sale of tours and packages is recognized on a flown basis and disclosed under tours and packages. The sale of tours and packages not yet serviced is credited to unearned revenue and disclosed as 'Forward Sales' under current liabilities.

*Interest income:* interest income is recognized on a time proportion basis.

*Commission and advertisement income:* commission and advertisement income is recognized on an accrual basis in accordance with the terms of the underlying contracts, net of applicable taxes.

#### ***Leased assets***

Leased assets under which we assume substantially all risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

*Finance lease:* assets taken on finance leases are capitalized at the lower of the fair value of the assets and the present value of the minimum lease rentals (which includes initial amount paid to the lessors) with the corresponding amount payable shown as lease liability. The principal component of the lease rentals is adjusted against the lease liability and the interest component is charged to the Statement of Profit and Loss.

*Operating lease:* Lease rentals in respect of assets taken on operating leases are charged to the Statement of Profit and Loss with reference to the lease term and other considerations.

### ***Sale and lease back transactions***

Profit or loss on sale and lease back transactions from operating leases are recognized immediately when the transaction is established at fair value; the excess of sale price over the fair value is deferred and amortized over the period for which the asset is expected to be used. Any excess or deficiency of sales proceeds over the carrying amount for a sale and leaseback transaction in a finance lease is deferred and amortized over the lease term in proportion to the depreciation of the leased asset.

### ***Manufacturers' incentives – non-refundable***

#### *Cash incentives*

We receive non-refundable incentives from manufacturers in connection with the acquisition of aircraft and engines. For owned aircraft or for aircraft held under finance lease, incentives are recorded as a reduction to the cost of the related aircraft or engines. For aircraft held under operating lease, the incentives are deferred and reduced from the operating lease rentals on a straight line basis over the period of the related lease. If we return an aircraft before the expiry of the lease term, the unamortized balance of the deferred incentive is recorded in the Statement of Profit and Loss.

We also receive non-refundable milestone incentives from the engine manufacturer upon achieving certain milestones relating to delivery of aircraft. These milestone incentives are recorded as a reduction to the carrying value of aircraft and engines in case of owned aircraft and engines. For aircraft held under operating lease, the incentives are deferred and reduced from the lease rentals on a straight line basis over the remaining lease period of the related lease. Where the aircraft is held under finance lease, the incentives are deferred and recognized under the heading 'Other operating revenue' in the Statement of Profit and Loss, on a straight line basis over the remaining lease period of the related lease.

#### *Non-cash incentives*

Non-cash incentives are recorded as and when due 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 assets and aircraft held under finance lease. For aircraft 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. The deferred asset is reduced on the basis of utilization of incentives against the purchase of goods and services.

## **Our Revenue**

As an airline, we principally derive our revenue from passenger ticket revenue. We also derive revenue from ancillary products and services, such as cargo and sales of food and beverages on board, and receive other income primarily from finance income from our investments. The table below provides our revenues for the period specified:

(₹ million)	Fiscal Year Ended March 31,					Nine Months Ended December 31,
	2010	2011	2012	2013	2014	2014
Revenue from operations	26,054.81	38,334.20	55,646.60	92,031.30	111,165.84	101,020.68
Other income	621.93	1,107.37	1,439.60	2,371.04	3,155.34	2,577.22
<b>Total revenue</b>	<b>26,676.74</b>	<b>39,441.57</b>	<b>57,086.20</b>	<b>94,402.34</b>	<b>114,321.18</b>	<b>103,597.90</b>

### ***Revenue from Operations***

We derive our revenue from operations primarily from passenger ticket revenue, which we recognize as revenue at the time such tickets are used by passengers. In addition, we also earn revenue from operations from ancillary products and services. Our revenue from ancillary products and services is composed of:

- (i) revenue from ancillary passenger related services which consists of charges for special service requests (including seat selection, charges for infants and assistance for unaccompanied minors), ticket modification or cancellation including expiry of credit shell, excess baggage, lounge income and convenience fees; and
- (ii) revenue derived from products and services that are ancillary to our airline passenger services, which consists of cargo services, in-flight sales, advertisement, commission from insurance and our tours and packages business.

The following table sets out the amounts and percentage share of total revenue from operations of our passenger ticket revenue, ancillary revenue and other operating revenue from the periods specified.

(₹ million)	Fiscal Year Ended March 31,										Nine Months Ended December 31,	
	2010	%	2011	%	2012	%	2013	%	2014	%	2014	%
Passenger ticket revenue	23,259.89	89.3%	33,909.86	88.5%	49,873.04	89.6%	82,666.57	89.8%	99,239.83	89.3%	89,427.37	88.5%
Revenue from ancillary products and services	2,765.35	10.6%	4,356.65	11.4%	5,680.34	10.2%	9,253.44	10.1%	11,553.32	10.4%	11,176.34	11.1%
Other operating revenue <sup>1</sup>	29.57	0.1%	67.69	0.1%	93.22	0.2%	111.29	0.1%	372.69	0.3%	416.97	0.4%
<b>Revenue from operations</b>	<b>26,054.81</b>	<b>100.0%</b>	<b>38,334.20</b>	<b>100.0%</b>	<b>55,646.60</b>	<b>100.0%</b>	<b>92,031.30</b>	<b>100.0%</b>	<b>111,165.84</b>	<b>100.0%</b>	<b>101,020.68</b>	<b>100.0%</b>

Note:

- (1) Representing amortization of credits received on finance lease aircraft.

Our passenger ticket revenue has increased annually as a result of increased capacity and numbers of passengers.

Passenger revenues are dependent on capacity measured in terms of ASK, utilization measured in terms of RPK, passengers and average fares and yields (passenger revenue / RPK). The table below provides information relating to our passenger revenues for the period specified.

	Fiscal Year Ended March 31,					Nine Months Ended December 31,
	2010	2011	2012	2013	2014	2014
ASK (millions)	9,286	12,491	18,006	24,977	29,968	25,800
RPK (millions)	7,429	10,634	14,826	20,260	23,135	20,290
Load Factor	80.0%	85.1%	82.3%	81.1%	77.2%	78.6%
Passengers ('000)	6,555	9,467	12,752	16,888	19,569	17,995
Average Fare (Rs)	3,548.47	3,581.94	3,911.14	4,895.00	5,071.38	4,969.49
Yields (Rs)	3.13	3.19	3.36	4.08	4.29	4.41

The table below sets out the amounts and percentages share of total ancillary revenue of our ancillary revenues for the periods specified.

(₹ million)	Fiscal Year Ended March 31,										Nine Months Ended December 31,	
	2010	%	2011	%	2012	%	2013	%	2014	%	2014	%
Revenue from Ancillary Passenger related services	934.38	33.8%	1,508.03	34.6%	2,075.43	36.5%	3,936.81	42.5%	5,394.52	46.7%	5,294.82	47.4%
Cargo	1,565.40	56.6%	2,451.26	56.3%	2,903.72	51.1%	4,102.94	44.3%	4,859.78	42.1%	4,774.03	42.7%
Tours	0.00	0.0%	1.37	0.0%	61.78	1.1%	121.67	1.3%	142.03	1.2%	121.10	1.1%
Inflight	256.02	9.3%	383.57	8.8%	610.07	10.7%	1,022.28	11.0%	1,047.38	9.1%	895.96	8.0%
Advertisement	9.55	0.3%	12.42	0.3%	23.29	0.4%	62.14	0.7%	106.97	0.9%	88.50	0.8%
Commission	0.00	0.0%	0.00	0.0%	6.05	0.1%	7.60	0.1%	2.65	0.0%	1.92	0.0%
<b>Total Ancillary Revenue</b>	<b>2,765.34</b>	<b>100.0%</b>	<b>4,356.65</b>	<b>100.0%</b>	<b>5,680.34</b>	<b>100.0%</b>	<b>9,253.44</b>	<b>100.0%</b>	<b>11,553.32</b>	<b>100.0%</b>	<b>11,176.34</b>	<b>100.0%</b>

Our ancillary revenue has increased in line with our passenger ticket revenue primarily because of increased capacity and the addition of new services such as commissions and tours. Ancillary revenue represented 10.8% of total revenue for the nine months ended December 31, 2014.

Our revenue from operations was 97.7%, 97.2%, 97.5%, 97.5%, 97.2% and 97.5% of our total income in fiscal 2010, 2011, 2012, 2013, 2014 and the nine months ended December 31, 2014, respectively.

### Other Income

The primary components of our non-operating income (recorded in our Statement of Profit and Loss as “Other income”) are:

1. finance income primarily consisting of dividends from current investments and interest on fixed deposits; and
2. other miscellaneous items primarily consisting of profit on re-delivery of aircraft and profits on sale of fixed assets.

Our non-operating income was 2.3%, 2.8%, 2.5%, 2.5%, 2.8% and 2.5% of our total income in fiscal 2010, 2011, 2012, 2013 and 2014 and the nine months ended December 31, 2014, respectively.

### RASK

RASK is calculated as total revenue (excluding finance income) divided by the number of ASKs in the relevant period. The table below sets out the determination of our RASK for the periods specified.

(₹ in millions except for RASK)	Fiscal Year Ended March 31,					Nine Months Ended December 31,
	2010	2011	2012	2013	2014	2014
Total revenue .....	26,676.74	39,441.57	57,086.20	94,402.34	114,321.18	103,597.90
finance income.....	345.79	727.06	1,207.00	2,006.37	2,863.55	2,525.26
% of total revenue .....	1.3%	1.8%	2.1%	2.1%	2.5%	2.4%
Total revenue less finance income .....	26,330.95	38,714.51	55,879.20	92,395.97	111,457.63	101,072.64
<b>RASK (in ₹)</b>	<b>2.84</b>	<b>3.10</b>	<b>3.10</b>	<b>3.70</b>	<b>3.72</b>	<b>3.92</b>

### Our Expenses

We principally incur expenses towards fuel, aircraft and engine rentals and employee benefits. The table below sets out the amounts of our expenses and percentage shares of total expenses for the periods specified.

(₹ million)	Fiscal Year Ended March 31,						Nine Months Ended December 31,					
	2010	%	2011	%	2012	%	2013	%	2014	%	2014	%
Aircraft fuel expenses	9,110.41	42.0%	15,213.26	47.1%	28,735.91	51.0%	43,126.26	51.0%	55,133.50	50.3%	45,481.88	48.4%
Aircraft and engine rentals	2,762.86	12.7%	4,098.49	12.7%	8,007.15	14.2%	13,561.48	16.0%	16,703.14	15.2%	14,046.06	14.9%
Purchase of stock in trade	126.69	0.6%	190.93	0.6%	341.79	0.6%	559.94	0.7%	589.63	0.5%	578.40	0.6%
Change in inventories of stock in trade	(9.15)	0.0%	(1.10)	0.0%	(6.83)	0.0%	(18.65)	0.0%	7.06	0.0%	(18.77)	0.0%
Employee benefits	2,233.79	10.3%	2,930.16	9.1%	5,118.60	9.1%	6,904.52	8.2%	9,211.08	8.4%	8,467.38	9.0%
Landing fee and en-route charges	2,045.64	9.4%	2,725.81	8.4%	4,066.52	7.2%	6,418.78	7.6%	8,794.31	8.0%	7,845.18	8.3%
Maintenance Cost	620.12	2.9%	955.07	3.0%	1,574.29	2.8%	2,617.47	3.1%	3,167.07	2.9%	2,914.51	3.1%
Selling and Distribution Cost	2,390.97	11.0%	3,119.38	9.7%	4,195.32	7.4%	5,564.58	6.6%	6,945.46	6.3%	6,460.12	6.9%
Other Operating Expenses <sup>(1)</sup>	1,467.82	6.8%	1,983.46	6.1%	3,124.91	5.5%	4,360.57	5.2%	5,565.11	5.1%	5,102.74	5.4%
Finance costs	505.88	2.3%	449.91	1.4%	514.27	0.9%	578.01	0.7%	1,225.77	1.1%	911.14	1.0%
Depreciation and Amortization	459.96	2.1%	628.70	1.9%	665.23	1.2%	856.20	1.0%	2,260.08	2.1%	2,203.19	2.3%
<b>Total Expenses</b>	<b>21,714.99</b>	<b>100.0%</b>	<b>32,294.07</b>	<b>100.0%</b>	<b>56,337.16</b>	<b>100.0%</b>	<b>84,529.16</b>	<b>100.0%</b>	<b>109,602.21</b>	<b>100.0%</b>	<b>93,991.83</b>	<b>100.0%</b>

Note:

(1) Other operating expenses comprises of other expenses excluding landing fee and enroute charges, maintenance cost and selling and distribution cost.

- *Aircraft fuel expenses:* Aircraft fuel comprises our largest expense. Our fuel cost has increased over the years due to increased consumption in line with the increased size of our fleet and the expansion of our operations, increase in global prices of aircraft fuel and depreciation of Indian currency. In India, aircraft fuel is available for domestic purchase primarily from three government-controlled companies and two private companies. The price of aircraft fuel is fixed by these companies monthly and announced for the various airports in the country. To reduce our dependence on domestic suppliers, we started importing aircraft fuel in April 2014.
- *Aircraft and engine rentals:* This cost reflects lease payments for the aircraft we operate under operating lease arrangements, as well as lease payments we make to our engine supplier, IAE, whenever we use any spare engines it has supplied. This item also includes supplementary rental payments to our lessors based on actual utilization of our aircraft. We receive incentives from Airbus and our other aircraft-related suppliers and service providers. These incentive payments are amortized over the course of the relevant operating lease and are reduced from aircraft and engine rental payments.
- *Purchase of stock in trade:* Relates primarily to the inventory requirements for our inflight sales.
- *Employee benefits:* This cost consists primarily of salaries, bonuses and allowances, as well as statutory mandatory contributions pursuant to provident and other funds, recruitment costs and staff welfare costs. We have been rated as “India’s Best Companies to Work for” by Great Place to Work Institute India for seven years in a row and undertake numerous employee-friendly programs. We do not have any unionized employees and strive to maintain high employee retention by creating a positive corporate culture, ensuring our employees are paid on a timely basis and by providing incentives such as bonuses to flight crews based on our financial and operational performance.
- *Landing fees and en-route charges:* These costs include landing charges, route navigation facility charges, terminal navigation landing charges, parking and housing charges, X-ray charges and CUTE charges (at CUTE-enabled airports). Airport related charges are typically payable to the AAI or the operator of the airport. Airport charges are fixed by various airport operators and are primarily determined on the basis of number of passengers carried, aircraft weight and type of airport (domestic or international).
- *Maintenance Cost:* As an operator of aircraft, we are required to and are responsible for maintaining and repairing the aircraft. Our maintenance and repair expenses consist of scheduled and unscheduled maintenance of our aircraft, engines and other parts. We maintain our aircraft in accordance with standards that meet or exceed Indian regulatory standards and have entered into several fleet hour agreements for our engines, APUs and other components. We outsource most of the maintenance of our aircraft and engines.
- *Selling and Distribution Cost:* This item includes costs towards our call centers, reservation system, commissions and other miscellaneous expenses towards selling and distribution.
- *Other operating expenses:* Our other operating expenses consist primarily of aircraft insurance costs, in-flight purchases (which reflects our purchase of the food, beverages and merchandise sold on our flights), rent (primarily in respect of office space and various commercial premises), legal and professional fees, operating costs of software, other operating costs and in-flight and passenger costs.
- *Finance cost:* This cost consists of (i) interest payments on our indebtedness, which primarily consists of indebtedness we incurred in order to finance our pre-delivery payment fees under our aircraft purchase agreement with Airbus, and (ii) finance lease charges, which primarily reflect the interest component of the lease payments we make under our aircraft finance leases;
- *Depreciation and amortization:* This item primarily relates to depreciation on aircraft with finance lease arrangements, with the balance primarily relating to depreciation on ground support equipment, computer equipment, vehicles and furniture that we own.

**CASK**

CASK is calculated as total expenses (excluding finance income) divided by the number of ASKs in the relevant period. The table below sets out the determination of our CASK for the periods specified.

₹ in millions except for CASK)	Fiscal Year Ended March 31,					Nine Months Ended December 31,
	2010	2011	2012	2013	2014	2014
Total expenses .....	21,714.99	32,294.07	56,337.16	84,529.16	109,602.21	93,991.83
Finance income.....	345.79	727.06	1,207.00	2,006.37	2,863.55	2,525.26
% of total expenses .....	1.6%	2.3%	2.1%	2.4%	2.6%	2.7%
Total expenses– finance income .....	21,369.20	31,567.00	55,130.16	82,522.79	106,738.66	91,466.57
CASK (in ₹)	2.30	2.53	3.06	3.30	3.56	3.55
CASK excluding aircraft fuel expenses	1.32	1.31	1.47	1.58	1.72	1.78

### Our Provision for Tax

The elements of our tax expenses are as follows:

- Minimum alternate tax (MAT) and MAT credit entitlement.* Under Indian tax laws, a company is required to pay the higher of (i) Minimum Alternate Tax, or MAT, computed on book profit or (ii) income tax computed on taxable profit. The MAT payments can be carried forward and set-off against regular tax payable by us on taxable profit during the ten assessment years immediately following the assessment year in which we pay MAT. We record such carried forward MAT payments on our Statement of Profit and Loss as “MAT credit entitlements” in accordance with the Guidance Note on “Accounting for Credit Available in respect of Minimum Alternate Tax” under the IT Act. We paid MAT in each of fiscal 2010, 2011, 2012, 2013 and 2014 and the nine months ended December 31, 2014. MAT was assessed at the rate of 16.9%, 19.9%, 20.0%, 20.0%, 20.9% and 20.9% (inclusive of surcharge and education cess) in fiscal 2010, 2011, 2012, 2013, 2014 and the nine months ended December 31, 2014, respectively. In fiscal 2014, a portion of MAT recoverable amounting to INR 1,602.03 million was written off which has been reflected in the restated financial statements. This restatement results in effective MAT rates of 15.9%, 19.0%, 10.4%, 19.5%, 19.6% and 21.0% for each year, respectively.
- Deferred tax.* Deferred income tax reflects the impact of the timing difference between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where we have unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The carrying amount of deferred tax assets is reviewed at each reporting date.



## Our Results of Operations

The following table shows a breakdown of our results of operations as restated and each item as a percentage of total income for the periods indicated.

	Fiscal Year Ended										Nine Months Ended	
	2010		2011		2012		2013		2014		December 31,	
	₹ in millions)	(%)	₹ in millions)	(%)	₹ in millions)	(%)	₹ in millions)	(%)	₹ in millions)	(%)	₹ in millions)	(%)
<b>REVENUE</b>												
Revenue from operation .....	26,054.81	97.7	38,334.20	97.2	55,646.60	97.5	92,031.30	97.5	111,165.84	97.2	101,020.68	97.5
Other income .....	621.93	2.3	1,107.37	2.8	1,439.60	2.5	2,371.04	2.5	3,155.34	2.8	2,577.22	2.5
<b>Total revenue</b> .....	<b>26,676.74</b>	<b>100.0</b>	<b>39,441.57</b>	<b>100.0</b>	<b>57,086.20</b>	<b>100.0</b>	<b>94,402.34</b>	<b>100.0</b>	<b>114,321.18</b>	<b>100.0</b>	<b>103,597.90</b>	<b>100.0</b>
<b>EXPENSES</b>												
Aircraft fuel expenses .....	9,110.41	42.0	15,213.26	47.1	28,735.91	51.0	43,126.26	51.0	55,133.50	50.3	45,481.88	48.4
Aircraft and engine rentals <sup>(1)</sup> .....	2,762.86	12.7	4,098.49	12.7	8,007.15	14.2	13,561.48	16.0	16,703.14	15.2	14,046.06	14.9
Purchase of stock in trade .....	126.69	0.6	190.93	0.6	341.79	0.6	559.94	0.7	589.63	0.5	578.40	0.6
Change in inventories of stock in trade .....	(9.15)	0.0	(1.10)	0.0	(6.83)	0.0	(18.65)	0.0	7.06	0.0	(18.77)	0.0
Employee benefits .....	2,233.79	10.3	2,930.16	9.1	5,118.60	9.1	6,904.52	8.2	9,211.08	8.4	8,467.38	9.0
Other expenses .....	6,524.55	30.0	8,783.72	27.2	12,961.0	23.0	18,961.40	22.4	24,471.95	22.3	22,322.55	23.7
Finance cost .....	505.88	2.3	449.91	1.4	514.27	0.9	578.01	0.7	1,225.77	1.1	911.14	1.0
Depreciation and amortization .....	459.96	2.1	628.70	1.9	665.23	1.2	856.20	1.0	2,260.08	2.1	2,203.19	2.3
<b>Total expenses</b> .....	<b>21,714.9</b>	<b>100.0</b>	<b>32,294.0</b>	<b>100.0</b>	<b>56,337.1</b>	<b>100.0</b>	<b>84,529.16</b>	<b>100.0</b>	<b>109,602.2</b>	<b>100.0</b>	<b>93,991.83</b>	<b>100.0</b>
<b>EBITDAR<sup>(2)</sup></b>	<b>8,344.66</b>		<b>11,597.5</b>		<b>8,728.69</b>		<b>22,862.50</b>		<b>22,044.41</b>		<b>24,241.20</b>	
<i>Margin<sup>(3)</sup></i>		<i>31.7%</i>		<i>30.0%</i>		<i>15.6%</i>		<i>24.7%</i>		<i>19.8%</i>		<i>24.0%</i>
<b>EBITDA<sup>(2)</sup></b>	<b>5,581.80</b>		<b>7,499.05</b>		<b>721.54</b>		<b>9,301.02</b>		<b>5,341.27</b>		<b>10,195.14</b>	
<i>Margin<sup>(4)</sup></i>		<i>21.2%</i>		<i>19.4%</i>		<i>1.3%</i>		<i>10.1%</i>		<i>4.8%</i>		<i>10.1%</i>
<b>Profit before tax</b> .....	<b>4,961.75</b>		<b>7,147.50</b>		<b>749.04</b>		<b>9,873.18</b>		<b>4,718.97</b>		<b>9,606.07</b>	
<i>Margin</i>		<i>18.6%</i>		<i>18.1%</i>		<i>1.3%</i>		<i>10.5%</i>		<i>4.1%</i>		<i>9.3%</i>
<b>Tax (charge)/benefit</b>												
Current period minimum alternative tax (MAT) .....	(787.43)		(1,356.05)		(77.90)		(1,924.25)		(926.35)		(2,017.96)	
Less: MAT credit entitlement .....	(0.0)		611.65		77.90		1,086.89		926.35		1,821.50	
Deferred tax credit/(charge) .....	616.65		(608.45)		656.90		(1,202.25)		14.30		(2,201.22)	
<b>Profit for the period</b> .....	<b>4,790.97</b>		<b>5,794.65</b>		<b>1,405.94</b>		<b>7,833.57</b>		<b>4,733.27</b>		<b>7,208.39</b>	
<i>Margin</i>		<i>18.0%</i>		<i>14.7%</i>		<i>2.5%</i>		<i>8.3%</i>		<i>4.1%</i>		<i>7.0%</i>

### Note:

- (1) Aircraft and engine rentals are defined as aircraft and engine rentals net of cash and non-cash incentives.
- (2) EBITDAR is earnings before finance income and cost, income taxes, depreciation and amortization and aircraft and engine rentals. It is calculated as EBITDA plus aircraft and engine rentals. EBITDA is earnings before finance income and cost, income taxes, and depreciation and amortization. It is calculated as total revenue subtracting total expenses but excluding finance cost, finance income and depreciation and amortization.

EBITDA and EBITDAR are included as supplemental disclosure because we believe they are useful indicators of our operating performance. Derivations of EBITDA and EBITDAR are well-recognized performance measurements in the airline industry that are frequently used by companies, investors, securities analysts and other interested parties in comparing the operating performance of companies in our industry. We also believe EBITDA is useful for evaluating performance of our senior management team. EBITDAR is useful in evaluating our operating performance compared to our competitors because its calculation isolates the effects of financing in general, the accounting effects of capital spending and acquisitions (primarily aircraft, which may be acquired directly, directly subject to acquisition debt, by finance lease or by operating lease, each of which is presented differently for accounting purposes) and income taxes, which may vary significantly between periods and for different companies for reasons unrelated to overall operating performance. However, because derivations of EBITDA and EBITDAR are not determined in accordance with Indian GAAP, such measures are susceptible to varying calculations, and not all companies calculate the measures in the same manner. As a result, derivations of EBITDA and EBITDAR as presented may not be directly comparable to similarly titled measures presented by other companies.

These non-Indian-GAAP financial measures have limitations as an analytical tool. Some of these limitations are: they do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments; they do not reflect changes in, or cash requirements for, our working capital needs; they do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt; although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements; and other companies in our industry may calculate EBITDA and EBITDAR differently than we do, limiting their usefulness as a comparative measure. Because of these limitations, EBITDA and EBITDAR should not be considered in isolation or as a substitute for performance measures calculated in accordance with Indian GAAP.

- (3) EBITDAR margin is calculated as EBITDAR / (total revenue – finance income)
- (4) EBITDA margin is calculated as EBITDA / (total revenue – finance income)

### Nine Months Ended December 31, 2014

*Revenue from operations.* Our revenue from operations was ₹ 101,020.68 million for the nine months ended December 31, 2014.

- *Passenger ticket revenue.* Our passenger ticket revenue was ₹ 89,427.37 million for the nine months ended December 31, 2014. We realized an average fare of Rs 4,969.49 over this period which was marginally lower than the average fare of Rs 5,071.38 which we realized over fiscal 2014. Measured in terms of passenger ticket revenue / RPK, our yields of ₹ 4.41 in the nine months ended December 31, 2014 were 2.8% higher than our yields of Rs 4.29 in fiscal 2014.
- *Ancillary revenue.* Our ancillary revenue was ₹ 11,176.34 million for the nine months ended December 31, 2014.
- *Revenue from ancillary passenger related services.* Our revenue from ancillary passenger related services was ₹ 5,294.82 million for the nine months ended December 31, 2014, which primarily reflected our revenue from ticket cancellation and modification, excess baggage and other special services such as charges for infant travel and accompanying of minors.
- *Revenue derived from products and services that are ancillary to our airline passenger services.* Our revenue derived from products and services that are ancillary to our airline passenger services was ₹ 5,881.52 million for the nine months ended December 31, 2014, 81.2% of which was from cargo revenues. The remaining amount was largely from the sale of food and merchandise on board our aircraft. The table below details revenue derived from products and services that are ancillary to our airline passenger services for nine month ended December 31, 2014.

(₹ million)	<b>Nine Months</b>	
	<b>Ended December 31,</b>	
	<b>2014</b>	<b>%</b>
Cargo	4774.03	81.2%
Inflight	895.96	15.2%
Tours	121.10	2.1%
Advertisement	88.50	1.5%
Commission	1.92	0.0%
<b>Revenue derived from products and services that are ancillary to passenger services</b>	<b>5,881.52</b>	<b>100.0%</b>

- *Other operating revenue.* Our other operating revenue (reflecting amortization of incentives for aircraft and finance leases) was ₹ 416.97 million for the nine months ended December 31, 2014, which was 0.4% of our operating revenue for this period.

*Non-operating income.* Our non-operating income (recorded in our Statement of Profit and Loss as “Other income”) was ₹ 2,577.22 million for the nine months ended December 31, 2014. Approximately 98.0% of this income was generated from finance income received from investments in highly liquid market instruments.

*Expenses.* Our expenses totaled ₹ 93,991.83 million for the nine months ended December 31, 2014 (₹ 91,466.57 million net of finance income).

- *Aircraft fuel expense:* Our aircraft fuel expenses were ₹ 45,481.88 million for the nine months ended December 31, 2014. We received deliveries of 11 aircraft over this period, increasing in our fleet from 77 aircraft at the end of fiscal 2014 to 88 aircraft as on December 31, 2014. Aircraft fuel expenses were 48.4% of total expenses in this period as compared with 50.3% of total expenses in fiscal 2014, which is partially attributable to the softening of fuel prices globally.
- *Aircraft ownership cost:* Our aircraft ownership cost is comprised of aircraft and engine rentals, net finance cost and depreciation and amortization. The breakup of these costs for the nine months ended December 31, 2014 is given below:

Description	Amount (₹ million)
Aircraft and engine rentals	14,046.06
Finance Cost	911.14
Less: Finance Income	(2,525.26)
Depreciation and Amortization	2,203.19
TOTAL	14,635.13

We added 11 aircraft in this nine month period, out of which 7 were on operating leases. The remaining 4 aircraft were on finance leases, the interest payments for which are reflected in our increased finance costs and depreciation. Our ownership cost as a percentage of total expense net of finance income was reduced marginally from 16.2% in fiscal 2014 to 16.0% in the nine months ended December 31, 2014. On an ASK basis, our ownership cost/ASK has reduced from ₹ 0.58 in fiscal 2014 to ₹ 0.57 in the nine months ended December 31, 2014.

- *Purchase of stock in trade.* Our stock in trade was ₹ 578.40 million for the nine months ended December 31, 2014, primarily comprised of the cost of purchasing food and merchandise for sale on our aircraft.
- *Changes in inventories of stock in trade.* Our change in inventories of stock in trade were ₹ (18.77) million for the nine months ended December 31, 2014 reflecting consumption of our inventories of stock in trade.
- *Employee benefits.* Our benefits to employees were ₹ 8,467.38 million for the nine months ended December 31, 2014 primarily comprised of salaries, bonuses and allowances paid to our employees.
- *Other expenses.* Our other expenses were ₹ 22,322.55 million for the nine months ended December 31, 2014, primarily comprised of landing and en-route charges, selling and distribution cost, aircraft maintenance costs and other operating expenses. The table below details our other expenses for the nine months ended December 31, 2014.

Description	Amount (₹ million)
Landing and en-route charges	7,845.18
Maintenance Cost	2,914.51
Selling and Distribution cost	6,460.12
Other operating expenses	5,102.74
TOTAL	22,322.55

Our other expenses as a percentage of operating revenue for the nine months ended December 31, 2014 were relatively consistent compared to fiscal 2014, despite inflation in India since fiscal 2014, as detailed in the table below.

Description	Nine months ended December 31,	
	2014	Fiscal 2014
Landing and en-route charges	7.8%	7.9%
Maintenance Cost	2.9%	2.8%
Selling and Distribution cost	6.4%	6.2%
Other operating expenses	5.1%	5.0%

Our maintenance cost per block hour increased 6.0% from ₹ 10,640.13 in fiscal 2014 to ₹ 11,278.99 in the nine months ended December 31, 2014, largely due to the depreciation of the Indian Rupee against the USD, in which our maintenance cost is denominated.

*Profit before tax (charge)/benefit.* Our profit before tax was ₹ 9,606.07 million for the nine months ended December 31, 2014.

## Tax (charge)/benefit

- *Minimum Alternate Tax (MAT).* In the nine months ended December 31, 2014, we recorded MAT of ₹ 2,017.96 million.
- *MAT credit entitlement.* In the nine months ended December 31, 2014, we recorded a MAT credit entitlement of ₹ 1,821.50 million, which reflected the amount of MAT we recorded in each of this period.
- *Deferred tax credit/(charge).* We recorded deferred tax charge of ₹ 2,201.22 million in the nine months ended December 31, 2014.
- *Profit for the period.* Our profit for the period was ₹ 7,208.39 million for the nine months ended December 31, 2014, due to the reasons detailed above. Our profit margin for the nine months ended December 31, 2014 was 7.0%, compared to 4.1% for fiscal 2014.

## Fiscal 2014 Compared to Fiscal 2013

*Revenue from operations.* Our revenue from operations increased 20.8%, from ₹ 92,031.30 million in fiscal 2013 to ₹ 111,165.84 million for fiscal 2014 primarily due to increased passenger ticket revenue.

- *Passenger ticket revenue.* Our passenger ticket revenue increased 20.0%, from ₹ 82,666.57 million for fiscal 2013 to ₹ 99,239.83 million for fiscal 2014 in line with a 20% increase in capacity, a 4% increase in average fare and a 5% decrease in load factors.
- *Ancillary revenue.* Our ancillary revenue increased 24.9%, from ₹ 9,253.44 million for fiscal 2013 to ₹ 11,553.32 million for fiscal 2014, reflecting the following:
  - *Revenue from ancillary passenger related services.* Our revenue from ancillary passenger related services increased 37.0%, from ₹ 3,936.81 million for fiscal 2013 to ₹ 5,394.52 million for fiscal 2014, primarily due to a 20% increase in capacity over this period. Our revenue from ancillary revenue related services per passenger increased from ₹ 233.11 in fiscal 2013 to ₹ 275.67 in fiscal 2014, an increase of over 18.3%.
  - *Revenue derived from products and services are ancillary to our airline passenger services.* Our revenue derived from products and services that are ancillary to our airline passenger services increased 15.8%, from ₹ 5,316.63 million for fiscal 2013 to ₹ 6,158.80 million for fiscal 2014 due to a 20% increase in capacity. On a per passenger basis, our revenue from products and services that are ancillary to our airline passenger services was ₹ 314.82 in each of fiscal 2013 and ₹ 314.73 in fiscal 2014.
- *Other operating revenue.* Our other operating revenue (comprised of amortized incentives for aircraft on finance leases) increased 234.9%, from ₹ 111.29 million for fiscal 2013 to ₹ 372.69 million for fiscal 2014 because of an increase in aircraft on finance leases from nine at the end of fiscal 2013 to 18 at the end of fiscal 2014.

*Non-operating income.* Our non-operating income (recorded in our Statement of Profit and Loss as “Other income”) increased 33.1%, from ₹ 2,371.04 million for fiscal 2013 to ₹ 3,155.34 million for fiscal 2014, primarily due to an increase in our finance income from ₹ 2,006.36 million to ₹ 2,863.55 million.

*Expenses.* Our expenses totaled ₹ 109,602.21 million for fiscal 2014. Our expenses net of finance income was ₹ 106,738.66 for fiscal 2014, a 29.3% increase from total expenses net of finance income of ₹ 82,522.79 million for fiscal 2013, primarily due to increased aircraft fuel expenses.

- *Aircraft fuel expenses.* Our aircraft fuel expenses increased 27.8% from ₹ 43,126.26 million for fiscal 2013 to ₹ 55,133.50 million for fiscal 2014. This increase is primarily due to net deliveries of 11

aircraft during fiscal 2014 resulting in a 20% increase in capacity, as well as a 10% depreciation of the Indian Rupee against the USD, in which on aircraft fuel payments are denominated, during fiscal 2014.

- *Aircraft ownership cost:* Our aircraft ownership costs for fiscal 2014 and fiscal 2013 are detailed in the table below.

Description	Fiscal 2014 ₹ Million	Fiscal 2013 ₹ Million
Aircraft and engine rentals	16,703.14	13,561.48
Finance Cost	1,225.77	578.01
<i>Less: Finance Income</i>	<i>(2,863.55)</i>	<i>(2,006.37)</i>
Depreciation and Amortization	2,260.08	856.20
TOTAL	17,325.44	12,989.32

Our aircraft ownership cost increased by 33.4% from fiscal 2013 to fiscal 2014. This was due to a 20% increase in capacity in terms of ASKs as well as the depreciation of the Indian Rupee against the USD in which our aircraft ownership costs are denominated.

In fiscal 2014, we added a net of 11 aircraft, out of which nine of which were on finance leases. The total number of aircraft on finance leases doubled during fiscal 2014 (nine at the end of fiscal 2013 compared with 18 at the end of fiscal 2014). The increase in finance cost and depreciation and amortization is because of the addition of these aircraft. We also added a gross of 7 aircraft on operating lease (2 net of redeliveries) in fiscal 2014, resulting in an increase in our operating lease costs.

- *Purchase of stock in trade.* Our stock in trade increased 5.3%, from ₹ 559.94 million for fiscal 2013 to ₹ 589.63 million for fiscal 2014. The increase in stock in trade was primarily due to increased purchases of food and merchandise for sale on our aircraft due to our capacity expansion.
- *Changes in inventories of stock in trade.* Our inventories of stock in trade increased from ₹ (18.65) million for fiscal 2013 to ₹ 7.06 million for fiscal 2014.
- *Employee benefits.* Our employee benefit expenses increased 33.4% from ₹ 6,904.52 million for fiscal 2013 to ₹ 9,211.08 million for fiscal 2014. This increase in employee benefit expenses was due to regular salary increments provided to all employees and an increase in the number of employees from 6,915 at the end of fiscal 2013 to 8,168 at the end of fiscal 2014.
- *Other expenses.* Our other expenses increased by 29.1% from ₹ 18,961.40 million for fiscal 2013 to ₹ 24,471.95 million for fiscal 2014. The key components of other expenses are landing and en-route charges, selling and distribution cost, aircraft maintenance cost and other operating expenses as detailed in the table below.

Description	Fiscal 2014 ₹ million	Fiscal 2013 ₹ million
Landing and en-route charges	8,794.31	6,418.78
Maintenance Cost	3,167.07	2,617.47
Selling and Distribution cost	6,945.46	5,564.58
Other operating expenses	5,565.11	4,360.57
TOTAL	24,471.95	18,961.40

Our other expenses as a percentage of operating revenue for fiscal 2014 were relatively consistent compared to fiscal 2013, as detailed in the table below.

Description	Fiscal 2014	Fiscal 2013
Landing and en-route charges	7.9%	7.0%
Maintenance Cost	2.8%	2.8%
Selling and Distribution cost	6.2%	6.0%
Other operating expenses	5.0%	4.7%

Our landing and en-route charges per departure were ₹ 55,488.80 in fiscal 2014 as compared to ₹ 48,909.84 in fiscal 2013, an increase of 13.5%. This was primarily due to increased airport charges at key airports and also reflects inflation in India in fiscal 2014.

Our maintenance cost per block hour remained relatively constant flat from ₹ 10,634.07 in fiscal 2013 to ₹ 10,640.13 in fiscal 2014 despite the 10% depreciation of the Indian Rupee against the USD in fiscal 2014. Our maintenance cost as a percentage of operating revenue was 2.8% for each of fiscal 2013 and 2014 despite escalations in our maintenance contract payments during fiscal 2014. Our sale-and-leaseback model allows us to keep our fleet young and helps us control our maintenance costs.

We continue to work on lowering our selling and distribution costs through various initiatives such as encouraging passengers to use our website, a low-cost medium of booking tickets. For fiscal 2014, our selling and distribution cost per passenger was ₹ 354.93 as compared to ₹ 329.50 for fiscal 2013, an increase of 7.7%. Fiscal 2014 witnessed a global slowdown and a decreased discretionary travel, which is reflected in our load factors which were lower by 3.9% (81.1% in fiscal 2013 compared to 77.2% in fiscal 2014). As we were unable to pass on our fixed overheads to a higher passenger base, our selling and distribution cost per passengers increased in fiscal 2014 compared to fiscal 2013.

*Profit before tax (charge)/benefit.* As a result of the above changes, our profit before tax decreased 52.2% from ₹ 9,873.18 million for fiscal 2013 to ₹ 4,718.97 million for fiscal 2014.

*Tax (charge)/benefit.*

- *Minimum Alternate Tax (MAT).* We recorded a book profit before tax in each of fiscal 2013 and fiscal 2014, taxable profit in fiscal 2013 and no taxable profit in fiscal 2014, as determined in accordance with the Indian Income-tax Act of 1961. In each period, we were required to record MAT. In fiscal 2014, we recorded MAT of ₹ (926.35) million, as compared to MAT of ₹ (1,924.25) million in fiscal 2013.
- *MAT credit entitlement.* In fiscal 2013 and fiscal 2014, we recorded a MAT credit entitlement of ₹ 1,086.89 million and ₹ 926.35 million, respectively.
- *Deferred tax credit/(charge).* We recorded deferred tax benefit of ₹ 14.30 million in fiscal 2014, as compared to a deferred tax charge of ₹ (1,202.25) million in fiscal 2013.
- *Profit for the period.* Our profit for the period decreased 39.6%, from ₹ 7,833.57 million for fiscal 2013 to ₹ 4,733.27 million for fiscal 2014, due to the reasons detailed above.

#### ***Fiscal 2013 Compared to Fiscal 2012***

- *Revenue from operations.* Our revenue from operations increased 65.4%, from ₹ 55,646.60 million in fiscal 2012 to ₹ 92,031.30 million for fiscal 2013 primarily due to increased passenger revenue.
- *Passenger ticket revenue.* Our passenger ticket revenue increased 65.8%, from ₹ 49,873.04 million for fiscal 2012 to ₹ 82,666.57 million for fiscal 2013, primarily reflecting a 38.7% increase in capacity and a 25.2% increase in average fare. We started our international operations and added domestic routes in fiscal 2013.
- *Ancillary revenue.* Our ancillary revenue increased 62.9%, from ₹ 5,680.34 million for fiscal 2012 to ₹ 9,253.44 million for fiscal 2013, reflecting the following:
  - *Revenue from ancillary passenger related services.* Our revenue from ancillary passenger related services increased 89.7%, from ₹ 2,075.43 million for fiscal 2012 to ₹ 3,936.81 million for fiscal 2013, primarily due to a 38.7% increase in capacity. Our revenue from ancillary passenger related services per passenger went up from ₹ 162.76 to ₹ 233.11 in fiscal 2013, an increase of 43.2% indicating higher yields over this period.

- *Revenue derived from products and services are ancillary to our airline passenger services.* Our revenue derived from products and services that are ancillary to our airline passenger services increased 47.5%, from ₹ 3,604.91 million for fiscal 2012 to ₹ 5,316.63 million for fiscal 2013, which primarily reflected a 38.7% increase in capacity and an 11% increase in per passenger realization from ₹ 282.70 in fiscal 2012 to ₹ 314.82 in fiscal 2013.
- *Other operating revenue.* Our other operating revenue (comprised of amortized incentives on aircraft on finance leases) increased 19.4% from ₹ 93.22 million for fiscal 2012 to ₹ 111.29 million for fiscal 2013, reflecting an increase in aircraft on finance leases from 5 at the end of fiscal 2012 to 9 at the end of fiscal 2013.

*Non-operating income.* Our non-operating income (recorded in our Statement of Profit and Loss as “Other income”) increased 64.7%, from ₹ 1,439.60 million for fiscal 2012 to ₹ 2,371.04 million for fiscal 2013, primarily due to an increase in finance income from ₹ 1,207.00 million in fiscal 2012 to ₹ 2,006.37 million in fiscal 2013, an increase of 66.2%.

*Expenses.* Our expenses totaled ₹ 84,529.16 million for fiscal 2013. Our expenses net of finance income was ₹ 82,522.79 million for fiscal 2013, a 49.7% increase from total expenses net of finance income of ₹ 55,130.16 million for fiscal 2012 primarily due to increased aircraft fuel expenses.

- *Aircraft fuel expenses.* Our aircraft fuel expenses increased 50.1% from ₹ 28,735.91 million for fiscal 2012 to ₹ 43,126.26 million for fiscal 2013. This increase primarily reflected a 38.7% increase in capacity in fiscal 2013 and a 7% depreciation in the Indian Rupee against the USD during fiscal 2013.
- *Aircraft ownership cost:* Our aircraft ownership costs for fiscal 2013 and fiscal 2012 are detailed in the table below.

Description	Fiscal 2013 ₹ Million	Fiscal 2012 ₹ Million
Aircraft and engine rentals	13,561.48	8,007.15
Finance Cost	578.01	514.27
<i>Less: Finance Income</i>	<i>(2,006.37)</i>	<i>(1,207.00)</i>
Depreciation and Amortization	856.20	665.23
TOTAL	12,989.32	7,979.65

Our aircraft ownership cost increased 62.8% from fiscal 2012 to fiscal 2013. This was primarily due to a 38.7% increase in capacity in terms of ASKs. The depreciation of the Indian Rupee against the USD during fiscal 2013 also increased our costs.

Our aircraft and engine rentals costs, which primarily reflect our operating lease expenses, increased 69.4% in fiscal 2013 compared to fiscal 2012. We added net 11 aircraft during fiscal 2013, 7 of which were on operating leases (we added gross 13 aircraft on operating leases during fiscal 2013).

Out of the 11 net additions, 4 were on finance leases. As a result, our aircraft on finance leases nearly doubled from 5 at the end of fiscal 2012 to 9 at the end of fiscal 2013. This resulted in increases in our finance cost and depreciation and amortization, which largely result from the aircraft we have on finance leases.

- *Purchase of stock in trade.* Our stock in trade increased 63.8%, from ₹ 341.79 million for fiscal 2012 to ₹ 559.94 million for fiscal 2013. The increase in stock in trade was primarily due to increased purchase of food and merchandise for sale on our aircraft due to our capacity expansion.
- *Changes in inventories of stock in trade.* Our inventories of stock in trade decreased 173.1%, from ₹ (6.83) million for fiscal 2012 to ₹ (18.65) million for fiscal 2013.
- *Employee benefits.* Our benefits to employees increased 34.9%, from ₹ 5,118.60 million for fiscal 2012 to ₹ 6,904.52 million for fiscal 2013. The increase in our benefits to employees primarily reflected an

increase in the number of employees from 4,966 at the end of fiscal 2012 to 6,915 at the end of fiscal 2013, an increase of 39.2%.

- *Other expenses.* Our other expenses increased by 46.3% from ₹ 12,961.04 million for fiscal 2012 to ₹ 18,961.40 million for fiscal 2013 as detailed in the table below.

Description	Fiscal 2013 ₹ million	Fiscal 2012 ₹ million
Landing and en-route charges	6,418.78	4,066.52
Maintenance Cost	2,617.47	1,574.29
Selling and Distribution cost	5,564.58	4,195.32
Other operating expenses	4,360.57	3,124.91
TOTAL	18,961.40	12,961.04

Our other expenses (as a percentage of operating revenue) for fiscal 2012 are detailed in the table below.

Description	Fiscal 2013	Fiscal 2012
Landing and en-route charges	7.0%	7.3%
Maintenance Cost	2.8%	2.8%
Selling and Distribution cost	6.0%	7.5%
Other operating expenses	4.7%	5.6%

Our landing and en-route charges per departure for fiscal 2013 and fiscal 2012 were ₹ 48,909.84 and ₹ 41,319.66, respectively, an increase of 18.4%. In addition to increased domestic airport charges, the increase in airport charges per departures was also due to our international operations. We started our international operations in September 2011 during fiscal 2012 and fiscal 2013 was the first full year of international operations.

In terms of block hours, the maintenance cost increased 21.1% from ₹ 8,782.57 in fiscal 2012 to ₹ 10,634.07 in fiscal 2013. The Indian Rupee depreciated by 7% during 2013, which had an adverse impact on our maintenance cost as our maintenance costs are USD denominated. Maintenance costs also increased due to contractual escalations and an increase in the number of C-checks. Despite this, we were able to maintain our maintenance cost at 2.8% of operating revenue in each of fiscal 2012 and 2013.

Selling and distribution cost as a percentage of operating revenue decreased from 7.5% in fiscal 2012 to 6.0% in fiscal 2013. Our selling and marketing cost per passenger only increased 0.2% from ₹ 329.00 in fiscal 2012 to ₹ 329.50 in fiscal 2013. As we have a centralized ticket booking system hosted in Gurgaon for our operations worldwide, commencing international operations did not have a material impact on our selling and distribution costs.

*Profit before tax (charge)/benefit.* As a result of the above changes, our profit before tax increased 1,218.1%, from ₹ 749.04 million for fiscal 2012 to ₹ 9,873.18 million for fiscal 2013.

#### Tax (charge)/benefit

- *Minimum Alternate Tax (MAT).* We recorded a book profit before tax in each of fiscal 2012 and fiscal 2013, no taxable profit in fiscal 2012 and taxable profit in 2013, as determined in accordance with the Indian Income-tax Act of 1961. In each period, we were required to record MAT. In fiscal 2013, we recorded MAT of ₹ (1,924.25) million, as compared to MAT of ₹ (77.90) million in fiscal 2012.
- *MAT credit entitlement.* In fiscal 2012 and fiscal 2013, we recorded a MAT credit entitlement of ₹ 77.90 million and ₹ 1,086.89 million, respectively, which reflected the amount of MAT we recorded in each of those periods, respectively.
- *Deferred tax credit/(charge).* We recorded deferred tax charge of ₹ (1,202.25) million in fiscal 2013, as compared to a deferred tax benefit of ₹ 656.90 million in fiscal 2012.



- *Profit for the period.* Our profit for the period increased 457.2%, from ₹ 1,405.94 million for fiscal 2012 to ₹ 7,833.57 million for fiscal 2013, due to the reasons detailed above.

### Liquidity and Capital Resources

We achieved positive net profit in fiscal 2009 and have remained profitable in each subsequent fiscal year through fiscal 2014. No other Indian airline has consistently remained profitable over the same period, according to CAPA. We generate sufficient cash through our operations to meet our working capital requirements. We have relied on cash from internal accruals and borrowings from banks and other institutions to finance our aircraft pre-delivery payments under our 2005 and 2011 aircraft purchase agreements with Airbus.

As of the December 31, 2014, our material unused sources of liquidity comprised cash and cash equivalents (including fixed deposits and investments in liquid mutual funds) of ₹ 15,282.18 million and restricted cash (reflecting fixed deposits under lien and non-current investments) of ₹ 27,904.34 million. Our liquid investments are readily convertible into a known amount of cash and they are subject to an insignificant risk of change in value. We also have a number of fund-based working capital financial facilities totaling ₹ 1,500 million available to us which, as of the date of this Draft Red Herring Prospectus, remain undrawn.

On June 19, 2015, our Company declared an interim dividend (excluding dividend distribution tax) of ₹ 997.38 million for fiscal 2015 and an interim dividend of ₹ 10,029.10 million for fiscal 2016, each for 307,000 Equity Shares with a dividend value of ₹ 3,248.79 per share and ₹ 32,668.08 per share, respectively. On January 12, 2015 and March 23, 2015 our Company declared an interim dividend of ₹ 5,932.37 million and ₹ 2,260.23 million for fiscal 2015, each for 307,000 Equity Shares, respectively. Please see the chapter “*Dividend Policy*” beginning on page 252 and the section titled “*Risk Factors — Our Statements have yet to reflect interim dividends paid post December 31, 2014*” on page 26.

We are of the opinion that, after taking into account the expected cash to be generated from operations and the payment of interim dividends on June 19, 2015, we have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for 12 months following the date of this Draft Red Herring Prospectus without taking into account the proceeds from the Issue.

The following table sets forth information on our free cash and restricted cash for the periods indicated:

	2010	2011	2012	As at March 31,		As at
				2013	2014	December
						31,
						2014
	(₹ in millions)					
Free cash (including investments in liquid mutual funds) <sup>(1)</sup>	7,290.32	11,102.51	10,262.13	14,840.64	16,577.27	15,282.18
Restricted cash <sup>(2)</sup>	2,465.43	4,770.47	8,924.82	14,655.59	20,767.48	27,904.34
Total cash <sup>(3)</sup>	9,755.75	15,872.98	19,186.95	29,496.23	37,344.75	43,186.52

(1) Free Cash comprises of cash and bank balances excluding deposits under lien, deposits with a maturity of more than 12 months from the reporting date excluding any deposits under lien and current investments

(2) Restricted Cash comprises of all bank deposits under lien and non-current investments

(3) Total cash comprises of free cash and restricted cash

The following table sets forth certain information concerning our cash flows for the periods indicated:

	Fiscal Year Ended March 31,					Nine Months
	2010	2011	2012	2013	2014	Ended
						December 31,
						2014
	(₹ in millions)					
Net cash flows						
Operating activities	6,523.40	8,719.84	8,956.69	17,413.01	15,955.02	16,792.57
Net cash flows						
Investing activities	(12,668.63)	(6,083.44)	(466.49)	(18,896.87)	(29,137.79)	(14,276.29)
Net cash flows						
Financing activities	5,946.41	(2,720.68)	(6,375.95)	360.83	12,848.43	(2,532.89)

### Net Cash Flows From Operating Activities

Our cash flow from operations largely depends on our net profits. We have been profitable in each of fiscal 2012, fiscal 2013, fiscal 2014 and the nine months ended December 31, 2014, generating sufficient cash flow from operations. We have been able to meet all our working capital requirements through the cash generated from our operations and have not taken any working capital loans to finance our various regular expenses such as employees' salaries, aircraft fuel, aircraft rentals and airport charges.

Our cash flow from operating activities increased from ₹ 8,956.69 million in fiscal 2012 to ₹ 15,955.02 million in fiscal 2014 because of the growth in our profitability.

#### ***Net Cash Flows Used In Investing Activities***

Our net cash flow used in investing activities is determined by our aircraft and other capital asset acquisition. The rapid growth of our company operations has contributed to an increased cash outflow on account of investing activities.

We had 5 aircraft on finance leases from IAE at the beginning of fiscal 2012. During fiscal 2013, fiscal 2014 and the nine months ended December 31, 2014, we added 4, 9 and 4 aircraft, respectively, on finance leases. These finance leases were supported by Export Credit Agency guarantees and we were required to arrange for financing of up to 80% of acquisition value.

Our cash used in investing activities increased from ₹ 466.49 million in fiscal 2012 to ₹ 29,137.79 million in fiscal 2014 reflecting the addition of aircraft on finance leases.

#### ***Net Cash Flows From / (Used in) Financing Activities***

Our net cash flow from financing activities is determined by the amount of principal and interest payments on our outstanding aircraft acquisition loans (we do not have any working capital loans) and dividend payments (including tax on dividend). We paid dividends in fiscal 2013, fiscal 2014 and the nine months ended December 31, 2014.

We have also raised funds to finance our aircraft on finance leases. We added 17 aircraft between fiscal 2012 and the nine month ended December 31, 2014 through secured loans guaranteed by the Export Credit Agencies. We also have taken loans to finance our pre-delivery payments for our 2005 and 2011 order from Airbus.

Our net cash flow from financing activities increased to ₹ 12,848.43 million in fiscal 2014 compared to fiscal 2012 where cash used in finance activities was ₹ 6,375.95 million.

#### ***Capital Expenditure***

Our capital expenditure is mainly related to finance leases of aircraft, and also includes spares, acquisition of ground support equipment, purchase of software and various IT-related equipment and office equipment.

The table below provides details of our capital expenditure for the periods stated.

	Fiscal Year Ended March 31,					Nine Months Ended
	2010	2011	2012	2013	2014	December 31, 2014
	(₹ in millions)					
Tangible assets						
Owned aircraft	1,425.4	-	-	-	-	-
Leased aircraft <sup>1</sup>	6,510.7	7,650.3	8,071.5	16,522.9	37,537.3	47,463.1
Furniture and fixtures	16.0	15.3	16.9	22.5	25.5	26.0
Computers	30.2	39.7	57.0	80.3	119.8	126.1
Office equipment	27.0	28.8	35.2	40.0	46.7	33.1
Ground support equipment	209.2	324.6	378.0	467.7	587.9	651.3
Ground support vehicles	116.1	193.4	190.1	300.2	330.5	349.7
Leasehold improvements	26.9	58.1	64.5	79.1	115.9	136.3
Leasehold improvements - aircraft	-	-	-	35.2	643.7	768.7

Subtotal	8,361.4	8,310.1	8,813.1	17,547.9	39,407.2	49,554.2
Intangible assets						
Software	1.6	1.3	47.0	96.7	152.5	108.4
Subtotal	8,363.0	8,311.4	8,860.1	17,644.6	39,559.7	49,662.7
Capital work in progress	-	-	-	68.5	-	-
Total	8,363.0	8,311.4	8,860.1	17,713.1	39,559.7	49,662.7

**Note:**

- (1) Includes capitalized foreign currency loss arising on re-statement of long-term foreign currency monetary liabilities used for acquisition of depreciable capital assets

The increase in capital expenditure from fiscal 2012 to fiscal 2014 has resulted from the growth in our operations and fleet. We will continue to incur capital expenditure on the acquisition of aircraft, airport infrastructure, engineering and maintenance facilities, inventories, setting up IT system, ground support equipment and vehicle and other related infrastructure.

***Planned Capital Expenditure***

We placed a firm order for 180 A320neo aircraft with Airbus in June 2011, the first delivery of which is scheduled for November 2015. Based on the fixed aircraft delivery schedules under our purchase agreement with Airbus and the terms of our aircraft leases, we expect our operating fleet, net of retirements, to increase to 111 by the end of March 2016. As we intend to continue to primarily use operating leases for our aircraft, we do not expect significant capital expenditure in the future to purchase aircraft pursuant to our purchase agreement with Airbus.

As of March 31, 2013, March 31, 2014, and December 31, 2014 we had a total capital commitment of ₹ 553,366.45 million, ₹ 578,899.54 million and ₹ 587,944.99 million respectively, which amounts principally relate to our aircraft purchase obligations under our purchase agreement with Airbus. The anticipated sources of funding for our planned capital expenditure are the assignment and leaseback arrangements described under “— Capital Resources” below, cash flows from operations (including cash incentive payments we receive under our aircraft purchase agreement with Airbus and under our agreements with our various aircraft component manufacturers), proceeds from the Issue and borrowings. The eventual sources of funding for our capital expenditure will depend on, among others, factors such as the cost and availability of financing and our available cash balances at any point in time.

***Capital Resources***

As of April 30, 2015, our fleet has grown to a total of 96 aircraft. Of these 96 aircraft, we obtained 74 aircraft through operating leases (including 12 on short term leases which were previously leased by Tiger Airways) and 22 aircraft through finance leases. Of the 100 aircraft which Airbus has delivered to us from the commencement of our operations in 2006, 84 remain in our fleet as of April 30, 2015. Of the 100 aircraft delivered by Airbus, as of November 3, 2014, 77 were on operating leases, 17 were on European Export Credit Agency backed finance leases, 5 were on IAE backed finance leases and one was purchased with internal funds.

We generally assign our right to purchase each aircraft under our purchase agreement with Airbus to a third-party lessor and lease the aircraft from such lessor following delivery of the aircraft under a sale-and-leaseback agreement. Under the terms of our assignment, the third-party lessors are typically required to pay the purchase price for each delivered aircraft directly to Airbus. The basic price for each of the firm-order aircraft delivered pursuant to our contracts with Airbus is increased or decreased by (a) any change to the standard specifications of the aircraft, and increased by (b) an “Escalation Factor” designed to increase the basic price of any individual aircraft to reflect increases in the published U.S. Employment Cost and Producer Price indices from the time the basic price is set to the date falling twelve months prior to the delivery of such aircraft. We are required to pay certain pre-delivery payments under our purchase contracts with Airbus. We made all pre-delivery payments to Airbus relating to our 2005 order, for which all of the aircraft have been delivered. Additionally, relating to the 2011 order, we have entered into a loan agreement for funding certain portion of the pre-delivery payment. The balance amount is to be paid through our internal accruals. We have made all the required pre-delivery payments due to date to Airbus towards this order.

Where we have acquired aircraft directly from Airbus rather than assigning the right to acquire such aircraft to third-party lessors, we have financed the purchase of such aircraft pursuant to secured loans or finance leases.

As of December 31, 2014, we had total borrowings of ₹ 40,028.2 million, comprising of secured loans. See “— Contractual Obligations” below for more information on our bank loans, including current maturities.

We believe that currently there is a liquid market for the Airbus A320 series of aircraft because it is a widely used aircraft and, as a result, international leasing companies are generally willing to enter into sale and leaseback arrangements and banks or financial institutions are willing to provide aircraft financing in respect of such aircraft.

### Contractual Obligations

The table below sets forth, as of December 31, 2014, our contractual obligations with definitive payment terms. These obligations primarily relate to repayments of our operating and finance lease commitments and other long-term debt obligations in respect of aircraft.

	As of December 31, 2014			
	Total	Less than 1 year	1 to 5 years	After 5 years
	(₹ in millions)			
Operating lease commitments in respect of aircraft <sup>(1)</sup> .....	62,661.85	15,702.54	40,946.43	6,012.88
Finance lease commitments in respect of aircraft <sup>(2)</sup> .....	37,412.05	3,388.51	15,186.83	18,836.71
Other long-term debt obligations in respect of aircraft <sup>(3)</sup> .....	2,616.16	Nil	Nil	2,616.16

- (1) Total future minimum lease payments due under non-cancellable operating leases (except supplementary rental which are based on aircraft utilization and calculated on number of hours or cycles operated)
- (2) Total present value of finance lease commitments. Certain aircraft have been obtained on finance lease. The legal title to these items vests with the lessors and the security trustee. The finance lease term for aircraft ranges between 10 - 12 years with equated monthly payments beginning from the month subsequent to the commencement of the lease.
- (3) These are revolving facilities and the repayments are adjusted according to aircraft deliveries.

We generally assigned our right to purchase aircraft under our 2005 purchase agreement with Airbus to a third-party lessor and leased the aircraft from such lessor following delivery of the aircraft, and we intend to generally continue this practice in respect of aircraft delivered pursuant to our 2011 aircraft order with Airbus. Under the terms of our assignment, the third-party lessors are typically required to pay the purchase price for each delivered aircraft directly to Airbus. If we are unable to assign our right to purchase under our purchase agreements with Airbus to a third-party lessor or if such third-party lessor defaults in purchasing the aircraft from Airbus, we will be required to pay the purchase price for each delivered aircraft directly to Airbus. As of March 31, 2014 and December 31, 2014, we had total capital commitments of ₹ 578,899.54 million and ₹ 587,944.99 million, respectively, which amounts principally relate to our aircraft purchase obligations under our 2011 agreement with Airbus.

### Contingent Liabilities

As of December 31, 2014, our contingent liabilities were as below:

- a. An income tax assessment of ₹ 100.21 million related to disallowance of certain expenses, provisions, depreciation and/or adjustments for incentives received due to acquisition of aircraft and engines. Based on the views from our counsels, we believe that such tax assessment are not sustainable at higher levels. Thus, no provision has been recorded in our books of account. Our liability as of December 31, 2014 is net of ₹ 1,602.03 million, which represents minimum alternate tax recoverable written off.
- b. During the current and previous years, we have received certain show cause notices and demand orders from the Office of the Commissioner of Service tax, Commissioner of Customs and Commissioner of Central Excise (Adjudication), alleging non-payment of custom duty on imported goods in the amount of ₹ 24.05 million, non-payment of service tax on foreign currency expenditure in the amount of ₹ 0.97 million and excess availment of cenvat credit on cargo services in the amount of ₹ 55.07 million. We

have disputed these claims. As we believe these claims will be dismissed, no provision has been recorded in our books of account.

- c. Claims by a supplier related to disputed matters and not acknowledged as debt in the amount of ₹ 188.37 million.

### **Off-Balance Sheet Transactions**

We use aircraft operating leases in the ordinary course of our business. For further details, please see “—*Liquidity and Capital Resources — Capital Resources*” above for additional information on these transactions.

### **Market Risks**

#### ***Aircraft Fuel, Exchange Rate Risk, Seasonality***

For further details, please see “—*Factors Affecting Results of Operations and Financial Condition*” above.

#### ***Interest Rate Risk***

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds. As of December 31, 2014, our total indebtedness aggregated ₹ 40,028.21 million in secured loans, which are on a floating rate basis, and we had no unsecured loans. Under aircraft operating lease agreements for five of our aircraft, we pay monthly base rental based on floating interest rates pegged to LIBOR.

Our floating rate loans and aircraft lease agreements are linked to three/six month USD LIBOR. Any increase in LIBOR could increase our interest expenses on these loans and base rental under these aircraft leases.

#### ***Inflation***

India has experienced very high levels of inflation during the period between 2009-2014, with inflation peaking at 12.0% in 2010, accordingly to the World Bank (<http://data.worldbank.org/indicator/FP.CPI.TOTL.ZG>). According to the India Ministry of Statistics and Programme Implementation Central Statistics Office, the annual rate of inflation was 4.87% for the month ended April 30, 2015 compared to an inflation rate of 8.48% for the corresponding month in 2014. A sharp rise in inflation rates may adversely affect growth in the Indian economy and our results of operations.

### **Provisions, contingent liabilities and contingent assets**

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in our financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

### **Unusual or Infrequent Events or Transactions**

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent.”

### **Known Trends or Uncertainties**

Other than as described in the section “*Risk Factors*,” elsewhere in this chapter “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on the revenues or income of our Company from continuing operations.

### **Future Relationships Between Costs and Income**

Other than as described in the section “*Risk Factors*,” elsewhere in this chapter “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Draft Red Herring Prospectus, to our knowledge there are no known factors which will have a material adverse impact on the operations or finances of our Company.

### **New Product or Business Segments**

Other than as described in this Draft Red Herring Prospectus, there are no new products or business segments in which we operate.

### **Significant Dependence on a Few Suppliers**

One of the key elements of our low-cost business strategy for our Company is to operate a uniform fleet of aircraft, each having similar equipment, including engines. Having a uniform fleet also allows us to use any aircraft for any route, thereby simplifying and increasing the flexibility of our flight scheduling arrangements. Currently all of our aircraft carry V-2527-A5 engines manufactured by IAE, and, upon delivery, all of our A320neo aircraft in our 2011 order will utilize Pratt & Whitney engines, which further increases the uniformity of our aircraft. This uniformity lowers costs by allowing us to have common maintenance procedures, training and spare part inventories. The seating configuration in our Airbus A320 aircraft is optimized at the aircraft’s maximum capacity of 180 seats, all of which are economy.

While commonality provides us with many operational and cost benefits, our dependence on Airbus A320 aircraft and IAE and Pratt & Whitney engines exposes us to any design defects or mechanical failures that might arise with such aircraft or engines. Such problems could lead to the loss of use of aircraft or engines and other significant disruptions or costs, apart from causing customers to avoid airlines operating with such aircraft or equipment.

Our operations could also be harmed by the failure or inability of Airbus, IAE, Pratt & Whitney or any of our other main suppliers to provide equipment or sufficient parts or related support services on a timely basis.

### **Competitive Conditions**

We expect competitive conditions in our industry to intensify further as new entrants emerge and as existing competitors seek to extend their operations and flight frequencies over routes that we operate. For further details, please refer to the competition discussion in the sections entitled “*Risk Factors*” and “*Our Business*” beginning on pages 19 and 160, respectively.

### **Significant Developments after December 31, 2014 that may affect our Future Results of Operations**

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge, there is no subsequent development after the date of our financial statements contained in this Draft Red Herring Prospectus, which materially and adversely affects, or is likely to affect, the operations or profitability of our Company, or the value of our assets, or our ability to pay our material liabilities within the next twelve months.

## FINANCIAL INDEBTEDNESS

As on May 31, 2015, the total outstanding indebtedness of the Company was ₹ 42,674.87 million, out of which ₹ 42,674.87 million are secured borrowings and there are no unsecured borrowings.

### Secured Loans:

Sr. No.	Name of Lender	Particulars	Nature of Facility	Sanctioned amount (as on May 31, 2015) <sup>1</sup>	Outstanding amount (as on May 31, 2015) <sup>1</sup>	Interest Rate/ Commission	Tenure	Repayment	Security
1.	Good Fly Leasing Limited	ECB-2 returns filed with the Reserve Bank of India ("RBI") by BNP Paribas.  RBI approval dated January 29, 2014 along with January 31, 2014 <sup>2</sup> .	<b>Fund Based:</b> ECB facility for part financing of the purchase of up to 6 Airbus A320-232 aircraft.	₹ 14,674,000,000.00	₹ 12,059,672,567.16	3 months USD LIBOR + 0.62% p.a.	Facility drawn in 6 tranches and each loan has a tenure of 12 years.	48 quarterly unequal installments (lease rentals) starting from May 03, 2014 (first aircraft) to February 3, 2026 (last aircraft).	A security trustee acting on behalf of the lender and the export credit agency ("ECA") will take certain collateral which includes a mortgage over the relevant aircraft, a security assignment, and an assignment over the relevant aircraft's insurance proceeds.
2.	Unicorn Leasing Limited	ECB-2 returns filed with RBI by JP Morgan Chase Bank  RBI approval dated May 2, 2014 along with January 21, 2013 <sup>3</sup> .	<b>Fund Based:</b> ECB facility for financing the purchase of 11 Airbus A320-232 aircraft.	₹ 23,222,889,254.44	₹ 20,049,846,810.84	(i) 3 months USD LIBOR + 1.00% p.a. (applicable for the period from the delivery date to and including the date falling 6 months after the delivery date)  (ii) 3 months USD LIBOR + 0.94% p.a. (applicable for the period from date falling 6 months after from the delivery date to the date falling 24 months after the delivery date)  (iii) 3 months USD LIBOR + 1.19% p.a. (applicable for the period from the date following 24 months after the delivery date till loan maturity).	Facility drawn in 11 tranches and each loan has a tenure of 12 years	48 quarterly unequal installments for every drawdown starting from April 15, 2013 (12 years from the respective drawdown dates)	A security trustee acting on behalf of the lender and the ECA will take certain collateral which includes a mortgage over the relevant aircraft, a security assignment, and an assignment over the relevant aircraft's insurance proceeds.
3.	UT Finance	ECB-2	<b>Fund Based:</b>	₹ 6,380,000,000.00	₹ 3,062,400,000.00	6 months	11 years 3	20 unequal	Contractual

Sr. No.	Name of Lender	Particulars	Nature of Facility	Sanctioned amount (as on May 31, 2015) <sup>1</sup>	Outstanding amount (as on May 31, 2015) <sup>1</sup>	Interest Rate/ Commission	Tenure	Repayment	Security
	Corporation	returns filed with RBI  Loan agreement dated August 2, 2012  RBI approval dated August 14, 2012 along with November 12, 2012	ECB facility for financing pre delivery payments for up to 150 brand new Airbus A 320neo family aircraft.#			USD LIBOR + 2.75% p.a.	months.	installments starting from March 2023 to December 2023	rights to buy up to 30 aircraft to be delivered to the Company partially by utilizing the pre-delivery payments.
4.	Indiaer Leasing Limited (“Indiaer”) <sup>4</sup>	Aircraft leasing agreement dated August 24, 2009  Aircraft leasing agreement dated November 18, 2009  Aircraft leasing agreement dated December 18, 2009  Aircraft leasing agreement dated February 15, 2010  Aircraft leasing agreement dated May 25, 2010	Aircraft lease	₹ 11,033,666,186.03	₹ 7,502,951,619.33	6 months USD LIBOR + 3.50%	Ten years after the delivery date of the respective aircraft.	Indiaer will provide the Company an invoice with respect to the relevant payment not later than 10 days prior to the date on which such payment is due. Indiaer may provide sets of six invoices on a bi-annual basis.	On or before the delivery date, the Company shall pay to lessor an amount equal to the security deposit which is equal to twice the monthly rentals.
5.	Oriental Bank of Commerce (“OBC”)	Sanction letter dated June 02, 2014	<b>Non Fund Based:</b> Stand by Letter of Credit (“SBLC”)	₹ 5,000,000,000.00	₹ 2,866,690,584.98	Commission-0.60% p.a. (all inclusive excluding tax)	Sanction valid for one year	N.A.	1. Counter guarantee by the Company. 2. 70% in the shape of un-encumbered duly discharged FDR’s/CDR’s. (along with interest accrued thereon)
			Bank Guarantee (“BG”)	₹ 700,000,000.00	₹ 541,063,606.00	Commission-Financial - 1.50% p.a. Performance-0.75% p.a. (all inclusive excluding	Sanction valid for one year	N.A.	1. Counter guarantee by the Company. 2. Financial: 20% Performance: 20% margin



Sr. No.	Name of Lender	Particulars	Nature of Facility	Sanctioned amount (as on May 31, 2015) <sup>1</sup>	Outstanding amount (as on May 31, 2015) <sup>1</sup>	Interest Rate/ Commission (taxes)	Tenure	Repayment	Security
									to be maintained in the form of unencumbered duly discharged FDR's/CDR's. Interest on FDR's/CDR's shall not be released during the currency of guarantee facility.
			Letter of Credit (Import/Inland) (Sublimit of BG)	₹200,000,000.00	NIL	Commission- 0.40% p.a. (all inclusive excluding tax)	Sanction valid for one year	N.A.	1. Documents of title to goods in case of L/C on DP basis. 2. Hypothecation charge over the goods in case of L/C on DA basis. 3. 20% in the shape of un-encumbered duly discharged FDRs/CDRs (along with interest accrued on them.)
			<b>Fund Based:</b> Overdraft	₹ 250,000,000.00	NIL	Rate of Interest- At OBC base rate	Sanction valid for one year	N.A.	Charge on current assets and stores and spares of the Company on pari passu basis with other working capital lenders.
6.	Bank of Baroda ("BOB")	Sanction letter dated February 26, 2014	<b>Non Fund Based:</b> SBLC	The amount is sanctioned on a case to case basis, backed by 100% cash margin	₹ 16,004,947,156.66	Commission- 0.25% p.a. (all inclusive excluding tax)	Sanction valid till new sanction	N.A.	1. 100% backed by FDR's. 2. Counter guarantee by the Company.
			<b>Non Fund Based:</b> BG	The amount sanctioned is on a case to case basis, backed by 100% cash margin	₹ 183,796,248.36	Commission- 0.25% p.a. (all inclusive excluding tax)	Sanction valid till new sanction	N.A.	1. 100% backed by FDR's. 2. Counter guarantee by the Company.
			<b>Fund Based:</b> Overdraft	₹ 1,000,000,000.00	NIL	Rate of Interest- 2.75% over BOB base rate	12 months	The Company shall repay each of the disbursement through their overdraft account within a maximum period of 60 days.	First pari passu charge on current assets of the Company.
			<b>Fund Based:</b> FCNR (B) Loan	₹ 1,914,000,000.00	NIL	550 bps over 6 months USD LIBOR	36 months on rollover basis	Repayment to be made within a maximum period of 36	<b>Primary:</b> Assignment of aircraft purchase agreement signed with

Sr. No.	Name of Lender	Particulars	Nature of Facility	Sanctioned amount (as on May 31, 2015) <sup>1</sup>	Outstanding amount (as on May 31, 2015) <sup>1</sup>	Interest Rate/ Commission	Tenure	Repayment	Security
								months from the date of disbursement. (multiple part prepayments allowed)	Airbus SAS in favor of BOB. <b>Collateral:</b> 20% margin with an option to the Company to either keep the margin amount in FDR in equivalent INR or to contribute 20% of the PDP requirement thus reducing the loan amount.
			<b>Fund Based:</b> FCNR (B) Loan	₹ 478,500,000.00	NIL	550 bps over 6 months USD LIBOR	45 days on rollover basis	The Company shall repay the loan by bullet payment within 45 days from availing the loan.	<b>Primary:</b> Assignment of aircraft purchase agreement signed with Airbus SAS in favor of BOB. <b>Collateral:</b> 20% margin with an option to the Company to either keep the margin amount in FDR in equivalent INR or to contribute 20% of the PDP requirement thus reducing the loan amount.
7.	Union Bank of India ("UBI")	Sanction letter dated March 09, 2015	<b>Non Fund Based:</b> SBLC	₹ 1,221,250,000.00	₹ 1,373,411,923.71	Commission-0.20% p.a  (all inclusive excluding tax)	Sanction valid till new sanction	N.A.	70% pledge of FDR and counter indemnity.
			<b>Non Fund Based:</b> Letter of Credit ("LC")-	₹ 1,000,000,000.00	₹ 684,255,000.00	Commission-0.20% p.a  (all inclusive excluding tax)	Sanction valid till new sanction	N.A.	30% FDR's
			<b>Non Fund Based:</b> Buyers Credit (Sublimit of LC)	₹ 1,000,000,000.00	NIL	Commission-0.20% p.a  (all inclusive excluding tax)	Sanction valid till new sanction	N.A.	30% FDR's
			<b>Non Fund Based:</b> BG	₹ 1,000,000,000.00	₹ 401,436,725.00	Commission-0.20% p.a  (all inclusive excluding tax)	Sanction valid till new sanction	N.A.	30% pledge of FDR and counter indemnity
8.	Canara Bank	Sanction letter dated March 14, 2011	<b>Non Fund Based:</b> SBLC	₹ 9,570,000,000.00	₹ 6,243,241,787.53	Commission-0.25% p.a.  (all inclusive excluding tax)	Up to a maximum period of 10 years	N.A.	SBLCs are covered by way of fixed deposits/ Kamadhenu Deposits, as margin, to the extent of 100% exposure.
9.	Bank of	Sanction	<b>Non Fund</b>	₹ 1,250,000,000	₹ 586,389,000.00	Commission-	LC: DA/	N.A	<b>Primary</b>

Sr. No.	Name of Lender	Particulars	Nature of Facility	Sanctioned amount (as on May 31, 2015) <sup>1</sup>	Outstanding amount (as on May 31, 2015) <sup>1</sup>	Interest Rate/ Commission	Tenure	Repayment	Security
	Maharashtra ("BOM")	letter dated March 30, 2015	<b>Based:</b> BG cum LC		(BG)	0.40% p.a.  (all inclusive excluding tax)	DP with usance period maximum up to 180 days BG: Maximum one year to be renewed on yearly basis up to 6 years		75% of the utilization of the facility in term deposit. <b>Collateral For LC:</b> Hypothecation of goods under LC <b>For BG:</b> Counter guarantee by the Company.
			<b>Buyers Credit Facility</b> (Sublimit of BG cum LC)	₹ 1,250,000,000	NIL	Commission-0.40% p.a.  (all inclusive excluding tax)	Not to exceed 180 days	N.A.	70% by way of term deposit. Hypothecation of goods under LC.
			<b>Fund Based:</b> Cash Credit	₹ 250,000,000	NIL	Rate of Interest-2.50% over BOM base rate	Sanction valid till new sanction	N.A.	1 <sup>st</sup> pari passu charge on the current assets of the Company.
10.	Yes Bank	September 16, 2014	<b>Non Fund Based:</b> BG	₹ 500,000,000.00	₹ 499,130,400.00	Commission-0.20% p.a.  (all inclusive excluding tax)	Maximum 48 months (including claim period)	N.A.	20% in the form of fixed deposits duly lien marked in favor of Yes Bank.
11.	Corporation Bank	No specific sanction letter as under 100% margin	<b>Non Fund Based:</b> BG	The amount sanctioned is on a case to case basis, backed by 100% cash margin	₹ 204,455,608.00	Commission-0.69% p.a.  (all inclusive excluding tax)	Sanction valid till new sanction	N.A.	100% margin in the form of FDR's
12.	Indian Overseas Bank ("IOB")	No specific sanction letter as under 100% margin	<b>Non Fund Based:</b> BG	The amount sanctioned is on a case to case basis, backed by 100% cash margin	₹ 7,430,645.30	Commission-1.80% p.a for the foreign BG's (all inclusive excluding tax)	Sanction valid till new sanction	N.A.	100% margin in the form of FDR's

*Note 1: The respective amounts have been calculated at an exchange rate of 1 USD = ₹ 63.80 THB = ₹ 1.89, 1 AED = ₹ 17.37, 1 OMR = ₹ 166.34, 1 SGD = ₹ 47.35 as on May 31, 2015. (source: Based on exchange rates communicated by HDFC Bank Limited to our Company).*

*Note 2: The RBI has provided approval dated January 29, 2014 to TD Bank, N.A. ("Lender") through BNP Paribas, as authorized dealer, in relation to the finance lease transaction of ₹ 14,674,000,000.00 ("RBI Approval"). In accordance with the RBI Approval and the all party agreements (separate agreements entered for each of the aircraft on various dates) entered into between the Company, Good Fly Leasing Limited- Lender and BNP Paribas in its capacity as a lead arranger, facility agent, security trustee, the Lender would be providing the loan facility amount to the Good Fly Leasing Limited, the lessor, through 6 separate ECA backed loans.*

*Note 3: The RBI has provided approval dated May 2, 2014 to J.P. Morgan Chase Bank, N.A. ("Lender"), through J.P. Morgan Chase Bank as authorized dealer, in relation to the finance lease transaction of ₹ 23,222,889,254.44 ("RBI Approval"). In accordance with the RBI Approval and the all party agreements (separate agreements entered for each of the aircraft on various dates) entered into between the Company, Unicorn Leasing Limited, Unicorn Funding Limited, the Lender and J.P. Morgan Europe Limited in its capacity as a facility agent and security trustee, the Lender would be providing the loan facility amount to Unicorn Funding Limited who in turn will finance the purchase of the aircraft leased to the Company by Unicorn Leasing Limited, the lessor through 11 separate ECA backed loans.*

*Note 4: The Company has entered into lease agreements dated August 24, 2009, November 18, 2009, December 18, 2009, February 15, 2010 and May 25, 2010 with Indiaer Leasing 1 Limited for the lease of certain aircraft. The transaction was reported to the RBI for approval vide letter dated September 17, 2009. Vide letter dated October 29, 2009 RBI had clarified that no approval is required for this transaction under RBI/FEMA Regulations. In accordance with Indian Accounting Standard - 19, these aircraft have been capitalized in our books of account.*

*# Subsequently, our Company has converted additional 30 Airbus A320 aircraft into 30 A320neo aircraft for a total of 180 A320neos. Our Company has already paid the pre-delivery payments with respect to these additional 30 A320neos through internal accruals prior to conversion of such aircrafts.*

***Restrictive Covenants with respect to our borrowings***

Our financing agreements may include certain restrictive conditions and covenants restricting certain corporate actions such as taking the prior approval of the lender or intimating the lender subsequently to, *inter alia*, effect any material change in the management of the business of our Company; enter into any scheme of merger, amalgamation, compromise, demerger or reconstruction; effect any change in our Company's capital structure; or in case of change in control of our Company.

## SECTION VII: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

The details of the outstanding litigation or proceedings involving our Company, Promoters, Directors and Group Entities are described below. We operate IndiGo, India's largest passenger airline and as of the week ended April 30, 2015 we operated scheduled services to 33 airports in India. Due to the nature and extent of our operations, our Company is involved in a large number of cases and is regulated by various regulatory authorities who have the authority to impose penalties for various levels of default. The total revenue of our Company for fiscal 2014 and for the nine month period ended December 31, 2014 is ₹114,321.18 million and ₹103,597.90 million, respectively. The restated profit after tax of our Company for fiscal 2014 and for the nine month period ended December 31, 2014 is ₹4,733.27 million and ₹7,208.39 million, respectively. Based on the above, the manner of disclosure of outstanding litigation and past penalties involving the Company, Promoters and Group Entities in this Draft Red Herring Prospectus is as follows:

- The threshold taken for individually disclosing litigation is ₹1 million which is less than one percent of the restated income of our Company for fiscal 2014 and less than five per cent of the restated profit after tax of our Company for fiscal 2014.
- Cases and penalties which involve an amount of ₹1 million or more have been individually disclosed in this Draft Red Herring Prospectus.
- Cases which involve an amount of less than ₹1 million have been consolidated and disclosed in this Draft Red Herring Prospectus.
- Tax related cases have been disclosed regardless of any threshold.
- Since the Company operates in a highly regulated sector and is subject to various penalties that may be imposed by the regulators for minor violations and complaints made by passengers from time to time, all past penalties less than Rs. 1 million paid in the last five years have been disclosed in a consolidated manner. Further, the Company routinely files complaints or lodges first information reports with law enforcement bodies. Appropriate disclosures in this regard are made in the DRHP.

In addition, criminal cases, public interest litigation and writ petitions have been individually disclosed. Except as described below, there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, default in dues payable to the holders of any debentures, bonds and fixed deposits and arrears of preference shares issued by our Company, material proceedings initiated for economic/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company or our Directors. Except in the ordinary course of business, there are no amounts owed to small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 exceeding ₹0.10 million, which is outstanding for more than 30 days.

### LITIGATION INVOLVING OUR COMPANY

#### I. Litigation against our Company

##### Income Tax

There are eight income tax proceedings against our Company involving an aggregate amount of ₹1,569.85 million, details of which are provided below.

##### 1. Assessment Year 2006-2007

Our Company filed the income tax return ("IT Return") for the Assessment Year ("AY") 2006-2007 declaring a loss of ₹148.11 million. The Deputy Commissioner of Income Tax, New Delhi ("DCIT") by an assessment order dated December 26, 2008 assessed our Company's total taxable income to be ₹3.18 million. Subsequently, by a demand notice dated December 26, 2008, consequently, the DCIT issued a demand of ₹0.46 million. Our Company filed an appeal against the order dated December 26, 2008 challenging the various additions/disallowances made by the DCIT in his assessment order. Our Company also filed a rectification

application dated January 9, 2009 before the DCIT to rectify the mistakes apparent from the assessment order dated December 26, 2008. The DCIT by rectification order dated April 28, 2009 raised a demand of ₹ 1 million. However, our Company also received a rectification order dated April 8, 2009 wherein an amount of ₹ 1.03 million was refundable to our Company. Thus, the DCIT while passing the order dated April 28, 2009 adjusted the demand of ₹ 1 million against the refund of ₹ 1.03 million and thus our Company received the refund of ₹ 0.03 million. Our Company by letter dated February 3, 2012 submitted that our Company does not seek to press the grounds of appeal. Thus, the Commissioner of Income Tax (Appeals), New Delhi (“CIT (A)”) by its order dated September 3, 2012 dismissed the appeal. However, the website of the income tax department continues to show a demand of ₹ 0.46 million as pending from our Company.

## 2. Assessment Year 2007-2008

Our Company filed the IT Return for AY 2007-2008 declaring a loss of ₹ 2,147.84 million. The DCIT by an assessment order dated December 29, 2009, reduced the total loss of our Company to ₹ 2,025.11 million by certain adjustments. Consequently, by a demand notice dated December 29, 2009, the DCIT issued a demand of *nil* as total tax payable by our Company. The DCIT also issued a show cause notice dated December 29, 2009, for showing cause as to why a penalty should not be imposed on the grounds of furnishing inaccurate particulars concealing our income. Our Company by its reply dated January 28, 2010 denied the allegation. Our Company also filed a rectification application dated December 16, 2011, to claim the allowance of the pre-operative expenses incurred during AY 2006-2007, in AY 2007-2008. Consequently, the DCIT by his order dated January 27, 2012 increased our Company’s loss amount from ₹ 2,025.11 million to ₹ 2,055.23 million.

Thereafter, the Commissioner of Income Tax, New Delhi (“CIT”) *suo moto* undertook revisionary proceedings and issued an order dated March 19, 2012, treating the assessment order dated December 29, 2009 issued by the DCIT as erroneous and prejudicial to the interest of revenue and directed the DCIT to reframe the assessment order. Our Company filed an appeal (No. 2202/Del-2012) before the Income Tax Appellate Tribunal (“ITAT”), New Delhi against the order dated March 19, 2012.

Pursuant to the CIT’s order dated March 19, 2012, the DCIT issued an assessment order dated March 28, 2013, assessing our Company’s total business income to be ₹ 463.9 million. Consequently, by a demand notice dated March 28, 2013, the DCIT issued a demand of ₹ 268.63 million as total tax payable by our Company. The DCIT also issued a show cause notice dated March 28, 2013, for showing cause as to why a penalty should not be imposed. Our Company by its reply dated April 11, 2013 to the show cause notice denied submission of inaccurate particulars of income. Our Company also filed a rectification application dated April 26, 2013, before the DCIT to compute our Company’s income with accurate figures of certain items. Thereafter, the DCIT by his order dated May 21, 2013 computed our Company’s total business loss to be ₹ 180.60 million. Accordingly, the tax demand was nullified. Our Company filed an appeal (No.141/13-14) before the CIT (A) against the assessment order issued by the DCIT on the grounds that the said assessment order was not been passed on merits and that while computing the total income of our Company the assessing officer has made computation errors.

## 3. Assessment Year 2008-2009

Our Company filed the IT Return for AY 2008-2009 declaring loss of ₹ 3,141.48 million. The Additional Commissioner of Income Tax (“ACIT”) by an assessment order dated December 7, 2010, reduced our Company’s total loss as per return of income to ₹ 1,485.69 million. Consequently, by a demand notice dated December 7, 2010, the ACIT issued a demand of *nil* as total tax payable by our Company. Our Company also filed an appeal (No. 336/10-11) before CIT (A) dated January 20, 2011, challenging the order dated December 7, 2010.

The ACIT also issued a show cause notice dated December 7, 2010, for showing cause as to why a penalty should not be imposed against our Company on the grounds of furnishing inaccurate particulars concealing our income. Our Company by its reply dated January 14, 2011 denied the allegation. The ACIT by penalty notices dated March 7, 2011 and May 18, 2011 levied penalties, which were subsequently replied to by our Company by replies dated March 16, 2011 and May 30, 2011, respectively. Our Company by a rectification application dated November 23, 2012 requested the ACIT to grant allowance of pre-operative expenses incurred during AY 2006-2007 and AY 2007-2008 in AY 2008-2009.

## 4. Assessment Year 2009-2010

Our Company filed a revised IT Return for AY 2009-2010 declaring a loss of ₹ 2,122.20 million. The DCIT by an assessment order dated December 23, 2011 assessed our Company's income to be ₹ 1,691.03 million. On account of sufficient carry forward losses, the DCIT issued a demand of ₹ 0.20 million as total tax payable by our Company by a demand notice dated December 23, 2011. Our Company also filed an appeal (No. 287/11-12) before CIT (A) against the order dated December 23, 2011.

The DCIT also issued a show cause notice dated December 23, 2011, for showing cause as to why a penalty should not be imposed against our Company on the grounds of furnishing inaccurate particulars concealing our income. Our Company by its reply dated January 3, 2012 stated that it had not concealed any particulars of its income and had not furnished inaccurate particulars of the same. Additionally, our Company had prayed that the penalty proceedings under the IT Act may be deleted, or alternatively be kept in abeyance till the disposal of the appeal by CIT (A). The DCIT again issued a penalty notice dated June 13, 2012, referring to the penalty notice dated December 23, 2011 and requested the principal officer of our Company to appear personally or through authorized representative or to submit a reply by June 21, 2012. Our Company replied to the penalty notice by its reply dated June 27, 2012. Our Company by a rectification application dated November 5, 2012 and March 19, 2012 requested the DCIT to grant allowance for part of the pre-operative expenses incurred during AY 2006-2007, in AY 2009-2010, and to compute the taxable income by considering our Company's revised return.

Our Company has received a notice dated March 24, 2014 for re-assessment of income for AY 2009-2010. Our Company replied to this notice on April 24, 2014 stating that revised return of income filed by our Company on March 18, 2011 in respect of AY 2009-2010 may be treated as the return in reply to the notice. The DCIT issued another notice dated September 18, 2014 to our Company seeking information with respect to the return of income for AY 2009-2010. Our Company replied to this notice on September 29, 2014 stating that it is incumbent upon the income tax authorities to furnish the reasons on the basis of which belief has been formed that income has escaped assessment and notice has been issued. The DCIT issued notice dated November 5, 2014 requiring our Company to furnish true and correct return of income for AY 2009-2010. The DCIT replied to our Company's letter dated September 29, 2014 on November 11, 2014 and furnished the reasons for re-opening the assessment for AY 2009-2010. The DCIT issued another notice dated December 5, 2014 asking our Company to provide clarifications in connection with the return of income submitted for AY 2009-2010. Our Company replied to the notice dated November 11, 2014 on December 17, 2014 requesting that the proceedings against our Company be dropped. Thereafter, the DCIT issued notice dated January 16, 2015 asking our Company to provide clarifications in connection with the return of income submitted for AY 2009-2010. The DCIT by its order dated March 11, 2015 disposed off the objections filed against the reasons for reopening of the assessment for AY 2009-2010. The DCIT, by a reassessment order dated March 24, 2015 assessed our Company's income to be ₹ 1,708.61 million. On account of sufficient carry forward losses, there has been no demand raised on our Company. Our Company has filed an appeal against the order dated March 24, 2015 challenging the various additions/disallowances made by the DCIT in his assessment order.

The DCIT also issued a show cause notice dated March 24, 2015, for showing cause as to why a penalty should not be imposed against our Company on the grounds of furnishing inaccurate particulars concealing our income. Our Company by its reply dated April 23, 2015 stated that that our Company is in the process of filing appeal before the CIT (A) and on disposal of the appeal, the aforesaid additions made shall stands deleted. Accordingly, our Company had prayed that the penalty proceedings under the IT Act may be deleted, or alternatively be kept in abeyance till the disposal of the appeal by CIT (A).

#### 5. Assessment Year 2010-2011

Our Company filed the IT Return for AY 2010-2011 declaring *nil* income. The DCIT by an assessment order dated March 15, 2013 assessed our Company's total taxable income to be ₹ 1,462.38 million. On account of sufficient carry forward losses, there has been no demand raised on our Company. Consequently, by a demand notice dated March 15, 2013, the DCIT issued a demand of *nil* as total tax payable by our Company. Our Company has filed an appeal (No. 132/13-14) before CIT (A) against the order dated March 15, 2013 challenging the various additions/disallowances made by the DCIT in his assessment order.

The DCIT issued a notice dated January 12, 2015 to our Company for re-assessment of income for AY 2010-2011, thereby asking our Company to furnish the return of income for the said period in the prescribed form. Our Company replied, to the notice dated January 12, 2015, on January 28, 2015, stating that the return of income filed on March 21, 2012 by our Company, shall be treated as the return of income for AY 2010-2011

and requested to provide the copy of reasons on the basis of which belief has been formed that income has escaped assessment.

#### *6. Assessment Years 2011-2012*

Our Company filed its IT Return for AY 2011-2012 declaring *nil* income. However, the official website of the income tax department till date shows the amount of ₹ 18.68 million as the outstanding tax demand against our Company. It is pertinent to note that our Company has not received any intimation with respect to the above mentioned amount and therefore we have no records of the same.

#### *7. Assessment Year 2012-2013*

Our Company filed the IT Return for AY 2012-2013 declaring a loss of ₹ 1,703.03 million. The DCIT by an assessment order dated March 25, 2015 assessed our Company's total taxable income to be ₹ 4,367.08 million. Consequently, by a demand notice dated March 25, 2015, the DCIT issued a demand of ₹ 1,543.30 million as total tax payable by our Company. Our Company has filed an appeal against the order dated March 25, 2015 challenging the various additions/disallowances made by the DCIT in his assessment order. Our Company also filed a rectification application dated April 15, 2015 before the DCIT to rectify the mistakes apparent from the assessment order dated March 25, 2015 and compute our Company's income with accurate figures. Our Company also filed stay application dated April 30, 2015 before the DCIT seeking stay of the demand. As per the records on the official website of the income tax department, the demand of ₹ 1,543.30 million has been deleted and a refund of ₹ 272.30 million has been granted vide demand draft dated June 19, 2015. However, our Company is yet to receive the rectification order from the department.

The DCIT also issued a show cause notice dated March 25, 2015, for showing cause as to why a penalty should not be imposed against our Company on the grounds of furnishing inaccurate particulars concealing our income. Our Company by its reply dated April 15, 2015 stated that it had not concealed any particulars of its income and had not furnished inaccurate particulars of the same. Additionally, our Company had prayed that the penalty proceedings under the IT Act may be deleted, or alternatively, be kept in abeyance till the disposal of the appeal by CIT (A).

#### *8. Assessment Year 2013-2014*

The DCIT issued notice dated September 4, 2014 and April 6, 2015 for AY 2013-2014 asking for various details for assessment of income. Our Company has acknowledged receipt of these notices on September 18, 2014 and April 17, 2015 and requested for adjournment of the date of appearance to a mutually agreeable future date. It is pertinent to note that the outstanding tax demand against our Company as per the records on the official website of income tax department is ₹ 7.21 million, however, no intimation has been received by our Company and hence we have no records of the same.

#### *Tax Deducted at Source ("TDS")*

There are three TDS proceedings against our Company involving an aggregate amount of ₹ 186.28 million, details of which are provided below:

##### *1. Financial Year 2006-2007*

The Income Tax Officer TDS Ward – 50(1) by an assessment order dated February 28, 2012 for FY 2006-2007, held that our Company was in default on account of non-payment of TDS amount deducted, non/low deduction of TDS at prescribed rates and late payment of taxes. Consequently, the Income Tax Officer TDS Ward – 50(1) raised a demand of ₹ 1.01 million as total tax payable by our Company. Our Company has filed a rectification application dated May 8, 2012 against the order dated February 28, 2012.

##### *2. Financial Years 2009-2010 and 2010-2011*

The ACIT by assessment orders dated March 23, 2012 and March 22, 2013 for FY 2009-2010 and FY 2010-2011, respectively, held our Company to be in default on account of our alleged failure to deduct TDS and/or short payment of TDS on certain items and interest thereon. Consequently, by demand notices dated March 23, 2012 and March 22, 2013, the ACIT issued a demand of ₹ 181.00 million and ₹ 20.10 million, respectively, as total tax payable by our Company for FY 2009-2010 and FY 2010-2011, respectively. Our Company filed



appeals (No. 799/2012-13 and No. 0245/13-14) before CIT (A) against the orders dated March 23, 2012 and March 22, 2013, respectively.

Our Company also filed rectification applications dated May 1, 2012 and May 6, 2013 for FY 2009-2010 and FY 2010-2011, respectively. Subsequently, the ACIT by his order dated June 29, 2012 reduced the demands for FY 2009-2010 to ₹ 142.40 million.

Our Company also filed stay applications dated May 1, 2012 and April 30, 2013 before the ACIT seeking stay of the demands for FY 2009-2010 and FY 2010-2011, respectively, which was rejected by his orders dated June 6, 2012 and May 1, 2013, respectively. Upon rejection of the stay application for FY 2009-2010, our Company filed an application dated July 9, 2012 and May 15, 2013 for FY 2009-2010 and FY 2010-2011, respectively, requesting early hearing of the appeal by the CIT (A). Our Company also filed stay application dated May 15, 2013 before the CIT and sought stay of the demand for FY 2010-2011. The stay application is pending.

The CIT (A) disposed the appeals (No. 799/2012-13 and No. 0245/13-14) by his orders dated August 29, 2012 and June 5, 2013, respectively. Pursuant to the appeals being disposed of by the CIT (A), the original demands were reduced to ₹ 7.84 million and ₹ 5.07 million for FY 2009-2010 and FY 2010-2011, respectively. Our Company paid ₹ 7.84 million along with interest of ₹ 0.39 million, under protest for FY 2009-2010 and ₹ 5.07 million along with interest of ₹ 0.07 million, under protest for FY 2010-2011. Our Company and the ACIT filed their appeals (No. 5347/DEL-2012 and No. 223/DL-2013, respectively) and (No. 4449/DEL-2013 and No. 5114/Del-13, respectively) before the ITAT against the orders dated August 29, 2012 and June 5, 2013, respectively.

### 3. Financial Year 2011–2012

The ACIT by an assessment order dated March 27, 2014 for FY 2011-2012 declared our Company to be in default, on account of alleged failure to deduct TDS and/or short payment of TDS on certain items and interest thereon. Consequently, by a demand notice dated March 27, 2014, the ACIT issued a demand of ₹ 22.77 million as total tax payable by our Company. Our Company deposited a part of the demand ₹ 11.41 million, under protest and filed an appeal (No. 227/14-15) before the CIT (A). Our Company also filed an application dated April 30, 2014 before the ACIT, seeking a stay of demand, which was rejected by the ACIT by his order dated August 27, 2014. Our Company by stay application dated September 4, 2014 to the CIT sought stay of the demand. The stay application dated September 4, 2014 has been considered by the CIT by its order dated September 30, 2014. The CIT (A) further directed that the recovery proceedings shall be kept in abeyance till the disposal of the appeal by CIT (A) or March 31, 2015, whichever is earlier subject to the payment of 50% of the outstanding demand. Our Company filed an application before CIT (A) dated September 4, 2014, November 14, 2014 and April 9, 2015 requesting for early hearing of the matter.

#### *TDS – Central Processing Centre (“TDS-CPC”)*

There are 29 TDS-CPC proceedings against our Company involving an aggregate amount of ₹ 15.76 million, details of which are provided below:

1. The income tax department through an intimation dated May 21, 2013 raised a demand of ₹ 4.17 million on account of among other things, interest on late payment of TDS for the first quarter of FY 2012-2013. Our Company deposited ₹ 4.10 million (demanded as interest on late payment), under protest and by a reply dated July 29, 2013 to the ACIT stated that the delay in deposit of TDS was due to a system error on the website of the authorized bank. Our Company has filed an appeal (No. TR 192/14-15), against the intimation dated May 21, 2013, before the CIT (A). The income tax department by intimation dated June 13, 2014 dropped the demand of ₹ 4.10 million, however, a demand of ₹ 0.09 million was raised on account of the delay in deposit of the demand. The CIT (A) by its order dated January 28, 2015 has partly allowed the appeal. The income tax department by an intimation dated May 7, 2015 reduced to demand of ₹ 9,000. The income tax department by a further intimation dated June 6, 2015 has raised the demand of ₹ 9,170.
2. The income tax department by intimation dated July 29, 2013 raised a demand of ₹ 94,776 on account of interest on late payment of TDS for the first quarter of FY 2012-2013. Our Company deposited the demand of ₹ 94,776 and by a rectification application dated September 12, 2013 to the CIT stated that the delay in deposit of TDS was due to the malfunctioning of the website of authorized bank. Our Company has also

filed an appeal (No. 27/2014-15) before the CIT (A) against the intimation dated July 29, 2013. The income tax department by an intimation dated June 12, 2015 has reduced the demand to ₹ 1,890.

3. The income tax department through intimation dated July 7, 2013 raised a demand of ₹ 88.60 million on account of short deduction of TDS and interest on short deduction, for the second quarter of FY 2012-2013. The income tax department by an intimation dated November 6, 2013 reduced the demand to ₹ 0.24 million. Our Company filed an appeal (No. 109/14-15) before the CIT (A) against the intimation dated July 7, 2013. Our Company by a rectification application dated August 5, 2013 to the ACIT, requested for correction of mistakes in the intimation dated July 7, 2013. Our Company also filed an appeal (No. 685/14-15) before the CIT (A) against the intimation dated November 6, 2013. Our Company by a rectification application dated December 17, 2013 to the ACIT requested for correction of mistakes in the intimation dated November 6, 2013. Our Company has also filed a correction statement dated December 27, 2014. The income tax department by an intimation dated June 10, 2014 raised a demand of ₹ 0.24 million on account of short deduction and interest on short deductions. The CIT (A) by its order dated February 13, 2015 has partly allowed the appeal No. 685/14-15 filed against intimation dated November 6, 2013. Thereafter, our Company has requested the CIT (A) for withdrawal of appeal No. 109/14-15 filed against intimation dated July 7, 2013. The CIT (A) by its order dated March 11, 2015 admitted the application of withdrawal of appeal. Again, the income tax department issued an intimation dated April 13, 2015 wherein the demand was reduced to ₹ 0.11 million. The income tax department has by further intimation dated June 6, 2015 raised the demand of ₹ 0.58 million.
4. The income tax department through intimation dated July 7, 2013 raised a demand of ₹ 136.06 million on account of short deduction of TDS and interest on short deduction, for the third quarter of FY 2012-2013. Our Company filed a rectification application dated August 5, 2013 and stated that the taxes deducted at source and deposited on the payments made to Delhi International Airport Limited during the respective period have not been considered by the income tax department. Our Company filed an appeal (No. 319/14-15) before the CIT (A) against the intimation dated July 7, 2013. Our Company paid interest of ₹ 5.41 million and filed a correction statement dated October 25, 2013. The CIT (A) by its order dated March 2, 2015 has partly allowed the appeal filed against intimation dated July 7, 2013.

Thereafter, income tax department by intimation dated April 6, 2014, raised a demand of ₹ 228.36 million on account of short deduction of TDS and interest on short deduction in respect of certain parties specified in the justification report. Our Company filed an appeal (No. 258/14-15) before the CIT (A) against the intimation dated April 6, 2014. Our Company by a rectification application dated May 8, 2014 to the DCIT requested for correction of mistakes in the intimation dated March 17, 2013. Our Company also filed a correction statement dated January 24, 2014, where after the income tax department by intimation dated June 12, 2014 reduced the demand to ₹ 0.24 million. Our Company has requested the CIT (A) for withdrawal of appeal filed against intimation dated April 6, 2014. The CIT (A) by its order dated April 28, 2015 held that the appeal No. 258/14-15 has become infructuous. income tax department has again issued an intimation dated June 9, 2015 raised the demand of ₹ 0.66 million.

5. The income tax department through intimation dated July 7, 2013 raised a demand of ₹ 123.85 million on account of short deduction of TDS and interest on short deduction, for the fourth quarter of FY 2012-2013. Our Company filed an appeal (No. 320/14-15) before the CIT (A) against the intimation dated July 7, 2013 and also filed a rectification application dated August 5, 2013 requesting for correction of mistakes in the intimation dated July 7, 2013. Our Company paid interest of ₹ 0.23 million and filed a correction statement dated October 25, 2013. The CIT (A) by its order dated March 11, 2015 has partly allowed the appeal no. 320/14-15 filed against intimation dated July 7, 2013. Income tax department has again issued an intimation dated April 7, 2014 raised a demand of ₹ 264.68 million on account of short deduction of TDS and interest on short deduction. Our Company filed an appeal (No. 259/14-15) before the CIT (A) against the intimation dated April 7, 2014. Our Company also filed the rectification application dated May 8, 2014 to the DCIT requesting for correction of mistakes. Our Company also filed a correction statement dated January 24, 2014, where after the income tax department by intimation dated June 14, 2014 reduced the demand to ₹ 169.41 million. Our Company has requested the CIT (A) for withdrawal of appeal No. 259/14-15 filed against intimation dated April 7, 2014. The CIT (A) by its order dated April 28, 2015 held that the appeal has become infructuous. The income tax department has again issued an intimation dated May 11, 2015 wherein the demand is reduced to ₹ 0.26 million.

6. The income tax department through intimation dated September 13, 2013 raised a demand of ₹ 175.10 million on account of short deduction of TDS, interest on short deduction and interest on late deduction of TDS, for first quarter of FY 2013-2014. Our Company by its reply dated November 20, 2013 to the ACIT, stated that the lower tax withholding certificates issued to certain parties had not been taken into consideration by the income tax department and once these details are considered, no demand of tax and resultant interest will sustain against our Company. Thereafter, income tax department through another intimation dated December 14, 2013 reduced the demand to ₹ 60.40 million. Our Company by its reply dated February 12, 2014 to the ACIT, stated that the intimation demand had been raised on account of short deduction of TDS in respect of several parties. Our Company filed an appeal (No. 708/14-15) before the CIT (A) against the intimation dated December 14, 2013. The income tax department by a revised intimation dated February 10, 2014 raised a demand of ₹ 3.90 million against which our Company filed a rectification application dated March 31, 2014. Our Company by its reply dated March 31, 2014 and April 1, 2014 to the DCIT and ACIT respectively, stated that the lower tax withholding certificates issued to certain parties had not been taken into consideration by the income tax department and once these details are considered, no demand of tax and resultant interest will sustain against our Company. Our Company also filed a correction statement dated January 24, 2014, where after the income tax department by intimation dated June 14, 2014 raised the demand to ₹ 4.05 million. The CIT (A) by its order dated March 24, 2015 has partly allowed the appeal filed against intimation dated December 14, 2013. Our Company has filed an appeal (No. 3390/DEL2015) before the ITAT, New Delhi against the order of CIT (A) dated March 24, 2015. The income tax department by an intimation dated April 3, 2015 reduced the demand to ₹ 2.92 million. The income tax department by further intimation dated June 6, 2015 has raised the demand of ₹ 2.96 million.
7. The income tax department through intimation dated November 18, 2013 raised a demand of ₹ 64.50 million on account of short deduction of TDS and interest on short deduction, for the second quarter of FY 2013-2014. Our Company has filed an appeal (No. 354/14-15) before the CIT (A), New Delhi against the intimation dated November 18, 2013. Meanwhile, the income tax department through a revised intimation dated December 11, 2013 reduced the demand to ₹ 3.47 million against which our Company filed a rectification application dated February 28, 2014. Our Company by its reply dated March 3, 2014 and December 27, 2013 to the DCIT and ACIT respectively, stated that the lower tax withholding certificates issued to certain parties had not been taken into consideration by the income tax department and once these details are considered, no demand of tax and resultant interest will sustain against our Company. The income tax department by intimation dated June 25, 2014, raised a demand of ₹ 3.67 million. The CIT (A) by its order dated March 11, 2015 has partly allowed the appeal filed against intimation dated November 18, 2013. Our Company has filed an appeal (No. 2954/DEL-2015) before the ITAT, New Delhi against the order of CIT (A) dated March 11, 2015. The income tax department by an intimation dated April 3, 2015 reduced the demand to ₹ 0.75 million. The income tax department has by further intimation dated May 26 2015 reduced the demand to ₹ 0.20 million.
8. The income tax department through intimation dated February 26, 2014 raised a demand of ₹ 190.38 million on account of short deduction of TDS and interest on short deduction, for the third quarter of FY 2013-2014. Thereafter, the income tax department through a revised intimation dated March 6, 2014 raised a demand of ₹ 192.21 million against our Company. Our Company by its replies dated March 26, 2014 to the DCIT and ACIT respectively, stated that the lower tax withholding certificates issued to certain parties had not been taken into consideration by the income tax department and once these details are considered, no demand of tax and resultant interest will sustain against our Company. Our Company filed an appeal (No. 355/14-15) before the CIT (A) against intimation dated March 6, 2014. Our Company by a rectification application dated March 26, 2014 to the ACIT, requested for correction of mistakes in the intimation dated March 6, 2014. Our Company also filed a correction statement dated April 4, 2014, where after the income tax department by intimation dated May 13, 2014 reduced the demand to ₹ 0.40 million. The income tax department through intimation dated December 20, 2014 reduced the demand to ₹ 8,000. The CIT (A) by its order dated March 11, 2015 has partly allowed the appeal filed against intimation dated March 6, 2014. Our Company has filed an appeal (No. 2955/DEL-2015) before the ITAT, New Delhi against the order of CIT (A) dated March 11, 2015.
9. The income tax department through intimation dated May 30, 2014 raised a demand of ₹ 10.07 million on account of short deduction of TDS and interest on short deduction, subsequent to the filing of regular statement of TDS for the fourth quarter of FY 2013-2014. The said demand was further reduced to ₹ 9.09 million by intimation dated June 15, 2014. Our Company filed a correction statement dated July 23, 2014,

where after the income tax department through intimation dated July 25, 2014 raised the demand to ₹ 9.17 million. Our Company filed an appeal before the CIT (A) against the intimation dated July 25, 2014. The income tax department by an intimation dated April 3, 2015 reduced the demand to ₹ 7.33 million.

10. The income tax department through intimation dated May 30, 2014 raised a demand of ₹ 0.07 million on account of short deduction and interest on short deduction of TDS, subsequent to the filing of regular statement of TDS for the fourth quarter of FY 2013-2014. Our Company by an application dated September 7, 2014 before the income tax department has requested that the demand be dropped. The income tax department through updation in the default summary on its website has reduced the demand to ₹ 2,500. The income tax department has reduced the demand to ₹ 2,730 by intimation dated June 11, 2015.
11. The income tax department through intimation dated April 2, 2015 raised a demand of ₹ 1.94 million on account of short deduction and interest on short deduction of TDS, subsequent to the filing of regular statement and correction statement of TDS for the first quarter of FY 2009-2010. Our Company has filed an appeal before the CIT (A), New Delhi against the intimation dated April 2, 2015. The income tax department through updation in the default summary on its website has reduced the demand to *nil*.
12. The income tax department through intimation dated April 2, 2015 raised a demand of ₹ 4,900 on account of short deduction and interest on short deduction/late deduction of TDS, subsequent to the filing of regular statement and correction statement of TDS for the third quarter of FY 2009-2010. Our Company has filed an appeal before the CIT (A), New Delhi against the intimation dated April 2, 2015. The income tax department through updation in the default summary on its website has reduced the demand to *nil*.
13. The income tax department through intimation dated April 2, 2015 raised a demand of ₹ 0.80 million on account of short deduction and interest on short deduction of TDS, subsequent to the filing of regular statement and correction statement of TDS for the fourth quarter of FY 2009-2010. Our Company has filed an appeal before the CIT (A), against the intimation dated April 2, 2015. The income tax department by an intimation dated May 3, 2015 reduced the demand to ₹ 0.20 million.
14. The income tax department through intimation dated April 2, 2015 raised a demand of ₹ 0.72 million on account of short deduction and interest on short deduction of TDS, subsequent to the filing of regular statement and correction statement of TDS for the first quarter of FY 2010-2011. Our Company has filed an appeal before the CIT (A), New Delhi against the intimation dated April 2, 2015. The income tax department through updation in the default summary on its website has reduced the demand to *nil*.
15. The income tax department through intimation dated April 2, 2015 raised a demand of ₹ 1,320 on account of short deduction and interest on short deduction of TDS, subsequent to the filing of regular statement and correction statement of TDS for the fourth quarter of FY 2010-2011. The income tax department by a further intimation dated May 3, 2015 reduced the demand to ₹ 190.
16. The income tax department through updation in the default summary on its website raised a demand of ₹ 1,520 on account of interest on late payment, subsequent to the filing of regular statement and correction statement of TDS for the second quarter of FY 2011-2012.
17. The income tax department by intimation dated April 2, 2015 raised a demand of ₹ 320 on account of interest on late payment, subsequent to the filing of regular statement and correction statement of TDS for the third quarter of FY 2011-2012.
18. The income tax department by intimation dated April 2, 2015 raised a demand of ₹ 1270 on account of interest on late payment, subsequent to the filing of regular statement and correction statement of TDS for the fourth quarter of FY 2011-2012.
19. As per the TDS Reconciliation, Analysis and Correction Enabling System (“**Traces**”) website, it is showing a demand of ₹ 0.04 million for the fourth quarter of FY 2007-08. However, no intimation has been received by our Company.
20. The Traces website shows a demand of ₹ 770 for first quarter of FY 2008-2009. However, no intimation has been received by our Company.

21. The Traces website shows a demand of ₹ 300 for second quarter of FY 2008-2009 against our Company. However, no intimation has been received by our Company.
22. The Traces website shows a demand of ₹ 0.01 million for fourth quarter of FY 2008-2009 against our Company. However, no intimation has been received by our Company.
23. As per the Traces website, our Company has observed certain demands on account of TDS payments with respect to employees of the Company for the second quarter of the FY 2007-2008 on account of interest on late payment for an amount of ₹ 0.025 million. Our Company is in the process of filing rectification applications with respect to the TDS payments made for the employees.
24. As per the Traces website, our Company has observed certain demands on account of TDS payments with respect to employees of the Company for the first quarter of the FY 2011-2012 on account of interest on late payment and interest under section 220(2) of the IT Act for an aggregate amount of ₹ 29,340. Our Company is in the process of filing rectification applications with respect to the TDS payments made for the employees.
25. As per the Traces website, our Company has observed certain demands on account of TDS payments with respect to employees of the Company for the fourth quarter of the FY 2011-2012 on account of short deduction of income tax, interest on late payment and interest on short deduction for an aggregate amount of ₹ 0.016 million. Our Company is in the process of filing rectification applications with respect to the TDS payments made for the employees.
26. As per the Traces website, our Company has observed certain demands on account of TDS payments with respect to employees of the Company for the fourth quarter of the FY 2012-2013 on account of short deduction of income tax and interest thereon for an aggregate amount of ₹ 0.03 million. Our Company is in the process of filing rectification applications with respect to the TDS payments made for the employees.
27. As per the Traces website, our Company has observed certain demands on account of TDS payments with respect to employees of the Company for the third quarter of the FY 2013-2014 on account of short payment of income tax and interest thereon for an aggregate amount of ₹ 21,880. Our Company is in the process of filing rectification applications with respect to the TDS payments made for the employees.
28. As per the Traces website, our Company has observed certain demands on account of TDS payments with respect to employees of the Company for the fourth quarter of the FY 2013-2014 on account of short deduction of income tax, interest thereon and interest under section 220(2) of the IT Act for an aggregate amount of ₹ 1.52 million. Our Company is in the process of filing rectification applications with respect to the TDS payments made for the employees.
29. As per the Traces website, our Company has observed certain demands on account of TDS payments with respect to employees of the Company for the fourth quarter of the FY 2014-2015 on account of short deduction of income tax, interest thereon, interest under section 220(2) of the IT Act and late filing levy for an aggregate amount of ₹ 1.85 million. Our Company is in the process of filing rectification applications with respect to the TDS payments made for the employees.

#### *Customs*

There are eight customs proceedings against our Company involving an aggregate amount of ₹ 803.30 million, details of which are provided below:

1. The Commissioner of Customs, Bengaluru (“**Commissioner, Bengaluru**”) issued a show cause notice (No. VIII/10/47/2013Cus Adjn/674/4) dated January 24, 2014, to our Company for showing cause, among other things, as to why:
  - a. the ‘aircraft engines’ and ‘engine stand’ imported by our Company should not be re-classified under CTH 8411 12 00 and 7326 19 90, respectively;
  - b. the benefit of exemption under s. no. 346D of notification Cus dated March 1, 2002 (No. 21/2002), as amended, and s. no. 454 of notification dated March 17, 2012 (No. 12/2012-Cus), as amended, claimed by the importer in respect of the goods imported, should not be denied;
  - c. duty amounting to ₹ 264.90 million in respect of goods valued at ₹ 963.40 million along with the applicable interest should not be recovered from our Company;

- d. goods valued at ₹ 963.40 million, which have been imported should not be confiscated; and
- e. penalty should not be imposed on the importer.

Our Company replied to the show cause notice by its reply dated March 28, 2014. The Commissioner, Bengaluru by an order dated June 12, 2014 raised a demand of ₹ 240.60 million for the duty as well as imposed penalty of ₹ 240.60 million and a further penalty of ₹ 50 million. Our Company has filed an appeal (No. 22550 of 2014) before the Custom Excise and Service Tax Appellate Tribunal (“CESTAT”) against the order dated June 12, 2014. The CESTAT has by its order dated March 26, 2015 granted an unconditional stay for recovery of amount demanded in the order of Commissioner, Bengaluru dated June 12, 2014.

2. Our Company through an application dated June 28, 2012 to the Authority for Advance Ruling (“AAR”), sought clarification as to whether new aircraft seats imported to replace the existing seats of the aircraft for enhancing its fuel efficiency can be said to be imported for servicing, repair or maintenance of the aircraft and consequently, eligible for benefit of customs notification dated March 17, 2012, No. 12/2012-Cus, and central excise Notification dated March 17, 2012, No. 12 of 2012. The AAR by its order dated February 10, 2014 stated that the matter had been admitted for further hearing. Pending the decision of the AAR, the customs authorities have been clearing the goods on a provisional basis, subsequent to provision of a bond (for the value of the goods) and a bank guarantee (for the value of the duty). Our Company has provided bank guarantees to the customs authorities worth ₹ 239.25 million approximately. Subsequently, by order dated April 24, 2015 the arguments have been closed and both the parties have been instructed to submit their brief submissions within one week, for pronouncement of the order. Our Company has submitted its brief submission on May 1, 2015.
3. The Commissioner of Customs, Central Excise and Service Tax, Hyderabad (“**Commissioner of Customs, Hyderabad**”) issued a show cause notice dated July 19, 2013 to our Company, for showing cause as to why a demand of ₹ 24.05 million should not be raised on account of non-applicability of customs duty exemption under customs notification dated March 17, 2012 (No. 12 of 2012) on import of aircraft seats. Our Company by its reply dated August 21, 2013 to the Commissioner of Customs, Hyderabad stated that an identical matter was currently pending before the AAR and requested the Commissioner of Customs, Hyderabad, to halt the proceedings until the issue was decided by the AAR.
4. The Office of the Commissioner of Customs, Chennai issued a show cause notice dated August 28, 2014 regarding seizure of eight unclaimed gold bars weighing 800 grams each, worth ₹ 2.34 million found beneath the cushion of a seat onboard our Company’s flight from Singapore to Chennai. Our Company was asked to show cause, *inter alia*, as to why the aircraft from which the gold was recovered should not be confiscated and penalty should not be levied on our Company for failure to perform their duties/responsibilities thus, rendering the aforesaid gold liable for confiscation. Our Company replied to this notice on November 5, 2014 requesting the Assistant Commissioner of Customs, Chennai to set aside the proposal to impose penalty and to set aside the show cause notice to the extent it proposes to confiscate the aircraft of our Company.
5. The Office of the Assistant Commissioner of Customs, Kerala issued summons dated February 6, 2015 and February 7, 2015, respectively, to the personnel of our Company regarding seizure of unclaimed gold bars weighing one kilogram and 1.232 kilograms, respectively, from beneath the seat on our Company’s flight 6E 89 at Calicut International Airport on February 3, 2015. Our assistant manager has appeared before the superintendent on February 8, 2015.
6. The custom authorities, Bengaluru by notice dated August 20, 2014 directed our Company to furnish information regarding the method adopted for arriving at the assessable value of the fuel for discharging customs duty along with detailed worksheet showing breakup of freight, insurance and handling charges. Our Company by its reply dated August 21, 2014 furnished the required details. Additionally, it was stated that our Company should deduct VAT amount at the rate of 20% from the retail price of IOCL while calculating assessable value, however, customs duty is being deposited considering IOCL published retail price only. ACC Bengaluru, issued another notice dated August 25, 2014 seeking details pertaining to the value of ATF at Colombo, at the point where fuel was loaded, with corresponding bill or any other document showing the value of ATF along with copies of Bill of Entry (“**B/Es**”) and TR 6 challans from 2008 onwards.

The custom authorities, by a notice dated November 13, 2014 directed our Company to make payment of the differential duty along with the interest due, on account of the short payment of duty in respect of B/Es 70/12-07-2013, 77/18-07-2013, 82/01-08-2013, 84/14-08-2013, 86/22-08-2013, 95/30-08-2013, 99/05-09-2013 and 100/11-09-2013. Our Company was also directed to furnish details of purchase price of ATF for the period prior to May 2013. Our Company by its reply dated December 15, 2014 to the Superintendent of Custom enclosed details of B/E's for which short payment of customs duty was identified by the Custom authorities.

In reference to our Company's letter dated December 15, 2014 regarding assessable value arrived at for payment of customs duty on fuel, the Commissioner, Bengaluru by a notice dated December 27, 2014 directed our Company to furnish information regarding purchase price of ATF and the copies of the B/E's from 2008 onwards. Our Company with its reply dated January 6, 2015 submitted copies of the B/E's filed during the period FY 2011-2012 to FY 2013-2014 and stated that it was in the process of collating the records of the B/E's for FY 2008-2009 to FY 2010-2011. Our Company requested for 15 days' time to collate the information pertaining to purchase price of ATF which was to be determined from the invoices raised by Sri Lankan Airlines (in which amount charged for the supply of ATF is disclosed) and the log sheets (in which quantity of fuel filled in Sri Lanka is recorded). Thereafter, our Company in its reply dated January 21, 2015 stated that for the period FY 2009-2010 to FY 2010-2011 it had deposited Special Additional Duty ("SAD") at the rate of 4% in addition to countervailing duty at the rate of 8% along with educational cess at the rate of 2% and higher educational cess at the rate of 1%, even though during the relevant period, SAD was exempted on import of ATF by customs Notification No. 20/2006 dated March 1, 2006. The details of the remaining B/E's along with the purchase price of ATF during the period FY 2009-2010 to FY 2010-2011 were also sent with the letter dated January 21, 2015

The Commissioner of Customs, Bengaluru has issued letter dated January 13, 2015 intimating short payment of total customs duty of ₹ 0.06 million amount in respect of B/Es 73/05-11-2013, 107/14-12-2011, 131/06-01-2012, 141/23-01-2012, 148/23-01-2012, 736/24-02-2012, 03/02-04-2012, 06/07-04-2012 and 10/24-04-2012. Our Company by challan No. 441/17-02-2015 has deposited the customs duty of amounting to ₹ 0.06 million along with an interest of ₹ 0.03 million and the same was intimated to customs department by our letter dated February 18, 2015. In the intimation letter, it was also brought to the notice of custom authorities that our Company does not agree with the legal understanding of customs department with respect to the manner of computing assessable value of ATF and that the duty is deposited under protest and that our Company reserves its right to contest the amount deposited under protest and to claim refund of duty so deposited.

7. The Commissioner of Customs (Airport), Chennai has issued show cause notice dated January 28, 2015 alleging that the Company has wrongly computed assessable value of ATF left in the tank of an aircraft arrived in India from abroad and diverted to domestic sector (left over ATF). For computing the assessable value, the Company has not added the notional freight charges of 20%, accordingly, there is short payment of customs duty to the tune of ₹ 2.78 million. Further, it was also alleged that the Company has not followed the customs procedure i.e. filling of B/E, for clearance of left over fuel. Accordingly, customs authorities *vide* its show cause notice sought to recover the short payment of customs duty of ₹ 2.78 million along with applicable interest and penalty and also sought to confiscate the 3,365.941 KL quantity of ATF cleared without filling the B/E. Our Company has replied to this notice on May 22, 2015.
8. The Joint Commissioner of Customs (I), Mumbai has issued show cause notice dated April 9, 2015. The show cause notice alleges that our Company has wrongly computed assessable value of ATF left in the tank of an aircraft arrived in India from abroad and diverted to domestic sector (left over ATF). For computing the assessable value, our Company has not added the notional freight charges of 20%, insurance charges of 1.125% and landing charges of 1% accordingly, there is short payment of customs duty to the tune of ₹ 3.59 million. Accordingly, customs authorities *vide* its show cause notice sought to recover the short payment of custom duty of ₹ 3.59 million along with applicable interest and penalty. The authorities also sought to confiscate ATF of value ₹ 197.14 million on account of mis-declaration of assessable value by our Company. Our Company is in process of filing reply to the show cause notice.

#### *Service Tax*

There are six service tax proceedings against our Company involving an aggregate amount of ₹ 1,684.90 million, details of which are provided below:

1. The Commissioner of Service Tax, New Delhi (“CST”) issued a demand show cause notice dated October 22, 2010 for FY 2006-2007 to FY 2009-2010, for showing cause as to why service tax amounting to ₹ 39.18 million should not be levied on account of non-payment of service tax on excess baggage charges, amount of ₹ 13.06 million on account of wrong availment of central value added tax (“CENVAT”) credit claimed by our Company during the period from April, 2006 to February, 2007 when output services were exempted/non-taxable and amount of ₹ 0.33 million on account of short payment of service tax on manpower supply services under reverse charge mechanism. Thereafter, our Company reversed the CENVAT credit of ₹ 4.32 million, which was raised in show cause notice. Further, our Company was required to show cause as to why interest and penalty for non-payment/short payment of service tax, wrong availment of CENVAT credit should not be imposed on our Company. Subsequently, the CST by his order dated July 8, 2013 raised a demand of ₹ 52.57 million and imposed a penalty of ₹ 52.57 million along with a further penalty of ₹ 5,000. Our Company filed an appeal (No. ST/50644/2014-CU [DB]) before the CESTAT against the order dated July 8, 2013.
2. The CST issued a show cause notice dated October 8, 2010 for FY 2005-2006 to FY 2009-2010, for showing cause as to why service tax amounting to ₹ 393.40 million should not be levied on account of non-payment of service tax on expense in foreign currency and non-entitlement of CENVAT credit on certain items which was availed by our Company and interest and penalty proceeding be instituted against our Company. Our Company filed reply to the show cause notice on August 3, 2011.
3. The CST issued a demand show cause notice dated October 13, 2011 for FY 2010-2011, for showing cause as to why service tax amounting to ₹ 60.20 million should not be levied on account of non-payment of service tax on expense in foreign currency; and non-entitlement of CENVAT credit on ATF. Our Company was asked to show cause as to why penalty proceedings should not be initiated against it. Thereafter, our Company deposited ₹ 0.70 million, which was demanded on account of non-payment of service tax on expense in foreign currency. Pursuant to our Company’s reply dated June 13, 2012, wherein our Company stated that it has not short paid any amount of service tax and that it is entitled to claim CENVAT credit on the duty paid on ATF, the CST by his order dated January 7, 2013 reduced the demand to ₹ 0.97 million. Our Company has filed an appeal (No. ST/56818/2013-CU [DB]) before CESTAT against the order dated January 7, 2013.
4. The CST issued a demand show cause notice dated September 30, 2011 for FY 2010-2011, for showing cause as to why service tax amounting to ₹ 6.05 million should not be levied on account of non-payment of service tax on excess baggage charges, and short payment of service tax on manpower supply services under reverse charge mechanism. Our Company was asked to show cause as to why penalty proceedings should not be initiated against it. Our Company filed its reply to the show cause notice on April 9, 2012. The CST issued an order dated July 8, 2013 wherein it confirmed the demand of service tax amounting to ₹ 6.05 million along with interest on the amount of service tax short paid and a penalty of ₹ 5,000 as due from our Company. Our Company filed an appeal (No. ST/50644/2014-CU [DB]) before CESTAT against the order dated July 08, 2013.
5. The CST issued a show cause notice dated December 13, 2012 for FY 2008-2009 and FY 2011-2012 for showing cause as to why service tax amounting to ₹ 820.78 million should not be levied on account of excess CENVAT credit availed by our Company and excess utilization of CENVAT credit by our Company on certain items. Our Company was asked to show cause as to why penalty proceedings should not be initiated against it. Our Company filed its reply to the show cause notice on December 2, 2013.
6. The CST issued a demand show cause notice dated June 2, 2014 for FY 2012-2013 to FY 2013-2014 for showing cause as to why service tax amounting to ₹ 358.55 million should not be levied on account of service tax on external commercial borrowing loans along with interest and penalty. Our Company has voluntarily deposited the amount of service tax of ₹ 358.55 million along with interest of ₹ 44.80 million before the issuance of show cause notice. The issue involved in the present show cause notice is for the amount of penalty sought to be imposed which could be equal to the amount of service tax demanded in the show cause notice. On April 15, 2015, our Company has filed reply with the tax authorities against the show cause notice issued by the CST.

*Value Added Tax (“VAT”)*



There are 9 VAT proceedings against our Company involving an aggregate amount of ₹ 125.42 million, details of which are provided below:

1. Our Company filed an application dated September 7, 2009, before the Commercial Tax Officer, Rajasthan, on the basis of certain notifications issued by the tax department for refund of excess VAT paid by our Company, on account of us being charged VAT at a rate of 28% by fuel supplying companies of Jaipur, Rajasthan during FY 2006-2007, FY 2007-2008 and FY 2008-2009. The Assistant Commercial Tax Officer by his order dated February 24, 2010, denied our application. Thereafter, our Company filed three writ petitions (Civil Writs Nos. 7130 of 2010, 7129 of 2010 and 7128 of 2010) before the High Court of Rajasthan. The High Court of Rajasthan by its order dated February 28, 2013, observed that our Company had fulfilled all conditions for taking benefit of the notifications of tax department and directed the state VAT authority to make enquiries and determine the exact date from which the benefit could be extended to our Company. The Assistant Commercial Tax Officer by its order dated September 20, 2013, concluded the proceedings and denied the refund to our Company on grounds of unjust enrichment. Our Company has filed three writ petitions (Nos. W.P. (C) 21473-75 of 2013) before the Rajasthan High Court, Jaipur Bench, against the State of Rajasthan and others challenging the order dated September 20, 2013 of the Assistant Commercial Tax Officer and seeking a refund of excess VAT amounting (i) ₹ 8.52 million for FY 2006-2007; (ii) ₹ 61.14 million for the period April 1, 2007 to January 5, 2008 and February 25, 2008 to March 31, 2008; and (iii) ₹ 41.23 million for the period April 1, 2008 to January 18, 2009, paid by our Company on the sale of ATF wrongly collected by IOCL at the rate of 28%. The Rajasthan High Court, Jaipur Bench by its judgment dated May 12, 2015 has allowed the said three writ petitions and directed the Assistant Commercial Tax Officer to refund the excess VAT to our Company along with interest of 9% per annum from September 20, 2013. Our Company has filed caveat before the Rajasthan High Court.
2. The Value Added Tax Officer (“VATO”) issued a notice dated September 24, 2012 for default assessment of tax and interest with an assessment of penalty under the Delhi VAT Act, 2004, with a total demand of ₹ 0.51 million on account of excess input credit taken for the tax period June, 2012. The VATO by his default assessment notice dated November 12, 2012 reviewed his original default assessment notice and reduced the penalty amount, thereby reducing the total demand to ₹ 0.16 million. Our Company filed objections dated January 7, 2013 before the Joint Commissioner, Department of Trade and Taxes, New Delhi against the reviewed default assessment order dated November 12, 2012. The VATO *suo motu* reviewed his default assessment on June 7, 2014 reducing the total demand to ₹ 0.02 million. Our Company filed its objections dated August 8, 2014 against the reviewed default assessment dated June 7, 2014.
3. The VATO issued notices dated April 11, 2013 for default assessment of tax and interest with an assessment of penalty under the Delhi VAT Act, 2004 with demands of ₹ 0.11 million, ₹ 0.05 million, ₹ 0.82 million, on account of excess input credit taken for the tax period July 2012, August 2012, September 2012, respectively. Our Company filed its objections dated June 6, 2013 for the tax period July 2012 and August 2012.  
  
With respect to the tax period September 2012, the VATO *suo motu* reviewed its default assessment on June 7, 2014 reducing the total demand to ₹ 0.09 million. Our Company filed its objections dated August 6, 2014 before Objection Hearing Authority, New Delhi against the reviewed default assessment dated June 7, 2014.
4. The VATO issued notices dated June 7, 2014 of default assessment of tax and interest with assessment of penalty under the Delhi VAT Act, 2004, with a demand of ₹ 0.61 million, ₹ 0.07 million, ₹ 0.07 million, ₹ 0.04 million, ₹ 0.09 million, ₹ 0.01 million and ₹ 0.02 million on account of excess input credit taken for the tax periods April 2012, October 2012, November 2012, December 2012, January 2013, February 2013 and March 2013, respectively. Our Company filed its objections before the OHA on August 6, 2014.
5. The VATO issued a notice dated December 11, 2012 for furnishing additional information in respect of the period from FY 2008-2009 to FY 2011-2012. Our Company in its reply dated December 21, 2012, January 14, 2013 and December 23, 2014, provided all the details/ information for FY 2008-2009, FY 2009-2010 and FY 2011-2012 and on the basis of the information and clarification provided, VATO issued further notices of assessment of penalty dated January 3, 2013, February 28, 2013 and January 20, 2015 under Delhi VAT Act, 2004 for payment of demand of ₹ 1,576, ₹ 0.01 million and ₹ 6,952 for FY 2008-2009, FY 2009-2010 and FY 2011-2012, respectively. Our Company has paid the demands online and the matter is pending with respect to FY 2010-2011.

With respect to FY 2010-2011 our Company has submitted information by letter dated February 13, 2013 however, the assessment order is yet to be issued.

6. The Commercial Tax Officer, Angamaly, Kerala issued a notice dated October 27, 2014 for production of accounts and documents relating to the business of our Company for FY 2012-2013 and FY 2013-2014. Further, it was stated that failure to furnish the required information will result in a penalty upto ₹ 0.01 million. Our Company replied to the notice dated October 27, 2014 on February 11, 2015 and furnished the requested information. On April 22, 2015, the Commercial Tax Officer, Angamaly, Kerala passed an assessment order and also issued notice of demand of ₹ 1.41 million and ₹ 1.66 million for FY 2012-13 and FY 2013-14 respectively. Our Company has filed appeal dated May 25, 2015 along with stay application against the notice of demand, before the Assistant Commissioner (Appeals). The Assistant Commissioner (Appeals), by order dated May 27, 2015 granted the stay of demand on the condition that our Company shall remit 30% of the total demand and furnish adequate security for the remaining amount. Our Company filed a reply dated June 8, 2015 confirming the deposit of 30% of demand and furnish a security bond for the remaining amount. The matter is pending for hearing before the concerned authority.
7. The Commercial Tax Officer (Vigilance-27), Bangalore visited our Company's place of business on February 6, 2015 pursuant to assignment dated January 21, 2015. During the visit, our Company was asked to produce certain books of accounts and documents related to the business transactions. Our Company's representative appeared before the Commercial Tax Officer, Bangalore on February 6, 2015 and stated that our Company will produce the requested information by February 16, 2015. Our Company by its reply dated February 20, 2015 has submitted the required details. Subsequent to submission of the aforesaid details, a notice dated March 16, 2015 was issued to our Company to produce certain additional information for the period April 2010 to January 2015. Our Company is in the process of collating the information and submitting the same.
8. Office of the Assistant Commissioner, Chennai issued notice dated October 21, 2014 and November 28, 2014 requesting our Company to produce documents in support of our claim for tax payment at the rate of 5% instead of 14.5% on sale of food and drinks. As per the notice it was alleged that tax has been shortly deposited by our Company on the sale of ₹ 43.20 million. Our Company replied to the notice dated October 21, 2014 and November 28, 2014 on December 8, 2014 and stated that our Company purchases the goods from local suppliers in Chennai and on the aforesaid goods the suppliers charge taxes at the rate of 2% or 5% as applicable. It is further submitted that our Company is not availing any benefit provided under Tamil Nadu Value Added Tax ("TNVAT") laws and is discharging VAT at the specific tax rate prescribed under the Schedule to the TNVAT Act, 2006 and, thus, our Company is not liable to deposit any additional taxes. The Assistant Commissioner by his order dated December 24, 2014 rejected our Company's submissions and demanded ₹ 4.11 million as difference in tax due and penalty amounting to ₹ 6.17 million. The Assistant Commissioner issued demand notice dated December 24, 2014 claiming ₹ 4.11 million as tax. The Assistant Commissioner also issued a penalty notice dated December 24, 2014 demanding ₹ 6.17 million by way of penalty. Our Company filed a revision petition dated March 5, 2015 with the jurisdictional Joint Commissioner along with a petition for stay of demand and a petition for condonation of delay in filing the revision. The Appellant Deputy Commissioner (CT), Chennai has returned the revision petition on the grounds that been filed in the wrong forum instead of filing before the Joint Commissioner (CT), Chennai. Subsequently, our Company has received a demand notice dated April 10, 2015 for payment of arrears of demand of ₹ 10.28 million. Our Company has filed a reply dated April 23, 2015 to the notice dated April 10, 2015 requesting that the recovery proceedings shall be kept in abeyance pending disposal of the revision petition by the Joint Commissioner. Our Company has appeared before the Joint Commissioner (CT), Chennai and filed its submissions on May 8, 2015. The Joint Commissioner (CT), Chennai, by its order dated May 15, 2015 rejected the revision petition. Our Company has filed a writ petitions (W. P. No. 18279 of 2015 & 18280 of 2015) before the High Court of Madras.
9. The Sales Tax Authorities, Kolkata have issued a notice dated February 13, 2015 to our Company directing our Company to furnish records for the period from April 1, 2012 to March 31, 2015. Our Company by its reply dated May 5, 2015 has submitted the requisite details.

#### *Civil Proceedings*

There are 13 civil proceedings pending against our Company before various judicial authorities including the High Court of Delhi, Bombay, Allahabad, Lucknow, Cochin, and Jammu; district courts in Bhilwara, Delhi, Guwahati; and the National Green Tribunal. The aggregate amount involved in these proceedings is ₹ 1,151

million. These proceedings include 9 cases which involve amounts in excess of ₹ 1 million. A brief description of these proceedings is provided below:

1. Lecoanet Hemant India Private Limited (“**Lecoanet**”) has filed a civil suit (No. C.S. (OS) No. 1663 of 2007) before the High Court of Delhi against our Company and Genesis Colors Private Limited for recovery of ₹ 49.65 million along with interest on the grounds that our Company is using the designs of Lecoanet to produce uniforms for its staff and defaulting on payment of moneys to it. Lecoanet has filed a recovery suit seeking a money decree towards uniforms delivered and raw material procured, money decree towards damages on account of loss of profit and loss of reputation due to the alleged acts of infringement and illegal termination of by our Company and is also seeking permanent/ perpetual injunction to prevent infringement of its copyright. Our Company has filed its written statement on January 8, 2008 denying the allegations. Lecoanet has filed its reply on to our Company’s written statement on September 9, 2008.
2. Jagrut Nagrik, a non-governmental organisation, filed a consumer complaint (No. 13 of 2008) before the National Consumer Dispute Redressal Commission challenging certain advertisements of our Company and other airlines in relation to ticket fares claiming ₹ 100 million from each airline on grounds that these advertisements were misleading and misrepresented information to the passengers. The Secretary, and the Director General, Ministry of Civil Aviation (“**MoCA**”) filed their joint reply on July 19, 2008. Our Company and the other airlines filed their respective replies on September 17, 2008. Jagrut Nagrik filed its rejoinder to the replies on November 11, 2008. Jagrut Nagrik and our Company have filed their respective written arguments on March 20, 2015.
3. Go Holdings Private Limited (“**Go Holdings**”) and Go Airlines (India) Limited (“**Go Air**”) and Jeh N Wadia (collectively “**Plaintiffs**”) have filed a suit (No. 1014 of 2013) before High Court of Judicature at Bombay against our Company and Google India Private Limited (“**Google**”) (collectively “**defendants**”) on grounds of infringement and passing off the mark “Go Air” and others seeking permanent injunction, damages ₹ 1,000 million approximately and/ or accounts of profits. Our Company filed its reply on December 13, 2013 denying all the allegations and Google filed its reply on December 24, 2013. The Plaintiffs filed their affidavit in rejoinder dated January 7, 2014 and subsequently, our Company filed sur-rejoinder dated March 4, 2014. Thereafter, our Company has also filed its written statement dated November 5, 2014.
4. Y.V. Sharma and another (“**Petitioners**”) have filed a public interest litigation (bearing No. 26 of 2013) before the High Court of Jammu and Kashmir against the Union of India, our Company and certain others (“**Respondents**”) alleging that the airlines indulge in differential pricing of air fares, which is a form of price discrimination, to sell their services at varying prices simultaneously to different segments. It is alleged that the hike in airfares is unreasonable and is a violation of the rights of the common man. An application for grant of interim relief has also been made seeking directions to be issued to the Respondents to submit a detailed report. Our Company by its reply dated July 2014 stated that the pricing of airlines is dynamic and changes continuously depending upon demand, seasonality, competitive scenario and inventory in accordance with law. Further, it was stated that the CCI had after considering similar matters in the past had concluded that there was no evidence of any organized, express or tacit collusion among airlines and that the airlines have not entered into any anti-competitive agreements. The writ has been disposed off by order dated April 1, 2015 with liberty to the Petitioners to file a representation with regard to their grievances with DGCA and the DGCA shall consider the same on merits. A representation has been made before the DGCA April 23, 2015 and our Company has filed its reply dated June 22, 2015.
5. Mr. Manjit Singh has filed a writ petition (CM. No. 18147 of 2014) before the High Court of Delhi to issue a writ of mandamus or any other appropriate writ giving directions to the Union of India and our Company to impose a rule in India for acceptance of Indian Rupees on all ships and airplanes coming in or outbound for sale of all onboard products and services. Mr. Manjit Singh also filed an application dated September 17, 2014, seeking ad-interim stay on operation of airlines which do not accept Indian Rupees for onboard sales.
6. Mr. Sunil Kumar Tandon has filed a petition (ID No. 46 of 2012) before the Industrial Tribunal cum Labour Court, Karkardooma Court for reinstatement and payment of back wages and consequential benefits. Mr. Kumar’s services had been terminated since he was found unfit to fly the aircraft to the minimum standards expected at the time of his induction. Thereafter, Mr. Kumar was permitted to undergo corrective training and was placed on an unpaid leave at his request. Mr. Kumar’s performance at the corrective training was again found unsatisfactory and his employment was thereafter terminated after which conciliation

proceedings were instituted by him. Following the failure of the conciliation proceedings, the present suit has been filed.

7. Mrs. Meera Jafri (“**Petitioner**”) has filed a writ petition (bearing No. 4804 of 2010) before the High Court of Allahabad against Union of India and our Company for refusal to issue boarding pass to Mr. Rizwan Jafri, the son of the petitioner, after examining his condition. The Petitioner whose son is a patient of cerebral palsy was taking her son from Lucknow to Mumbai for treatment and had requisite certificates to prove that he was not a threat to fellow passengers and was not violent. The Petitioner has filed the present petition on the grounds that her fundamental rights under Articles 14 and 21 of the constitution of India have been violated. Our Company by its counter affidavit dated September 2010 stated that the Petitioner and her son were not issued boarding passes because they reported late to the check-in counter which has been expressly mentioned in the ‘Conditions of Carriage’, which forms a binding agreement between our Company and the Petitioner.
8. BSL Limited has filed a suit for recovery of ₹ 1.21 million before the District Court, Bhilwara with respect to supply of goods to Silktex Limited *vide* bill No. DSF 086 dated January 6, 2012 of ₹ 1.06 million by airway bill/ consignment note number 312-09245902. Our Company is a party to the suit as a defendant since our Company was the carrier of the goods. Our Company is yet to file its written statement.
9. Mr. Balwinder Singh has filed a suit (88 of 2015) before the District Court Amritsar for declaration against his wife, Mrs. Navjyoti Singh, an employee of our Company. Our Company has been impleaded as a defendant. Mr. Balwinder Singh has prayed that Mrs. Navjyoti Singh’s salary and other service benefits be disclosed from a court.

#### *Environmental Matters*

Mr. Jai Kumar (the “**Complainant**”) has filed a petition (O.A. No. 515 of 2014) before the National Green Tribunal (Principal Bench), New Delhi against the Union of India and certain others alleging that the disinsectisation of aircraft by carriers operating on international routes by spraying insecticides/ pesticides inside aircraft, while passengers are on board poses various health hazards to those directly exposed to it. Our Company by its reply dated April 15, 2015 stated that the Complainant has not relied on any scientific study or research stating that the use of insecticides for disinsectisation of aircrafts adversely affects the health of human beings. It was further stated that the said mechanism is based on the World Health Organisation guidelines and in accordance with statutory regulation which need to be strictly adhered to by the airlines globally, in larger public interest.

#### *Mediation*

Our Company has been involved in three mediation matters before the Delhi Government Mediation and Conciliation Centre. These mediations have been initiated by the consumers for delay in take-off and arrival of flights. Two of these mediations have failed, however, no legal proceedings have been initiated against our Company. The third mediation is still in process. The claim involved in these mediations is below ₹ 1 million.

#### *Consumer Complaints*

There are 141 consumer complaints pending against our Company, before the various consumer redressal fora, relating to various subject matters including, disputes in relation to loss of baggage/ cargo, no-show, cancellation of tickets, incorrect bookings, refund of fares, flight delays, death/ injury on board, baggage mishandling and flight cancellation. The aggregate amount involved in these complaints is ₹ 78.14 million. These complaints include nine cases involving claims in excess of ₹ 1 million. A brief description of these complaints is provided below:

1. Mr. Muneer Hussain Khan filed a consumer complaint before the District Consumer Disputes Redressal Forum (“**DCDRF**”), Anantnag against our Company, Mr. Aditya Ghosh and Mr. Rahul Bhatia seeking ₹ 1.20 million as compensation on account of loss of baggage while travelling from Delhi to Srinagar on our Company’s flight 6E 555 on November 1, 2013. Our Company by its reply dated June 4, 2014 objected to the jurisdiction of the DCDRF, Anantnag and submitted that the complaint is liable to be rejected on grounds of misjoinder/ non-joinder of parties. It was further submitted by our Company that by email dated November 14, 2013 compensation was offered to Mr. Khan as per the ‘Conditions of Carriage’. However, the same was denied by him.

2. Ms. Anju Kumar filed a consumer complaint (CC No. 193/2012) before the State Consumer Disputes Redressal Commission, New Delhi seeking ₹ 9.75 million as compensation on account of demise of Mrs. Kumar's husband due to cardiac tamponade. She alleged that had the cabin crew been vigilant and alert, timely first aid could have been provided to the deceased while he was suffering from the aforesaid heart condition. Mrs. Kumar had sent our Company a legal notice dated January 24, 2012 claiming the abovementioned amount as compensation. Our Company by a reply dated February 28, 2012 had stated that the call button in the lavatory was not pressed any time during the flight, therefore, the passenger in the lavatory was not disturbed by the cabin crew. It was also stated that the emergency procedures approved by DGCA did not require the cabin crew to knock on the lavatory door and disturb the passenger occupying it and the cabin crew followed all standard procedures while handling the medical emergency on board the aircraft. Our Company filed its reply to the complaint on March 28, 2013.
3. Ms. Astha Pansari filed a consumer complaint (CC No. 631/2010) before the DCDRF, Jaipur seeking ₹ 1.96 million as compensation on account of loss of baggage. Our Company by its reply dated April 13, 2011 denied liability on grounds of, among other things, that as per binding and enforceable clauses of the 'Conditions of Carriage' our Company is not liable to pay the claimed amount as alleged.
4. Mr. Mahimanand Mishra has filed a consumer complaint (CC No. 83 of 2009) before the State Consumer Disputes Redressal Commission, Orissa, claiming ₹ 10 million as compensation towards loss of reputation, harassment and cost of his tickets amongst other things. The complainant was not permitted to carry prawns on board our Company's flight. Our Company by its reply dated December 1, 2009 *inter alia* stated that effective August 13, 2009, live/ dead/ frozen/ dried fish or sea food was not permitted to be carried as hand luggage on our Company's flights and all commercial airlines across the country follow a similar policy.
5. Ms. Urmila Mishra has filed a consumer complaint (CC No. 369 of 2014) before the National Consumer Dispute Redressal Commission, New Delhi, claiming ₹ 20 million as compensation on account of deficient and negligent acts which resulted in the demise of her husband. Mrs. Mishra's husband had boarded a flight from Agartala to Delhi via Kolkata and he fell ill during the flight and was off-loaded at the Kolkata Airport by our Company. Our Company has filed its reply to the complaint.
6. Mr. Nilamani Panda has filed a consumer complaint (CC No. 114 of 2013) before the Court of District Consumer, Dispute Redressal, Bhubaneswar, against our Company and Mr. Rahul Bhatia claiming ₹ 2.40 million as compensation on account of mental agony and cost of time which Mr. Panda had to sustain due to monopolistic act of our Company. Mr. Panda's son was suffering from chicken pox, hence they were de-boarded from the flight.
7. Mr. Tasaduq Qayoom Dar filed a consumer complaint (CC No. SCDRC 2013) before the J&K State Consumer Disputes Commission, Srinagar, claiming ₹ 1.74 million as compensation for mental trauma, harassment and emotional distress. Mr. Dar and his family were not permitted to board the flight as the same was full and their baggage was also misplaced. Our Company by its reply stated that the Mr. Tasaduq failure to abide by the conditions of carriage was the reason he and his family were not permitted to board their flight. It was requested that the complaint be dismissed on the grounds of suppression of information by the complainant and his failure to abide by the Conditions of Carriage which creates a binding contract.
8. Mr. K. Srinivasa Rao filed a consumer complaint (CC No. 188 of 2013) before the District Consumer Disputes Redressal Forum, Ranga Reddy, claiming ₹ 1.97 million as compensation for loss of baggage, loss sustained in the business and time on account of documents lost from baggage and for related mental agony along with the costs. Our Company by its reply stated that the complaint was false and vexatious and stands defeated on the ground of admission of the complainant to adhere to the Conditions of Carriage.
9. Rajinder Kumar Chandel has filed an appeal (Appeal No.509/2014) before the State Consumer Disputes Redressal Forum, Jaipur against the order dated March 20, 2014 (CC No. 627 of 2012). Mr. Rajender Kumar has filed the appeal claiming compensation of ₹ 11.34 million alleging that the Company had levied extra charges on tickets booked for children under infant category.

#### *Regulatory Matters*

1. Delhi International Airport Limited ("**DIAL**") has filed an appeal (bearing No. 7 of 2012) dated December 13, 2011 before Airports Economic Regulatory Authority Appellate Tribunal ("**AERAAT**") challenging

- order No. 28/2011-2013 dated November 8, 2011 passed by the Airport Economic Regulatory Authority (“**AERA**”) on November 14, 2011 in the matter of levy of ‘Development Fee’ (“**DF**”) by DIAL at Indira Gandhi International Airport, New Delhi (“**IGI Airport, New Delhi**”). In its appeal, DIAL has sought quashing of the order passed by AERA by which AERA has excluded certain amounts/ heads from the final project cost and further sought direction against AERA to include the excluded items and pass a fresh order with respect to the quantum and tenure of the levy of DF at the IGI, Airport, New Delhi. DIAL has alleged that AERA by its order has determined the project cost as ₹ 125,026.60 million instead of ₹ 128,570 million as was submitted by DIAL. AERAAT by its order dated September 14, 2012, at the oral request of Federation of Indian Airlines (“**FIA**”), of which our Company is a member airline, granted liberty to FIA to be a party to the appeal. FIA filed its reply to the appeal on November 21, 2012 denying the contentions raised by DIAL. Thereafter, DIAL filed an application dated January 2, 2013 placing on record the two subsequent orders issued by AERA on August 3, 2012 and December 28, 2012. AERAAT disposed of all appeals preferred against the order dated November 8, 2011 observing that the subsequent order passed by AERA dated December 28, 2012 has the effect of changing the nature of the earlier order by revising it, while keeping the issues open for arguments and directed the appeals to be taken up when the appeals assailing the subsequent order dated December 28, 2012 are taken up for hearing. Subsequently, DIAL filed a review application on August 29, 2013 seeking review of the order dated July 11, 2013 and praying that appeal be restored. AERAAT by its order dated October 23, 2013 directed the appeal to be restored.
2. DIAL filed an appeal (bearing No. 10 of 2012) on May 23, 2012 before AERAAT along with an application seeking interim relief challenging the order No. 03/2012-2013 dated April 20, 2012 in the matter of determination of aeronautical tariff in respect of IGI Airport, New Delhi for the 1st regulatory period (i.e., April 1, 2009 to March 31, 2014). FIA, along with certain other parties, were made a party to the appeal by order dated September 5, 2012 at the oral request of the parties. FIA filed its counter affidavit along with its reply to the interim application on October 12, 2012. Thereafter, DIAL filed an application on November 29, 2013 seeking direction from AERAAT that during the pendency of the appeal, AERA will not determine tariff for the second control period starting from April 1, 2014 to March 31, 2019. Subsequently, AERA filed its reply to DIAL’s application seeking direction against AERAAT on January 21, 2014. At present, AERA has extended the existing tariff order dated April 20, 2012 until January 31, 2015 or until the final determination of the tariffs for the second control period (i.e. April 1, 2014-March 31, 2019), whichever is earlier.
  3. Cochin International Airports Limited (“**CIAL**”) filed a writ petition (W.P. (C) No. 19879 of 2012) against Union of India, our Company and others before the High Court of Kerala at Ernakulum for quashing and stay on the operation of clause 2 (B) of DGCA’s circular No. 7 of 2007 dated September 28, 2007, DGCA’s circular No. 3 of 2010 dated June 2, 2010 and letter dated July 20, 2012 issued to CIAL, granting permission to airline operators to provide ground handling services at airports other than those belonging to Airport Authority of India (“**AAI**”). Our Company filed its counter affidavit on July 16, 2013. The High Court of Kerala by its orders dated August 22, 2012 and April 8, 2013 has granted a stay in favour of CIAL.
  4. Mumbai International Airport Limited (“**MIAL**”) filed an appeal (bearing No. 2 of 2013) dated January 22, 2013 before AERAAT challenging the order No. 29/2012-2013 dated December 21, 2012 passed by AERA in the matter of determination of DF in respect of Chhatrapati Shivaji International Airport, Mumbai seeking quashing of the order to the extent that it caps the project cost at ₹ 1,20,698 million, caps the escalations, claims and contingencies at ₹ 6,300 million, caps the interest rate on DF securitized loan at 11.25% per annum and seeking direction to AERA to recalculate the DF repayment schedule for the loan on DF and also to clarify that the rate of DF determined by AERA is exclusive of applicable taxes. FIA filed an application on March 20, 2013 seeking impleadment and MIAL filed its reply to the impleadment application on July 10, 2013. AERAAT by its order dated July 11, 2013 allowed the impleadment application filed by FIA. MIAL filed an application dated July 30, 2014 seeking modification of the order dated July 11, 2013 to the limited extent that the question of FIA’s locus is left open for adjudication at the time of final hearing. Thereafter, AERA filed its reply to the appeal on July 12, 2013 and MIAL filed its rejoinder to AERA’s reply on August 29, 2013. FIA filed its counter affidavit on August 29, 2013. MIAL filed the rejoinder to FIA’s reply on December 9, 2013.
  5. Delhi International Airport Limited (“**DIAL**”) filed a letters patent appeal (“**LPA**”) (No. 670 of 2014) on September 17, 2014 before the High Court of Delhi challenging the order dated September 3, 2014 of writ petition (W.P. (C) 5746 of 2014) filed by DIAL, to the extent that while granting relief to DIAL, the High Court of Delhi had made the extension of tariff for the first control period subject to any fresh arrangement by Airports Economic Regulatory Authority (“**AERA**”) even though the statutory appeal (No. 10 of 2012)

filed by DIAL challenging the tariff order issued by AERA was pending adjudication before AERAAT. DIAL also filed an application seeking stay of determination of tariff for the second control period by AERA. AERA and Federation of Indian Airlines (“**FIA**”) filed their counter affidavits on November 07, 2014 and November 18, 2014. DIAL filed its rejoinders to AERA and FIA’s counter affidavits on November 24, 2014. AERA filed its sur-rejoinder on December 06, 2014. The writ petition (No. W.P. (C) 5746 of 2014) was filed by DIAL seeking a direction that *status quo* be maintained in respect of the aeronautical tariff for IGI, Airport, New Delhi, determined by AERA for the first control period by the tariff order dated April 20, 2012 till the final disposal of the appeal (No. 10 of 2012) filed by DIAL. DIAL also contended that appeal (No. 10 of 2012) has been pending before Airports Economic Regulatory Authority Appellate Tribunal (“**AERAAT**”) for two years and that there was no likelihood of the appeal being heard for next few months as the term of the office of the Chairperson and the members of AERAAT expired on August 20, 2014 and AERA also does not have a Chairperson. DIAL contended that it had earlier requested AERA to extend the tariff for the first control period and AERA extended the tariff up to May 31, 2014. Thereafter, another request for extension was made by DIAL and the tariff for the first control period was further extended up to October 31, 2014. DIAL contended that the request was made to extend the tariff for the first control period till the final disposal of the appeal (No. 10 of 2012) by AERAAT and therefore requested that the *status quo* be maintained. However, AERA has extended the tariff until January 31, 2015 or until the tariff for the second control period is determined, whichever is earlier. The judgment was reserved on December 9, 2014. FIA and AERA have filed written submissions on December 16, 2014 and December 15, 2014 (served on FIA on December 23, 2014) respectively. FIA and AERA have filed written submissions on December 16, 2014 and December 15, 2014. The High Court by its judgment dated January 22, 2015 has set aside the order under appeal and disposed of the LPA while giving directions to Union of India, Ministry of Civil Aviation and AERAAT. AERAAT has filed a Special Leave Petition (No. 15885/2015) before the Supreme Court which is yet to be listed.

6. Express Industry Council of India filed a complaint (No. 30 of 2013) before the Competition Commission of India (“**CCI**”) against our Company, Jet Airways, SpiceJet, Air India and Go Air (collectively, “**opposite parties**”) alleging that the opposite parties had formed a cartel to introduce Fuel Surcharge (“**FSC**”) for transportation of cargo which was anti-competitive in terms of the Competition Act, 2002. It was also alleged that though the levy of FSC was introduced as extra charges linked to the fuel prices there has been no corresponding decrease in the same with a fall in the fuel prices. The Commissioner by his order dated September 9, 2013 held that the averments and allegations made in the complaint *prima facie* indicate the existence of an agreement between the opposite parties to determine the fuel prices which requires a detailed investigation by the Director General (“**DG**”). Thereafter, the DG issued a notice dated November 27, 2013 calling for, among other things, certain information on ownership pattern, organization structure, copies of memorandum of association and articles of association of our Company in order to investigate the matter. Our Company by its reply dated December 17, 2013 furnished the requested details. Additionally, our Company sent an *ad seriatim* reply to the DG’s notice dated December 24, 2013 stating that the FSC is a fee/charge added to the base freight which serves as a mechanism to recover a portion of costs including the costs incurred towards procurement of ATF and that DGCA or other governmental agencies have no role in fixing of FSC. Consequently, the DG by his letter dated September 9, 2014 requested for additional information pertaining to the date of commencement of cargo operations by our Company and revisions made to FSC from time to time. Our Company by its reply dated October 10, 2014 provided the necessary details. The office of the DG sent a summon notice dated November 18, 2014, calling the Managing Director of our Company to appear personally or through his authorized representative for examination and to give evidence in connection to the investigation. Our Company received an email dated January 15, 2015 from the office of the DG requesting information in relation to, among other things, dynamics of the pricing mechanism of domestic air cargo indicating how the various components of air way bill, especially the freight component are determined, the FSC in terms of percentage of total cargo revenue for our airline for the years 2011-2012 and 2012-2013. Our Company replied to this letter on January 20, 2015. The office of DG by another notice dated January 14, 2015 requested for official email record of Mr. Mahesh Kumar Malik and any other person in charge of deciding the FSC rate for the specified period. Also, the DG by email dated January 19, 2015 to Mr. Malik, sought additional information on details of FSC for domestic cargo and international cargo for the period of 2009-2013. Our Company replied to this letter on January 23, 2015. Another email dated January 27, 2015 was received by Mr. Mahesh Malik requesting for information pertaining to cargo sales report of any agent for the months of June, September and November for Mumbai sector. Our Company has replied to this email on January 29, 2015. The DG has submitted his Investigation Report dated February 4, 2015 with the CCI wherein it was concluded that there is no sufficient evidence to conclude the existence of a cartel in terms of Section 3 (1) read with Section 3(3) (a) of the Competition Act. CCI *vide* its order dated February 19, 2015 directed the Informant and Opposite Parties to appear on April 1,

2015. The informant has filed objections to the Investigation Report on April 23, 2015 and the matter is now fixed for July 23, 2015 for filing of objections/ rejoinder and arguments.

7. CCI by its letter dated March 27, 2014 has directed our Company to furnish certain details with respect to an inquiry on the issue of similar/ identical pricing of air fares by domestic airlines. Our Company by its response dated April 25, 2014 has sent the requisite information. Thereafter the CCI again by letter dated May 27, 2014 had sought some additional information from our Company. Our Company has furnished the requisite information by its response dated June 24, 2014. CCI again sought information December 18, 2014 which was provided by our Company on December 26, 2014.
8. Recent media reports suggest that the CCI is conducting an inquiry of airlines over allegations of cartel behavior. However, we have not received any such notice.

#### *Legal Notices*

We regularly receive notices from our consumers in relation to deficiency in service, instances of accidents, unruly passengers, loss/ damage of baggage, loss/ damage of cargo, death/ injury on board, delay/ cancellation/ rescheduling of flight, no-show cases, theft, fraudulent activities including but not limiting to cheating, credit card, cancellation/ booking of tickets, etc. There are 329 legal notices issued to our Company involving an aggregate amount of ₹ 5,525 million. These include 50 notices in which the amount involved is in excess of ₹ 1 million. These notices are pending. A brief description of these notices is provided below:

1. Legal notice dated January 21, 2010 was issued on behalf of Mr. Vijay Gandhi seeking compensation of approximately ₹ 2 million alleging that Mr. Gandhi had suffered irreparable loss on the ground of refusal of our airlines to permit him to board the flight to Delhi.
2. Legal notice dated January 31, 2014 was issued on behalf of Mr. Vijay Kumar Ghai and others seeking approximately ₹ 1.59 million as compensation alleging, *inter alia*, mental agony and harassment suffered due to uncooperative, uncourteous behaviour of an employee of our Company, uncooperative and illegal action on part of our Company and their counsel's fees. Our Company by reply dated April 19, 2014 has denied all allegations and stated that the staff had tried to help Mr. Ghai in locating his boarding pass
3. Legal notice dated October 10, 2013 was issued on behalf of Mrs. Nikita Ved seeking approximately ₹ 2.05 million as compensation alleging, among other things, deficiency in services due to which the Mrs. Ved was unable to board her flight in spite of having checked-in much before the scheduled time and their counsel's fees.
4. Legal notice dated August 8, 2013 was issued on behalf of Mrs. Deepa Bodhka seeking approximately ₹ 10 million as compensation alleging violation of the rights of Mrs. Bodhka's daughter and harassment and mental trauma caused due to discriminatory treatment of people with disabilities. It was further alleged that Mrs. Bodhka's daughter was informed that she could not fly as she was a risk in spite of all necessary formalities being fulfilled, required documents being submitted and the boarding pass being issued. Our Company has replied to the aforementioned notice denying all allegations made in the notice.
5. Legal notice was issued on behalf of Mr. M. Jeyaraj seeking approximately ₹ 1.70 million as compensation alleging deficiency in services of our Company since Mr. Jeyaraj was not allowed to travel to Kathmandu as few of his group members were not carrying valid travel documents.
6. Legal notice dated May 6, 2014 was issued on behalf of Mr. Venkata Ramana Kare seeking approximately ₹ 10 million as compensation alleging refusal of the staff to allow Mr. Kare to board his flight, denying him the opportunity to join his children who were already on board the flight. Our Company by reply dated April 13, 2014 denied all allegations and stated that Mr. Kare had failed to check-in on time and hence he was not permitted to travel.
7. Legal notice dated December 4, 2011 was issued by Justice Michael F. Saldanha seeking compensation amounting to ₹ 1 million alleging arbitrary and illegal action by our Company for disallowing certain baggage to be carried on our airlines.
8. Legal notice dated May 30, 2014 was issued on behalf of Mr. Ganesh Kedia seeking compensation aggregating to approximately ₹ 2 million on grounds of Mr. Kedia and his family not being allowed to board



- our flight. Our Company by its reply dated June 18, 2014, denied all liability and stated that Mr. Kedia and his family had not checked in on time and had also failed to arrive at the boarding gate on time and therefore, in terms of the “Conditions of Carriage”, no liability could be attributed to our Company.
9. Legal notice dated November 13, 2014 was issued on behalf of S. K. Chaudhary seeking compensation aggregation to approximately ₹ 1 million for not being allowed to board his flight. Our Company has replied to the aforementioned notice on December 8, 2014 denying all the contents of the notice.
  10. Legal notice dated January 23, 2015 was issued by Joydeep Mukherjee seeking, *inter alia*, the termination of two employees of our Company and threatening to sue our Company for an amount of ₹ 1,000 million. Our Company has replied to the aforementioned notice on February 6, 2015 denying every allegation set forth therein. Thereafter, Joydeep Mukherjee has filed a rejoinder in response to our reply.
  11. Legal notice dated August 18, 2014 was issued on behalf of Novartis India Limited (“**Novartis**”) seeking USD 55.2 million as compensation on account of loss of goods since its consignment was damaged due to rain water at the time of landing of the aircraft. Further, it was stated that failure to comply with the aforementioned notice would result in our Company being liable to pay interest on the said sum at the rate of 24% p.a. Our Company by its reply dated September 12, 2014 stated that since Novartis did not increase the limitation of liability of the carrier (our Company) by declaring a higher value of carriage and paying the supplementary charges as required, the liability of our Company was limited to ₹ 450 per kilogram. Novartis by a rejoinder notice dated September 25, 2014 stated that our Company, as a prudent carrier was required to discharge the burden of proof that it had taken all necessary care to avoid damage to the goods and that its claim for the value of the consignment was not exaggerated. Our Company by its reply dated October 18, 2014 has reiterated the statements made in the reply dated September 12, 2014. Our Company has received a reminder notice dated May 4, 2015 from Novartis seeking the details of the sum that our Company is willing to pay, without admitting any liability, and the same has been duly responded by our Company.
  12. Legal notice dated September 15, 2014, was issued by Ms. Ruchi Dev seeking approximately ₹ 1.45 million as compensation alleging harassment and agony suffered due to theft from her baggage. Ms. Ruchi Dev has filed an FIR against our Company. Our Company by its reply dated October 7, 2014 has denied all allegations and stated it had handed over the luggage to Ms. Ruchi in an intact condition and the same had been accepted by her.
  13. Legal notice dated January 16, 2014 was issued on behalf of Mr. Nilesh Bansal seeking approximately ₹ 0.11 million as compensation alleging, *inter alia*, harassment and frustration suffered on account of refusal of our staff to allow Mr. Bansal and the group of passengers he was travelling with to board our flight and financial loss incurred on ticket costs and hotel stay. Our Company has by its reply dated March 9, 2014 denied all the allegations and stated that the Mr. Nilesh and his fellow group members did not report to the boarding counter within the stipulated time.
  14. Legal notice dated June 12, 2012 was issued by Mr. Koteswara Rao Tatineni seeking compensation aggregating to approximately ₹ 1 million alleging, *inter alia*, harassment, mental agony and defamation caused to seven passengers on a flight of our Company from Hyderabad to Ahmedabad.
  15. Legal notice dated January 4, 2012 was issued on behalf of Mr. Aasish Khan seeking compensation aggregating to approximately ₹ 7 million alleging damage caused to an Indian classical instrument during a flight of our Company from Mumbai to Kolkata. Our Company has replied to the aforementioned notice on February 7, 2012 denying all the contents of the notice.
  16. Legal notice issued on behalf of Abdul Hamid Khan seeking compensation aggregating to approximately ₹ 5 million alleging that our Company forced Abdul Hamid Khan to disembark our Company’s aircraft on a flight from Srinagar to New Delhi.
  17. Legal notice dated April 9, 2012 issued on behalf of Mr. Altaf Ahmed seeking compensation aggregating to approximately ₹ 1.50 million alleging, *inter alia*, humiliation and mental harassment caused by insisting that Mr. Altaf Ahmed and his family de-board the aircraft of our Company for medical reasons.
  18. Our Company has received a complaint dated April 3, 2010 by Mr. Mahipal Bhanot seeking compensation of approximately ₹ 0.5 million each for 14 passengers bound for Delhi and Hyderabad on an aircraft of our

Company. The claim has been made alleging, *inter alia*, loss of valuable time due to a cancellation of a flight from Lucknow to Delhi.

19. Legal notice dated November 28, 2011 issued on behalf of Mr. Muraleedhar seeking compensation aggregating to approximately ₹ 1 million alleging, *inter alia*, deficiency in service due to rescheduling of a flight.
20. Legal notice dated September 24, 2009 was issued on behalf of S.B. Saxena seeking compensation aggregating to ₹ 10 million alleging, *inter alia*, wrongful termination of employment and defamation. Our Company has replied to the aforementioned notice on November 27, 2013 denying the contents of the notice.
21. Legal notice dated January 20, 2015 issued by Mr. B.S. Prasad seeking compensation aggregating to ₹ 1 million alleging deficiency in services and mental trauma suffered by Mr. B.S. Prasad.
22. Legal notice dated May 8, 2015 issued on behalf of Ms. Anupriya Tomar seeking compensation aggregating to ₹ 5 million alleging physical and mental pain due to injury suffered by Ms. Tomar in Novotel hotel.
23. Legal notice dated January 24, 2012 issued on behalf of Anju Kumar seeking compensation aggregating to approximately ₹ 9.50 million alleging, *inter alia*, negligence on behalf of our Company resulting in death of late Mr. Pradeep Kumar Garg.
24. Legal notice dated February 24, 2009 issued on behalf of Mr. Pradip Kumar Bhattacharjee seeking compensation aggregating to approximately ₹ 10 million alleging, *inter alia*, wilful negligence and deficiency in service which resulted in loss of goods of Mr. Pradip Kumar Bhattacharjee.
25. Legal notice dated August 25, 2009 issued on behalf of Mr. Swami Chakrapaniji seeking compensation aggregating to approximately ₹ 1,000 million alleging, *inter alia*, that he was not allowed to board the flight from Delhi to Ahmedabad which resulted in loss of reputation and financial losses. Our Company has replied to the aforementioned notice on October 19, 2009 denying all the allegations contained in the notice.
26. Legal notice dated February 5, 2009 issued on behalf of Mr. Parameshwar Nair seeking compensation aggregating to approximately ₹ 1 million alleging, *inter alia*, breach of trust and negligence on behalf of our Company for loss of luggage.
27. Legal notice dated November 9, 2012 was issued on behalf of Mr. Rajesh Ranjan seeking compensation aggregating to approximately ₹ 1 million on grounds of deficient services provided by our Company.
28. Legal notice dated April 3, 2013 was issued on behalf of Mr. Ashwani Gupta seeking compensation aggregating to approximately ₹ 2.13 million alleging, *inter alia*, mental health and strain caused to Mr. Ashwani Gupta, loss of business, loss of luggage, deficiency in services and legal charges. Our Company has replied to the aforementioned notice denying all allegations contained therein.
29. Legal notice dated December 23, 2012 was issued by Mr. C.K. Mathur seeking compensation amounting to ₹ 1.01 million alleging, *inter alia*, mental agony, harassment caused on account of change in his flight schedule from Mumbai –Lucknow to Delhi-Lucknow.
30. Legal notice dated February 24, 2014 was issued on behalf of St. John's Higher Secondary School to Mr. Rahul Bhatia and Mr. Aditya Ghosh claiming an amount of ₹ 24 million alleging, *inter alia*, that the airlines had indulged in unfair trade practice by displaying false and misleading information on its website with respect to identification valid documents accepted while travelling to Nepal.
31. Legal notice dated May 8, 2013 was issued on behalf of Mr. Amit Goyal to the chief executive officer and managing director of our Company seeking compensation aggregating to ₹ 1 million alleging, *inter alia*, loss of time, loss of money, mental torture and harassment and deficiency in services.
32. Legal notice dated October 29, 2013 was issued on behalf of Mr. Bhupendra Singh seeking compensation aggregating to a sum of ₹ 1 million alleging harassment, hardships, humiliation, loss of reputation due to

- wilful negligence and deficiency in service on part of our Company. Our Company has replied to the aforementioned notice on February 1, 2014 denying all the contents of the legal notice.
33. Legal notice dated February 24, 2015 was issued on behalf of Mr. Krishnan Narain Sharma seeking compensation aggregating to a sum of ₹ 2 million alleging, *inter alia*, deficiency in service with unfair trade practice for not providing him with the seats allotted to him on a flight from Mumbai to Lucknow.
  34. Legal notice dated October 22, 2014 was issued on behalf of Ms. Neelakshi Mahanta seeking compensation aggregating to a sum of ₹ 2.50 million alleging, *inter alia*, negligence, deficiency in services, and unfair trade practices due to hazardous glass pieces present inside a packet of potato chips purchased by Neelakshi Mahanta. Our Company has replied to the aforementioned legal notice on November 19, 2014 denying all contents of the claim.
  35. Legal notice dated November 11, 2014 was issued on behalf of Mr. Sivan Madathil seeking compensation aggregating to ₹ 1.50 million alleging that Mr. Sivan Madathil was misled regarding the departure of his flight. Our Company has replied to the aforementioned notice on November 20, 2015 denying all the contents of the complaint.
  36. Legal notice dated December 20, 2014 was issued on behalf of Mr. Terons Me seeking compensation aggregating to ₹ 5 million alleging deficiency of service on account of declining Mr. Terons Me from continuing his aircraft journey. Our Company has replied to the aforementioned notice on February 3, 2014 denying all the contents of the notice.
  37. Legal notice dated January 17, 2015 was issued on behalf of Mr. K. B. Balachandran seeking compensation aggregating to ₹ 1 million alleging deficiency of service which resulted in Mr. K. B. Balachandran missing his flight on November 30, 2014. Our Company has filed a reply dated February 2, 2015 requesting Mr. K. B. Balachandran to provide the booking itinerary pursuant to which our Company may reply appropriately to the notice.
  38. Legal notice dated February 16, 2015 was issued on behalf of Mr. Anil Sidana seeking compensation aggregating to approximately ₹ 1 million alleging deficiency of service due to loss of luggage. Our Company has replied to the aforesaid notice on March 17, 2015 denying all the contents of the claim.
  39. Legal notice dated October 28, 2013 was issued on behalf of Jet Airways seeking compensation aggregating to approximately USD 121,179 and ₹ 79.96 million on account of alleged damage caused to a Jet Airways' aircraft. Our Company by reply dated December 3, 2013 stated that the claim of Jet Airways is barred by limitation.
  40. Legal notice dated March 9, 2015 was issued on behalf of Ms. Jyotsna Mayee Mishra seeking compensation aggregating to approximately ₹ 10 million alleging deficiency in services and misbehavior by an employee of our Company. Our Company has filed a reply to the aforementioned notice on April, 2015 denying all the contents and averments of the notice.
  41. Legal notice dated April 15, 2015 was issued on behalf of Ms. Jayati Saha seeking compensation aggregating to ₹ 2.50 million alleging, *inter alia*, deficiency in service and unfair trade practice in re-allotting the seat booked by Jayati Saha to a third person.
  42. Legal notice dated April 28, 2015 was issued on behalf of Mr. Rajesh Panchhi seeking compensation aggregating to approximately ₹ 1.50 million alleging, *inter alia*, negligence and carelessness due to misappropriation of luggage and misallocation of seats. Our Company has replied to the aforementioned notice on May 20, 2015 denying all the contents of the notice.
  43. Legal notice dated May 19, 2015 was issued on behalf of Mr. T. Guhan seeking compensation aggregating to approximately ₹ 20 million for reimbursement of ticket expenses and alleging, *inter alia*, deficiency in service. Our Company has replied to the aforementioned notice on June 3, 2015 denying all the contents of the notice.

44. Legal Notice dated June 23, 2008 was issued on behalf of Subrata Goswami and Karna Nath Thakur seeking a compensation of ₹ 2 million alleging defamation and irresponsibility by our Company by issuing fake tickets to Mr. Subrata Goswami and Karna Nath Thakur.
45. Legal notice dated May 20, 2015 was issued on behalf of Mr. Anupam Tripathi seeking compensation aggregating to approximately ₹ 10 million. The notice alleges that Mr. Anupam Tripathi was required to pay ₹ 500 for excess checked luggage. Mr. Anupam Tripathi has claimed the aforementioned amount towards a goodwill gesture.
46. Legal notice dated June 9, 2015 was issued on behalf of Ms. Masrat Jan seeking compensation aggregating to approximately ₹ 1.40 million towards loss of luggage and inconvenience caused due to poor services. Ms. Masrat Jan has also filed a FIR (No. 46 of 2015) against our Company in this respect.
47. Legal notice dated March 19, 2015 was issued on behalf of Ms. Urmila Mishra seeking compensation aggregating to approximately ₹ 20 million towards pecuniary and non-pecuniary damages for off-loading a passenger due to health reasons and not providing adequate medical attention thereafter.
48. Legal notice dated July 15, 2013 issued on behalf of Axis Promotion and Trading seeking compensation aggregating to approximately ₹ 1 million on the grounds of infringement of their original design of ripple cups. Our Company by reply dated August 16, 2013 has stated that our Company was not responsible for responding to the alleged claims.
49. Legal notice dated June 26, 2012 issued on behalf of Ms. Kamla Devi seeking compensation aggregating to approximately ₹ 1.5 million alleging, *inter alia*, mental harassment, pain, agony and social humiliation suffered by Ms. Devi on account of the refusal of our Company to refund the amount of air tickets.
50. Legal notice dated August 10, 2009 from Mr. Amit Nahta seeking compensation aggregating to approximately ₹ 1 million on account of deficiency in services, mental and physical trauma and exposing his minor child to grave risks due to refusal of our Company to permit his child to travel by cancelling her boarding

#### *Past Penalties:*

Our Company has paid penalties in the past imposed by various regulatory and statutory authorities in relation to, *inter alia*, delay in payment of dues, deficient stamp duty, fee imposed by municipal corporation, delay in furnishing in VAT returns, interest paid on account of delayed tax payment, permitting passengers to travel without valid travel documents in violation of the provisions of the Passport (Entry into India) Act, 1920 and the rules made thereunder and non-compliance of the provisions of the Immigration (Carrier's Liability) Act, 2000, non-compliance with the provisions of the Companies Act, 1956 and delay in complying with the reporting requirements under FEMA.

#### *Regulatory Notices*

In addition to the notices disclosed above under “- *Litigation involving our Company - Litigation against our Company –Legal Notices*” on page 375, we have been issued notices by various regulatory, statutory and judicial authorities in relation to, *inter alia*, our operations, training and licensing, safety and security, monitoring, medical examinations and checks, aircraft maintenance, import and disposal of equipment, payment of wages, payment of gratuity, rectification of irregularities in our records, compliance with provisions of Contract Labour Regulation Act, 1979, Employment Provident Fund and Miscellaneous Provisions Act, 1952, Gratuity Act, 1972, Industrial Disputes Act, 1947, termination of employment, complaints against crew and staff. Additionally, we have also received notices from the Central Bureau of Investigation/ Department of Customs/ Central Investigation Department/ Directorate of Revenue Intelligence/ Police seeking information with respect to investigations being carried out against third parties. These notices are pending.

## **II. Litigation by our Company**

#### *Criminal Proceedings*

There are five criminal proceedings filed by our Company, pending before the District Courts of Gurgaon, Mumbai and Hyderabad, in relation to dishonour of cheques. The aggregate amount involved in these five cases

is approximately ₹ 74 million. These proceedings include three proceedings which involve amounts in excess of ₹ 1 million. A brief description of these cases is provided below.

1. Our Company has filed three criminal complaints under section 138 of the Negotiable Instruments Act before the Chief Metropolitan Magistrate, Hyderabad for recovery of ₹ 15 million, ₹ 25 million and ₹ 33 million, respectively, from IRISS Electronic Travel Distribution Private Limited and its Managing Director Mr. C. Venkateshwara Prasad in respect of dishonor of cheques bearing No. 385580, 385581 and 385582, respectively. Our Company has served a notice for winding up, dated June 16, 2015 to IRISS Electronic Travel Distribution Private Limited for the recovery of the above mentioned amounts.

#### *Regulatory Matters*

1. Our Company, the Federation of Indian Airlines (“**FIA**”) and other airlines have filed a special leave petition (SLP No. 7764 of 2011) and a stay application dated March 9, 2011 before the Supreme Court of India against the order dated March 4, 2011 of the High Court of Delhi in W.P. (C) No. 8004 of 2010 whereby the High Court had dismissed the writ petition challenging circulars AIC No. 7/2007 dated September 28, 2007, AIC No. 15/2009 dated December 31, 2008, AIC No. 6/2009 dated June 30, 2009, AIC No. 13/2009 dated December 31, 2009 and AIC No. 3/2010 dated June 2, 2010 issued by the DGCA, and the Airports Authority of India (General Management, Entry for Ground Handling Services) Regulations, 2007 as *ultra vires* the provisions of the Aircraft Act, 1934, the Aircraft Rules, 1937, the Airports Authority of India Act, 1994 and Articles 14 and 19(1)(g) of the Constitution of India on grounds that the aforesaid circulars/regulations permitted ground handling facilities to either an airport operator or the National Aviation Company Limited or their joint ventures and the similar facility was being denied to the airline operators. It was also contended that undertaking ground handling services enables the airline operators, among other things, to maintain the quality, cost, efficiency, level of performance. All the parties involved have filed their counter affidavits on the matter.
2. FIA filed an appeal (bearing No. 06 of 2012) challenging order No. 3/2012-2013 dated April 20, 2012 issued by AERA in the matter of determination of aeronautical tariff in respect of IGI, Airport, New Delhi for the first regulatory period (April 1, 2009 to March 31, 2014) whereby AERA has determined the escalation (X) factor (-345.92%) for the tariff determination for DIAL with effect from May 15, 2012. AERA had increased the aeronautical tariff for DIAL ‘on a one-time basis during the control period’ between the years 2012-2014 by 345.92% in violation of the applicable provisions of the AERA Act. The grounds of challenge by the FIA, *inter alia*, include the following:
  - (a) the method for aeronautical tariff determination adopted by AERA negates the letter and spirit of single till approach to tariff determination as enshrined in Section 13(1)(a)(v) of the AERA Act and AERA’s order No. 13/2010-2011 dated January 12, 2011 in the matter of ‘Regulatory Philosophy and Approach in Economic Regulation of Airport Operators’ by wrongfully applying shared till approach.
  - (b) AERA is not empowered to allow escalation in project cost as the concession agreement for the privatization of the Delhi airport explicitly prohibits such escalation.
  - (c) AERA has failed to carry out any independent assessment of bifurcation of aeronautical (89.25%) and non-aeronautical (10.75%) assets thereby violating Section 13(4) of the AERA Act.
  - (d) AERA wrongfully levied User Development Fee (“**UDF**”) without any basis on embarking as well as disembarking passengers.
  - (e) AERA has failed to act transparently by not providing all the relevant documents to the stakeholders including bid documents thereby violating principles of natural justice enshrined in Section 13(4) and 14 of the AERA Act.
  - (f) AERA has failed to consider the guiding principles of public private partnership on the basis of which the airport operator was selected as concessionaire and was to infuse funds on its own as per the Airport Infrastructure Policy, 1997 and Naresh Chandra Committee Report read with concession agreements.
  - (g) AERA failed to acknowledge that the airport operator caused inordinate delay in submitting the details of the project cost and information for determination of aeronautical tariff.

DIAL filed its reply on September 20, 2012 and FIA filed its rejoinder affidavit to DIAL’s reply on September 28, 2012. Thereafter, AERA filed its reply on October 4, 2012 and FIA filed its rejoinder affidavit to AERA’s reply on September 28, 2012. Thereafter, the Airports Authority of India (“**AAI**”) filed its reply on April 5, 2013 and the MoCA filed its reply in May, 2013 which was served on FIA on June 22, 2013. Subsequently, FIA filed two rejoinder affidavits i.e. to AAI’s reply on April 30, 2013 and to MoCA’s reply on July 19, 2013.

3. FIA filed an appeal (bearing No. 03 of 2013) on January 28, 2013 before AERAAT challenging order no. 30/2012-2013 dated December 28, 2012 issued by AERA reviewing order No. 28/2011-2012 dated November 8, 2011 issued on November 14, 2011 thereby revising the rates of DF from ₹ 200 to ₹ 100 per embarking domestic passenger and from ₹ 1,300 to ₹ 600 per embarking international passenger. DIAL filed its counter affidavit on March 19, 2013 and FIA filed its rejoinder on July 9, 2013. AAI filed its counter affidavit on March 20, 2013 and FIA filed its rejoinder on July 9, 2013. AERA filed its counter affidavit on August 27, 2013 and FIA filed its rejoinder on October 21, 2013.
4. FIA filed an appeal (bearing No. 05 of 2013) on February 19, 2013 before AERAAT challenging order No. 29/2012-2013 dated December 21, 2012 in the matter of determination of DF in respect of Chhatrapati Shivaji International Airport, Mumbai issued by AERA. The grounds for challenge by the FIA, *inter alia*, include the following:-
  - (a) AERA wrongfully allowed the levy of DF at the request of MIAL which is a private concessionaire and not on the request/ order of AAI as required under Section 22A of the AAI Act.
  - (b) AERA failed to examine the need, validity and appropriation of DF particularly in view of scope and objective of Section 13(1)(b) of AERA Act which requires AERA to determine the amount of DF. AERA ought to have independently considered the components of project cost.
  - (c) AERA failed to appreciate that:-
    - i. the need for levy of DF has arisen due to the cost overruns which are directly attributable to commissions and omissions of MIAL and also on account of poor structuring of the EPC Contracts;
    - ii. airlines and passengers are being burdened with extra costs for MIAL's inability to infuse further equity and raise any further debts;
    - iii. MIAL has failed to raise funds to meet the capital expense, on the basis of which it has won the bid to operate, manage and develop the CSI Airport, Mumbai;
    - iv. MIAL has failed to conduct stakeholders' consultation for revision of the Master Plan as mandated by OMDA; and
    - v. the Financial Auditor (M/s.Ved Jain and Associates) and Technical Auditor (Engineers India Limited) have pointed out various process issues in execution of the project and AERA has instead of disallowing the costs and reprimanding MIAL has allowed almost all its claims.
  - (d) AERA failed to follow the regulatory approach/ philosophy which requires it to scrutinise, assess and examine the claims and expense of MIAL.
  - (e) AERA ignored that past burden of utility should not be passed on to future passengers since the same passenger may not travel by air again.
  - (f) AERA failed to substantiate the reasons for levying DF violating its own Guideline 6.8.7 of AERA Guidelines, which mandates that DF shall be a measure of last resort.
  - (g) AERA wrongly estimated the DF violating its Guidelines 6.8.8 of the AERA Guidelines thereby allowing MIAL to levy DF before determination of aeronautical tariff and factoring revenue from other sources i.e. revenue arising from the aeronautical and non-aeronautical services, including the revenue generated from the Transfer Assets and Non-Transfer Assets to bridge the financing gap.
  - (h) AERA wrongfully decided to bridge the funding gap of ₹ 25,150 million by allowing DF to be collected at a rate of ₹ 100 per embarking domestic passenger and ₹ 600 per embarking international passenger exclusive of all applicable taxes, w.e.f January 1, 2013 upto April, 2021.
  - (i) AERA wrongly calculated the project cost of ₹ 1,16,474.6 million as the basis for determination of regulated asset base for the current control period.
  - (j) AERA wrongly observed that the DF should be available for the project at ₹ 34,000 million and decided to include the interest component in the allowable DF billing, towards securitization of DF.

MIAL filed its counter affidavit on July 10, 2013 and FIA filed its rejoinder to MIAL's reply August 29, 2013. AERA filed its counter affidavit on August 27, 2013 and FIA filed its rejoinder to AERA's counter on October 21, 2013.

5. FIA filed an appeal (bearing No. 11 of 2013) on April 2, 2013 along with an application seeking condonation of delay before AERAAT challenging the order No. 32/2012-2013 dated January 15, 2013 issued by the AERA in the matter of determination of aeronautical tariff in respect of Chhatrapati Shivaji International Airport, Mumbai. The grounds of challenge by the FIA, *inter alia*, include the following:
  - (a) AERA has wrongly adopted Shared Till approach for determination of aeronautical tariff in terms of State Support Agreement ("SSA") by violating 13(1)(a)(v) of the AERA Act.

- (b) AERA has wrongly reckoned the first regulatory period, in respect of tariff determination for aeronautical services in respect of CSI Airport, Mumbai, from 01.04.2009 to 31.03.2014.
- (c) AERA has wrongly accepted the proposal made by MIAL on allocation of assets into aeronautical and non-aeronautical assets and left the exercise of commissioning an independent study for the next regulatory period.
- (d) AERA has wrongly decided to compute Hypothetical RAB in accordance with the principles of Schedule 1 of SSA.
- (e) AERA has wrongly accepted the forecasts for 2012-13 and 2013-14 made by MIAL towards the Operating Expenses and decided to commission an independent study at a later date to assess the efficient operating expenses of CSI Airport, Mumbai.
- (f) AERA has wrongly decided to retain the forecasts of revenue from Revenue Share Assets as proposed by MIAL and to exclude the gross revenue from Non Transfer Assets towards cross-subsidisation of aeronautical cost while determining the target revenue.
- (g) AERA has wrongly calculated the X-Factor based on the MoCA's letter No.AV.24032/04/2012-AD dated September 10, 2012 that the revenue from aeronautical services of cargo and ground handling in Delhi and Mumbai Airports be regarded as non-aeronautical revenue in the hands of the respective airport operators, contrary to statutory provision of Section 2(a) of the AERA Act and irrespective of whether these services are provided by the airport operator itself or concessioned out to third parties.
- (h) AERA has wrongly decided that Fuel Throughput Charges are charges in respect of provision of aeronautical service namely, supply of fuel to the aircraft, hence it is an aeronautical charge and is to be determined by the Airports Regulator under Section 13(1)(a) of the AERA Act and to consider revenue from Fuel Throughput Charges as aeronautical revenue. Further the Airports Regulator has decided to consider the revision in Fuel Throughput Charges in line with the agreements with the Oil Marketing Companies and consider the escalation at CPI or 7%, whichever is less.
- (i) AERA has wrongly decided to treat the charges levied by MIAL in respect of CUTE Counter charges as a charge for provision of aeronautical service, namely ground handling service and accordingly is to be determined by the Airports Regulator, under Section 13(1)(a) of the AERA Act. However, in terms of letter dated September 10, 2012, issued by MoCA, the Airports Regulator has decided to treat the revenue arising from such aeronautical services as non-aeronautical.
- (j) AERA has wrongly decided to levy User Development Fee as per the rate indicated in Rate Cards annexed to the tariff order.

MIAL, AERA and AAI filed their respective replies to FIA's application seeking condonation of delay on July 16, 2013, July 17, 2013 and July 25, 2013. AERA filed its counter affidavit to the appeal on September 04, 2013 and FIA filed its rejoinder on October 01, 2013. MIAL filed its counter affidavit to the appeal on October 01, 2013 and FIA filed its rejoinder on November 18, 2013. AAI filed its counter affidavit to the appeal on November 18, 2013.

6. FIA has filed an appeal (bearing appeal No. 1 of 2014) challenging the order No. 8/2014-2015 dated June 10, 2014 in the matter of determination of aeronautical services in respect of Kempegowda International Airport, Bengaluru, for the first control period ( April 1, 2011 to March 31, 2016) passed by AERA before AERAAT. The Bengaluru Airport is being operated, managed and developed by the BIAL, pursuant to being declared as a successful bidder in competitive bidding process in 2004. The grounds for challenge by the FIA, *inter alia*, include the following:
  - (a) AERA has wrongly computed aeronautical tariff and UDF by following shared till approach (40% shared revenue) thereby acting contrary to Section 13(1)(a)(v) of the AERA Act, 2008 and by deviating from its earlier stand of adopting single till by its order No. 13/2010-2011 dated January 12, 2011 and the proposal in Consultation Paper No. 14/2013-2014 as well as AERA (Terms and Conditions for Determination of Tariff) Guidelines, 2011 ("**AERA Guidelines**").
  - (b) AERA has wrongly reckoned the first control period, in respect of tariff determination for aeronautical services from April 1, 2011 to March 31, 2016 and the recovery period of aeronautical tariff is being shrunk to 20 months in place of 60 months in terms of Section 13(2) of AERA Act, 2008.
  - (c) AERA has wrongly accepted BIAL's proposal for allocation of assets into aeronautical and non-aeronautical and left the exercise of commissioning an independent study to assess the reasonableness for the next control period.
  - (d) AERA has wrongly acted contrary to Section 13(4) of the AERA Act, 2008 by not following the transparent process for allowing BIAL to levy information, communication and technology charges (to be levied for the first time) with effect from July 1, 2014. The details for said levy were shared on AERA's website only on June 3, 2014 by way of public notice No. 3/2014-2015 for which no opportunity was provided to the stakeholders to comment on such details. The tariff order was issued

after a week on June 10, 2014.

- (e) AERA has wrongly accepted BIAL's projections with respect to future capital expense and financing allowance without providing any reason or conducting any independent/ technical evaluation.
- (f) AERA has wrongly considered net block as on March 31, 2011 without independent study as initial RAB which is in contravention of methodology prescribed in AERA Guidelines for valuation of initial RAB.
- (g) AERA has failed to compute depreciation up to 100% of the value of assets contrary to guideline 5.3.3 of AERA Guidelines.
- (h) AERA has failed to carry out any adjustment to RAB on account of monetisation of land and failed to consider BIAL's inordinate delay in firming up real estate business plan which impacts RAB determination, fair rate of return determination and non-aeronautical revenue.
- (i) AERA has wrongly accepted traffic projections submitted by BIAL without providing any reasons for accepting the same or conducting any independent study.
- (j) AERA has wrongly considered working capital loan and interest thereon in determining tariff without assessing working capital requirements.
- (k) AERA has wrongly accepted BIAL's forecast of operating expense without considering past trends, productivity improvements and cost drivers.
- (l) AERA has wrongly allowed projected non-aeronautical revenues without evaluating the impact of terminal expansion and real increase for which an independent study ought to have been conducted.
- (m) AERA has wrongly written off bad debts as part of operating expense contrary to the settled position of law that bad debts are to be actually written off as irrecoverable in the accounts of the company i.e., BIAL.
- (n) AERA has given preferential treatment to home carrier thereby creating a huge difference in tariff structure and abusing its dominant position.

FIA prayed for setting aside of the tariff order and filed an interlocutory application seeking stay on levy of levy of information, communication and technology charges from July 1, 2014. AERAAT by its order dated July 1, 2014 granted stay on levy of information, communication and technology charges. Subsequently, BIAL filed a writ petition dated July 15, 2014 (bearing No. W.P. (c) 4338 of 2014) before the High Court of Delhi seeking quashing of stay granted *vide* order dated July 1, 2014 passed by AERAAT and for issuance of a writ of mandamus directing MoCA to constitute AERRAT in accordance with the provisions of Section 19, 21, 23 and 26 of the AERA Act, 2008. The High Court of Delhi by its order dated July 28, 2014 observed that the order dated July 1, 2014 passed by AERAAT shall remain in force only for the benefit of FIA and its members and shall not be applicable to any other airline. Thereafter, BIAL filed its preliminary reply on November 12, 2014 to the appeal No. 1 of 2014 before the Delhi High Court. On December 15, 2014 BIAL and FIA brought to the notice of the High Court of Delhi that the parties are attempting to negotiate a settlement. On December 23, 2014, BIAL and FIA submitted before the High Court of Delhi that BIAL, SITA, and the airlines have reached a settlement to pay USD 1 per departing passenger as information, communication and technology charges instead of USD 1.25. In view of the settlement, the High Court of Delhi disposed of the writ petition and has given 15 days time to AERA to pass such order. The High Court of Delhi also directed the Registry to send the files of appeal No. 1 of 2014 back to AERAAT.

#### *Legal Notices and First Information Report*

In addition to the cases mentioned above, our Company has filed certain first information reports and criminal complaints and sent notices to various individuals and entities in relation to dishonor of cheques, cease and desist notices pertaining to the violation of our Company's trademarks, theft, cheating, fraudulent activities including but not limited to forged documents, counterfeit currency notes, false ticket bookings, incidents relating to safety and security of our employees, death on-board flights, accidents, unruly passengers, action against pilots and cabin crew in default of applicable law, bomb hoaxes, smuggling of drugs and narcotics, gold and precious metals, smuggling of weapons and hazardous substances, etc. These notices are currently pending.

These notices include one notice that involves an amount in excess of ₹ 1 million. A brief description of the notice is provided below:

1. Our Company has issued notices dated August 1, 2011 and September 19, 2011 to SpiceJet Limited alleging negligence on the part of SpiceJet due to a ground incident on Airbus A320 at Delhi airport. Our Company has informed SpiceJet that the cost of repair to the damaged aircraft is approximately USD 933,000.



## LITIGATION INVOLVING OUR PROMOTERS

### *I. Mr. Rahul Bhatia*

#### *Litigation against Mr. Rahul Bhatia*

##### *Customs*

There is one customs proceeding against Mr. Rahul Bhatia involving an aggregate amount of ₹ 7.62 million, details of which are provided below.

1. Directorate of Revenue Intelligence (“**DRI**”) issued a notice dated August 31, 2006 to Mr. Rahul Bhatia and IGE for payment of customs duty amounting to ₹ 7.62 million along with interest and penalty with respect to three cars imported by IGE under the Export Promotion Capital Goods Scheme of the Government of India (“**EPCG**”). IGE has filed a writ petition (No. 23162 of 2005) in the High Court of Delhi against the Union of India, and the DRI, on the grounds that the seizure by DRI on November 24, 2005 was beyond the DRI’s authority as the Directorate General of Foreign Trade (“**DGFT**”) had issued the requisite certificates for import in respect of the vehicles seized. The seized vehicles were provisionally released pursuant to the furnishing of a bank guarantee of ₹ 7.62 million and a bond of ₹ 3.75 million by IGE. The High Court by its order dated January 7, 2006 allowed the release of cars on payment of bank guarantee and no duty was paid to the DRI. The DRI advised the DGFT to issue show cause notice to IGE, and Mr. Bhatia and investigate the matter. After considering the facts of the case, DGFT dropped the proceedings against IGE and upheld that the licenses were correctly issued by the order dated November 29, 2006. IGE has filed an appeal against order of Commissioner of Customs dated January 20, 2010 with the CESTAT, New Delhi which also includes a stay application for waiver of pre-deposit of custom duty and penalty. CESTAT by an order dated August 13, 2010 has waived the requirement of pre-deposit in consideration of the fact that IGE had undertaken to keep the bank guarantee alive during the pendency of the appeal.

##### *Civil Proceedings*

1. Gaon Sabha Chattarpur has filed a suit (Case No. 13/SDM/HK/2001) before the Court of Revenue Assistant, Mehrauli, New Delhi, alleging that Mr. Bhatia has used the suit land for non-agricultural purposes by constructing a dwelling unit on the same. The Court of Revenue Assistant on April 21, 2003 passed an order in favour of Mr. Rahul Bhatia stating that Mr. Bhatia had the sanction of MCD for construction of a dwelling unit on the suit land. Gaon Sabha, Chattarpur has filed an appeal (No.14/2004) before District Court, Saket, New Delhi against the order dated April 21, 2003. Gaon Sabha, Chattarpur also filed an application for condonation of delay with respect to filing the appeal. Mr. Rahul Bhatia has filed a written statement dated May 19, 2008 against the application for condonation of delay. A proposal dated September 11, 2014 for regularisation of the farmhouse was submitted before the South Delhi Municipal Corporation Mr. Rahul Bhatia. The corporation by order dated November 14, 2014 had approved the proposal to regularize the said farmhouse (dwelling unit) subject to payment of charges amounting to ₹ 0.32 million (cess charges), ₹ 23.17 million (regularization charges) and ₹ 7.96 million (conversion charges), Mr. Bhatia deposited the said amount by challan dated November 14, 2014. The regularization order has now been submitted to the Court of Revenue Assistant for appropriate consideration in the matter.

##### *Consumer Complaints*

Rahul Bhatia is also a party to two consumer complaints. For more details please see “-*Litigation against our Company – Consumer Complaints – Point 1 and Point 6*” on page 371.

##### *Legal Notices*

Mr. Rahul Bhatia is a party to one consumer notice. For more details please see “- *Litigation against our Company – Notices – Consumer Notices – Point No. 30*” on page 372.

#### *Litigation by Mr. Rahul Bhatia*

##### *Civil Proceedings*

1. Mr. Rahul Bhatia along with certain others (“**Plaintiffs**”) has filed a suit (No. 3911 of 1991) against Swan Travels Private Limited and others (“**Defendants**”) before Additional District Judge, Tis Hazari Court, New Delhi seeking perpetual injunction restraining the Defendants from surrendering/ parting with possession of four tenancy premises of the company or encumbering six real estates of the company in which Plaintiffs and Defendants were collectively shareholders. The Defendants filed their respective written statements on October 4, 1991. Thereafter, the Defendants gave an undertaking in court on December 13, 1991 that the immovable property and tenancy rights shall not be encumbered, surrendered and transferred by them. The said undertaking of the Defendants was recorded by court in its order dated December 13, 1991. Thereafter, the court by its order dated May 9, 1994 while disposing of the interim application filed by the Defendants, modified the order dated December 13, 1991 to this extent that in case the defendants intend to surrender/ transfer the possession of the property a prior notice of fifteen days will have to be given to the Plaintiffs. Thereafter the Defendants filed an application for vacation of the order dated May 9, 1994, which was dismissed by the court by order dated August 21, 1997. Presently the matter is at the stage of arguments regarding the issue of jurisdiction.

## ***II. Mr. Rakesh Gangwal***

### ***Litigation against Mr. Rakesh Gangwal***

#### *Civil Proceedings*

1. Certain shareholders of Office Depot Inc. (“**Office Depot**”), a company incorporated in the United States, have filed certain suits in the United States opposing the merger of Office Depot with Staples Inc. The directors of Office Depot, including Mr. Rakesh Gangwal, have been named as defendants to these suits and these are presently pending. At the Annual Shareholders Meeting of Office Depot held on June 19, 2015, 99.5% of shareholder votes cast on the merger resolution were in favour of the merger.

## ***III. InterGlobe Enterprises Limited (“IGE”)***

### ***Litigation against IGE***

#### *Income Tax*

There are three income tax proceedings against IGE involving an aggregate amount of ₹ 4.54 million, details of which are provided below.

#### *1. Assessment Year 2010-2011*

IGE filed its return of income for AY 2010-2011 declaring a total income of ₹ 10.11 million. The DCIT by an order dated February 16, 2013 disallowed certain expenses raised a demand of ₹ 1.31 million. IGE filed an appeal before the CIT (A) against the order dated February 16, 2013 on the grounds that the disallowances made by the DCIT were bad in law and cannot be sustained. IGE filed an application dated March 20, 2013 before the DCIT requesting for stay of demand till disposal of appeal before CIT (A), New Delhi. The CIT (A) by its order dated October 31, 2013 directed the DCIT to make disallowances as per the directions given by the CIT (A) and partly allowed the appeal. Thereafter, IGE filed an appeal against the order dated October 31, 2013 before the ITAT.

#### *2. Assessment Year 2011-2012*

IGE filed its return of income declaring a loss of ₹ 41.13 million for AY 2011-2012. DCIT by its order dated January 31, 2014 disallowed certain expenses and initiated penalty proceedings against IGE. Consequently DCIT through a demand notice dated January 31, 2014 raised a demand of ₹ 3.22 million, further, the DCIT issued a Penalty notice dated Jan 31, 2014 directing IGE to show cause as to why penalty proceedings should not be initiated against it. IGE filed an application dated April 2, 2014 before the DCIT to requesting for stay of penalty proceedings till the disposal of appeal before CIT (A). IGE also filed an application dated April 11, 2014 before the DCIT for the stay of Demand till the disposal of appeal filed by IGE.

#### *3. Assessment Year 2012-2013*

IGE filed its return of income for AY 2012-2013 declaring a total income of ₹ 72.24 million. The DCIT by its order dated March 23, 2015 made certain disallowances. Consequently DCIT issued a demand notice dated March 23, 2015 and raised a demand a *nil* demand against IGL and initiated penalty proceedings against IGE. IGE filed an appeal against the order dated March 23, 2015 before the CIT (A). IGE has also filed an application dated April 22, 2015 before the DCIT to keep the penalty proceedings in abeyance till the disposal of appeal before CIT (A).

#### *Service tax*

##### *1. Assessment Year 2004-2005 & 2003-2004*

IGE filed its ST-3 return for AY 2004-2005 & 2003-2004 declaring a total income of ₹ 5.56 million and ₹ 4.86 million respectively. Asst. Commissioner of Service Tax, Mumbai by its order dated February 17, 2006 directed IGE to pay appropriate service tax along with interest. IGE filed an application before the Commissioner of Central Excise (A), Mumbai Zone-I (“**CCE (A)**”) against the order dated February 17, 2006. CCE (A) by its order dated April 20, 2010 partly allowed the appeal of IGE but upheld the impugned order to the extent it relates to IEL’s services not being considered as export of services on which service tax is payable. IGE filed an appeal (ST/379/10) before CESTAT against the order dated April 20, 2010 passed by CCE (A), Mumbai. Thereafter IGE filed a stay application dated July 27, 2010 before the CESTAT. CESTAT by its order dated January 10, 2012 set aside the impugned order and allowed the appeal on grounds that the impugned order passed by CCE (A) is not an order in the eyes of law. Thereafter IGE filed an appeal (No. 117 of 2012) before the High Court, Bombay against the order of CESTAT. High court in its order dated May 02, 2014 admitted the appeal.

#### *Customs*

IGE is a party to the proceedings against the order of the Commissioner of Customs pertaining to investigation conducted by DRI. For more details please see “*Litigation involving our Promoters - Litigation against Mr. Rahul Bhatia – Custom Duty*” on page 384.

#### *Civil Proceedings*

Sprint RPG India Limited (now known as Next Gen Communication Limited) (“**Sprint RPG**”) has filed a suit (No. 741 of 2001), dated November 27, 2001 against ASPL in the High Court of Delhi, claiming ₹ 3.36 million along with interest and the cost of legal proceedings alleging non-payment of charges due towards electronic messaging services pertaining to generation of international traffic of email communication for the period March 24, 2000 to April 23, 2000. ASPL filed its written statement on August 3, 2001 praying for dismissal of the suit with heavy costs on the ground that ASPL was not aware of the alleged auto forwarding services being provided by Sprint RPG and hence was not liable for the said service charges. The initial suit was filed against ASPL. Subsequently Sprint RPG filed a substitution and amendment application to replace ASPL with IGE on the ground of misdescription and mistake of fact in understanding the cause of action. The court allowed the said application and the amended plaint was placed on record. A written statement to the amended plaint was filed on September 12, 2002 with similar denial as was done in the earlier written statement filed on August 3, 2001. The suit is presently pending.

#### *Arbitration*

DLF sent letter dated December 29, 2010 to ASPL and IGE requesting ASPL to refund the amount of ₹ 100 million paid as advance against purchase of office space. ASPL and IGE by reply dated January 7, 2011 stated that no amount was required to be refunded as the agreement in question stood terminated as DLF had not paid the balance amount as per the terms of the agreement. Thereafter, DLF by its letter dated January 31, 2011 stated that in terms of the agreement, termination of the agreement and forfeiture of the advance is subject to arbitration which could be resorted to only once the mediation proceedings before the mediator fail. DLF appointed the mediator and requested ASPL and IGE to give their consent to the appointment. DLF by another letter dated June 16, 2011 requested ASPL and IGE to give its consent to the appointment of arbitrators for resolution of dispute since the matter could not be resolved by mediation.

#### *Consumer Complaints*

There are three consumer complaints pending against IGE before the district consumer forum regarding for deficiency in services. The amount involved in these complaints is approximately ₹ 1.76 million.

#### *Legal Notices*

There are six legal notices issued to IGE by the Employee Provident Organisation, Regional Office, Delhi Employees State Insurance Corporation, Regional Labour Commissioner, New Delhi, Municipal Corporation Greater Mumbai, etc. These notices, *inter alia*, relate to notices pertaining to payment of wages, payment of gratuity, non-receipt of building plan approval, rectification of irregularities in our records and furnishing of relevant records. The amount involved in these notices is not ascertainable.

#### ***Litigation by IGE***

##### *Civil Proceedings*

1. IGE along with ASPL (“**Plaintiffs**”) has filed a suit (No. 444 of 2008) against Sarvamangalam Builders and certain others before the District Court, Gurgaon for declaration and consequential relief of permanent injunction and mandatory injunction. The Plaintiffs have sought a decree for declaration to the effect that the letter issued by Sarvamangalam Builders seeking recovery of parking charges from the Plaintiffs in respect of the open and vacant area of the Global Business Park and their threats to recover parking charges from the Plaintiffs/ their staff are illegal, void and not binding in any manner on the Plaintiffs. The court by order dated September 3, 2008 has directed that *status quo* shall be maintained regarding open area and collecting of parking charges till the filing of written statement by Sarvamangalam Builders.

#### ***IV. Acquire Services Private Limited (“ASPL”)***

##### ***Litigation against ASPL***

##### *Income Tax*

There are five income tax proceedings against ASPL involving an aggregate amount of ₹ 72.42 million, details of which are provided below.

##### *1. Assessment Year 2005-2006*

ASPL filed its return of income declaring an income of ₹ 44.25 million for AY 2005-2006. The Assessing officer by its order dated November 27, 2008 increased the taxable income of ASPL to ₹ 44.26 million. Consequently by a demand notice dated November 27, 2008 the DCIT raised a demand of ₹ 4,600 as tax payable by ASPL. Thereafter, CIT (A), Delhi, took *suo moto* cognizance of the matter and by its order dated February 26, 2010 set aside the assessment order of assessing officer and directed him to reconsider the two issues relating to underassessment to the extent of ₹ 1.21 million on income from dividends and ₹ 2.48 million on depreciation of computer software, printers, etc. which were classified as computers instead of being classified as intangible assets. ASPL filed an appeal (No. 2331/Del/10) before the ITAT, against the order of CIT (A) dated February 26, 2010 for AY 2005-2006. ASPL contended that the CIT (A) had erred in setting aside the well-reasoned order of the assessing officer and directing the assessing officer to re-adjudicate the aforesaid issues. The ITAT by its order dated December 16, 2010, allowed the appeal and quashed the order passed by CIT (A). Thereafter, the Revenue Department filed an appeal (No. ITA 1074/2011) before the High Court of Delhi against the order of the ITAT dated December 16, 2010. The High Court directed that computer peripherals are entitled to depreciation at the rate of 60 percent and the Assessing officer is required to reconsider the matter. The High court further directed the assessing officer to pass a fresh order.

The ACIT, New Delhi by an assessment order dated December 24, 2010 for AY 2005-2006 declared ASPL to be in default of underassessment, on account of no disallowance in respect of dividend income and depreciation on computer software and accessories at the rate of 60 percent. ASPL filed a return declaring its income at ₹ 44.25 million. Consequently, by a demand notice dated December 24, 2012, ACIT issued a demand of ₹ 3.29 million payable by ASPL. ASPL also filed an application for stay dated January 24, 2011. The CIT (A), by its order dated set aside the order of assessing officer and directed that the matter be reconsidered by the assessing officer on both the issues afresh. Thereafter, the revenue filed an appeal (No. 4784/DEL/2011) before the ITAT against the order of CIT (A), New Delhi dated July 28, 2011. ITAT directed the Assessing officer to pass fresh order, as per the observations made therein and allowed the appeal of the revenue.

## 2. Assessment Year 2009-2010

- i. ASPL filed its return of income for AY 2009-2010 declaring a loss of ₹ 2.55 million. The income tax officer by an assessment order dated December 7, 2011 and disallowed the expenses incurred on electricity & water charges, expenses attributable to the dividend income and advances written off. ASPL filed an appeal against the order dated December 7, 2011 before the CIT (A). The tax demand of ₹ 6.97 million raised by the assessing officer consequent to assessment proceedings was duly deposited by ASPL. ASPL filed appeal (No. 243/11-12/CIT (A)-XV) before the CIT (A) against the assessment order dated December 7, 2011. The CIT (A) by an order dated February 28, 2013 partly allowed the appeal filed by ASPL. ASPL filed an appeal against the order dated February 28, 2013 before ITAT.
- ii. The income tax officer by an order dated June 28, 2012 passed a penalty order against ASPL and directed ASPL to deposit the penalty amounting to ₹ 7.09 million. ASPL deposited the entire amount of the said penalty. ASPL filed an appeal (No. 101/12-13/CIT (A)-XV) before the CIT (A) against the penalty order dated June 28, 2012 wherein the income tax officer had imposed a penalty of ₹ 7.09 million. The CIT (A) partly allowed the appeal. Consequently, ASPL has filed an appeal before the ITAT.

## 3. Assessment Year 2010-2011

ASPL filed its return of income declaring an income of ₹ 9.95 million for AY 2010-2011. The DCIT by its order dated December 18, 2012 disallowed certain expenses claimed by ASPL and by a demand notice dated December 18, 2012 raised a demand of ₹ 6.37 million as tax payable by ASPL. ASPL filed an appeal (No. 144/12-13/CIT(A)-XV) against the order dated December 18, 2012 before the CIT (A). The CIT (A) by its order dated October 31, 2013 has allowed the appeal. The revenue department has filed an appeal against the order dated December 18, 2012.

## 4. Assessment Year 2011-2012

ASPL filed its return of income declaring income at ₹ 19.32 million and ₹ 332.62 million. The DCIT by an assessment order February 28, 2014 declared ASPL to be in default for underassessment and disallowed a certain expenses. Consequently DCIT by a demand notice dated February 28, 2014 raised a demand of ₹ 64.75 million and initiated penalty proceedings against ASPL for furnishing inaccurate details. ASPL by an application dated March 26, 2014 requested the DCIT for stay of demand and for keeping the penalty proceedings in abeyance till the disposal of appeal before the CIT. ASPL filed an appeal against the order dated February 28, 2014 before the CIT (A) alleging that DCIT erred in disallowing certain sums. The CIT (A) partly allowed the appeal giving ASPL certain relief on some grounds and directed the assessing officer to allow due credit of tax as per law and re-compute the disallowance.

### *Service Tax*

Commissioner of Central Excise issued a show cause notice dated October 24, 2008 for showing cause as to why service tax amounting to ₹ 328.86 million should not be recovered, interest should not be charged and penalty should not levied on ASPL. ASPL submitted its defence before the Commissioner of Central Excise (adjudication) and denied all the allegations made in the show cause notice. The Commissioner by its order dated March 30, 2010 confirmed the demand and recovery of service tax amounting to ₹ 25.60 million along with interest at appropriate rate on the aforesaid amount after allowing. It further directed that an additional penalty of ₹ 1,000 shall be levied on ASPL for failure to collect and pay the service tax. ASPL filed an appeal before the CESTAT for waiver of pre deposit of service tax amounting to ₹ 25.60 million along with interest penalty in addition to other penalties imposed. CESTAT after considering the submissions from both sides by its order dated May 09, 2011 held that it cannot be said that the applicants are rendering services to the travel agents in India and therefore the applicant has made out a strong prima facie case for waiver of dues assessed under the impugned order. CESTAT by its order dated June 4, 2014 has allowed the appeals and dismissed the appeals of the revenue department, thereby, quashing the order dated March 30, 2011. The revenue has filed an appeal before the High Court.

### *Arbitration*

DLF has initiated arbitration proceedings against ASPL. For more information please see “- *Litigation against our Promoters - Litigation against InterGlobe Enterprises Limited – Arbitration Proceeding*” on page 386.

### ***Litigation by ASPL***

#### ***Civil Proceedings***

1. ASPL filed a suit (No. 10302 of 2009) against Peekay Holidays Private Limited before the Additional City Civil Court at Chennai, alleging breach of the contractual obligations by Peekay Holidays under the Subscriber Agreement. The Assistant Judge, City Civil Court by order dated August 27, 2012 directed Peekay Holidays to refund the amount of approximately ₹ 0.4 million along with interest at the rate of 6% per annum. However, since Peekay Holidays failed to pay the decreed amount, an execution petition (No. 3792 of 2013) was filed by ASPL. The execution petition is posted for enquiry of Peekay Holidays. Peekay Travels has also filed an appeal (No. 57916 of 2012) against the order dated August 27, 2012. Peekay Holidays later filed an application for condonation (CMP No. 1425 of 2014) of delay of 675 days in filing the above appeal. ASPL will now be filing counter affidavit in respect of the said appeal.
2. ASPL is also a plaintiff to proceedings against Sarvamangalam Builders. For more information please see “- *Litigation involving our Promoters – Litigation by InterGlobe Enterprises Limited – Civil Proceedings*”.

## **LITIGATION INVOLVING OUR DIRECTORS**

### ***I. Mr. Rahul Bhatia***

Mr. Rahul Bhatia, who is a Director of our Company, is also a Promoter of our Company. For details of litigation against Mr. Rahul Bhatia, please see “- *Litigation involving our Promoters – Mr. Rahul Bhatia*” on page 384.

### ***II. Mr. Aditya Ghosh***

#### ***Litigation against Mr. Aditya Ghosh***

Mr. Aditya Ghosh is party to a consumer complaint filed by Mr. Muneer Hussain Khan before the District Consumer Disputes Redressal Forum. For more details please see “- *Litigation involving our Company – Litigation against our Company – Consumer Complaints – Point No. 1*”.

Mr. Aditya Ghosh has also been issued a legal notice by St. John’s Higher Secondary School. For more information please see “- *Litigation involving our Promoters – Litigation against our Company – Legal Notices – Point 27*”

### ***III. Mr. Anupam Khanna***

#### ***Litigation against Mr. Anupam Khanna***

A petition dated December 1, 2014 has been filed by Ms. Safia against Dr. Anupam Khanna before the Assistant Labour Commissioner, Lucknow under the Payment of Wages Act, 1936 on account of non-payment of wages amounting to ₹ 0.10 million along with damages.

## **LITIGATION INVOLVING OUR GROUP ENTITIES**

### ***I. InterGlobe Hotels Private Limited (“IGHPL”)***

#### ***Litigation against IGHPL***

##### ***Income Tax***

There are two income tax proceedings against IGHPL involving an aggregate amount of ₹ 12 million, details of which are provided below.

1. *Assessment Year 2011-2012*

IGHPL has filed its return of income on September 30, 2011 declaring loss of ₹ 136.32 million for AY 2011-2012. During the assessment proceedings, IGHPL realised that there had been an error to the extent of an amount of ₹ 29.86 million was erroneously claimed resulting in excess loss claimed in tax return. Therefore, IGHPL by its submission dated December 13, 2013, *suo moto*, before the detection of the error by the Assessing Officer, New Delhi offered the amount of ₹ 29.86 million for disallowance and the same was accepted by the Assessing Officer. Thereafter, an order was issued on March 10, 2014, wherein amount of ₹ 29.86 million was disallowed. However, penalty proceedings were initiated while completing assessment and a notice dated September 8, 2014 was issued to IGHPL to show cause as to why penalty should not be levied. IGHPL by its submissions dated September 15, 2014 furnished a reply stating that IGHPL had not concealed any particulars of income as the whole amount of disallowance made in the assessment order was voluntarily offered to tax by IGHPL during the course of assessment proceedings. Again, a fresh notice was issued on September 22, 2014 and the same was replied by submissions dated September 24, 2014. The Assessing Officer on September 24, 2014 issued an order levying a penalty at the rate of 100% of the tax sought to be evaded, amounting to ₹ 9.99 million. IGHPL filed an appeal (No. 35) dated October 22, 2014 before CIT (A), New Delhi against the penalty order dated September 24, 2014. IGHPL filed an application dated October 22, 2014 before the Deputy Commissioner of Income Tax, New Delhi for stay of demand.

2. *Assessment Year 2012-2013*

IGHPL has filed its return of income on September 28, 2012 declaring its income as *nil*. The DCIT by his order dated March 25, 2015 has made an addition of ₹ 8.23 million to the returned income. The consequent tax liability was adjusted against the income tax refund due to IGHPL. The assessing officer also initiated penalty proceedings for concealment of income. IGHPL has filed an appeal before CIT (A).

*VAT*

There are four VAT proceedings against ASPL involving an aggregate amount of ₹ 3 million, details of which are provided below.

1. Assistant Commissioner of Commercial Tax, Department of Commercial Tax, State of Karnataka has issued a notice dated September 9, 2014 to IGHPL, for unpaid entry tax amounting to ₹ 0.57 million from 2010-2011 to 2014-2015. IGHPL by its reply dated October 10, 2014 furnished the required details and submitted that there is no entry tax liability and hence the proceedings against IGHPL should be dropped.
2. The ACIT issued a notice dated July 28, 2014 to IGHPL for FY 2012-2013 with respect to unpaid entry tax. IGHPL by its reply dated August 22, 2014 has deposited ₹ 0.63 million under protest.
3. The Assistant Commissioner, Kelambakkam Assessment Circle issued notice dated February 11, 2015 to IGHPL assessing ₹ 0.05 million as the amount payable on import value of laptops, computers etc. imported by IGHPL, along with customs duty, freight, GP ratio and sales suppression for FY 2014-2015. IGHPL by its reply dated March 2, 2015 stated that the abovementioned equipment had not been imported by it for the purpose of sale and the same were recorded in the fixed assets register of the firm and therefore, ₹ 0.05 million was not payable on them.
4. The Assistant Commissioner, Kelambakkam Assessment Circle issued notice dated December 10, 2014 to IGHPL assessing ₹ 2.7 million as the amount of import of Timber imported by IGHPL, along with customs duty, freight, GP ratio and sales suppression for FY 2013-2014 and tax payable of ₹ 0.39 million. IGHPL by its reply dated March 5, 2015 stated that the abovementioned items had not been imported by it for the purpose of sale and the same were recorded in the fixed assets register of the firm and therefore, ₹ 0.39 million tax was not payable by IGHPL.

*Property Tax*

There are three property tax proceedings against ASPL involving an aggregate amount of ₹ 5.07 million, details of which are provided below.

1. IGH received a demand notice dated September 11, 2014 from the Karnataka Municipal Corporation demanding property tax amounting to ₹ 12.5 million. IGH by its reply dated September 30, 2014 to the Commissioner of Revenue Department has challenged the demand notice. IGHPL has received a revised demand on April 23, 2015 demanding a property tax amounting to ₹ 8 million. IGHPL has deposited ₹ 5.58 million on April 29, 2015 and on the same date has filed a protest letter for the balance amount of 2.42 million.
2. IGH noted that a demand of lease tax on the land owned by IGH was shown as pending in government records. IGHPL approached the Commissioner, Jaipur Nagar Nigam stating that it was of the view that no lease tax is applicable on the property as it is a freehold land duly registered in the name of IGHPL under the sale deed.
3. Nasik Municipal Corporation by a demand notice dated March 4, 2015 has raised a demand of ₹ 2.65 million from IGHPL on account of property tax due. IGHPL by its letter dated March 19, 2015 has stated that there is a discrepancy in the area on which the property tax has been demanded and asked the corporation to verify the area and issue a revised demand. Subsequently IGHPL has deposited the said demand under protest.

#### *Civil Proceedings*

1. Fantasy Builders and Engineers Private Limited (“**FBEPL**”) has filed a suit (No. 25374 of 2007) before the Court of City Civil Judge, Mayo Hall, Bangalore against Mr. Balasubramanyam and others, including IGHPL alleging breach of MoU entered between FBEPL and Mr. Balasubramanyam. FBEPL filed an interlocutory application for inclusion of additional issues. IGHPL filed its objections to the said interlocutory application of FBEPL on July 16, 2010. Mr. Balasubramanyam has also filed his objections to the interlocutory application dated filed by FBEPL.
2. Kanta Devi along with certain others has filed a complaint (No. 96 of 2013) dated November 20, 2013 in Jaipur against IGHPL and certain others claiming a compensation of ₹ 5.1 million on grounds of death of her husband at the hotel site of IGHPL hotels. IGHPL has replied to the said suit on October 15, 2014 stating that Mrs. Kanta Devi’s husband was not an employee of our Company.
3. Collector of Stamps by its order dated July 14, 2014 directed that show cause notices be issued to IGHPL along with certain others (“**Petitioner**”) to show cause as to why proceedings for evading stamp duty under section 62 read with section 65 of the Indian Stamp Act should not be initiated against them. The Chief Controlling Revenue Authority issued notices dated August 13, 2014 and August 14, 2014 directing the Petitioners to show cause as to why proceedings under section 62 read with section 65 of the Indian Stamp Act should not be initiated against them. IGHPL replied to the notices on June 3, 2014 and July 2, 2014, respectively, stating that the notices were non-est and issued in derogation of the provisions of the Indian Stamp Act, 1899. The Petitioners have filed a writ petition (W.P (C) No. 5429 of 2014) against Collector of Stamps and DIAL challenging the order dated July 14, 2014 issued by Collector of Stamps. The Collector of Stamps has filed its counter affidavit on March 25, 2015. The court has granted a stay against any proceedings in favour of the Petitioner.
4. DIAL has filed a writ petition (No. 5848 of 2014) dated September 3, 2014 before the High Court of Delhi against Collector of Stamps, Government of National Capital of Delhi, IGHPL and certain others challenging the order No. F. No. 1/920/RB/Div. Comm./HQ/2013/110-123 dated July 14, 2014 issued by Collector of Stamps, Government of National Capital of Delhi and the show cause notice dated August 14, 2014 issued by Collector of Stamps, Government of National Capital of Delhi to DIAL requiring the managing director/ principal officer/ authorised signatory/ company secretary of DIAL to show cause as to why criminal prosecution on account of non/ deficient payment of stamp duty may not be initiated. The Collector of stamps had also issued notice (No. F. 1/920/RB/Div. Comm./HQ/2013/42) dated April 24, 2014 asking the company to furnish certain documents and among other things the managing director/ principal officer/ authorised signatory/ company secretary to appear in person on May 6, 2014 in the office of the Collector of Stamps. As per the order dated July 14, 2014, Government of National Capital of Delhi *inter alia* held among other things that DIAL and other entities having developed hotels/hospitality facilities at Delhi Aerocity have avoided payment of stamp duty to the government causing huge revenue losses and thereby are liable to criminal prosecution under Section 62 read with Section 65 of the Indian Stamps Act.

#### *Environmental Matters*



1. Regional Officer, Gurgaon Region, Haryana State Pollution Control Board has filed a complaint (No. 42 of 2008) dated October 21, 2008 before the Special Environment Court, Faridabad against M/s Pegasus Buildtech Private Limited, IGHPL and its directors (“**Defendants**”) on the grounds that the defendants initiated the construction at Sector 53, Gurgaon without obtaining any prior environmental clearances from the Ministry of Environment and Forests (“**MoEF**”). The Directors were impleaded wrongly and were later discharged by the Court. An application dated October 28, 2014 was made before the Regional Officer, Gurgaon Region, Haryana State Pollution Control Board on behalf of the defendants praying for their discharge on the ground that the consent had already been granted to the defendants the said application was dismissed by the court on the same date. The special Environment Court, Faridabad by its order dated April 7, 2015 directed the defendants to pay a compensation amounting to ₹ 0.15 million each to the State taking into consideration the fact that the said clearance was obtained after one year of start of the construction.
2. The National Green Tribunal, Principal Bench, New Delhi (“**Tribunal**”) by its order dated December 1, 2014 (M.A. No. 825 of 2014) directed the Central Ground Water Authority, DJB, Municipal Corporation and DPCC to take effective steps for ensuring that among others all hospitals, malls, hotels install rain water harvesting system at the earliest. Pursuant to the same an inspection was carried out by the Central Ground Water Authority and DJB on various dates and on April 24, 2015 notices were directed to be served on the Directors/ CEO of various hotels and malls including the hotel run by IGHPL (Hotel IBIS) returnable on May 11, 2015. Since IGHPL did not receive the said notice, the concerned persons could not appear before the Tribunal on May 11, 2015 due to which the Tribunal directed that bailable warrants be issued against the Chief Executive of IBIS. IBIS Hotels filed its reply to the show cause notice dated May 16, 2015 stating, *inter alia*, that since IBIS Hotels had started its operation only on August 25, 2014 and that the partial completion plan showing the pits had been duly approved by AAI, the sewerage treatment plant was duly installed in the premises thus requesting that no compensation be levied on it under the provisions of section 15 of the National Green Tribunal Act, 2010.

#### *Legal Notices*

1. The Cess Officer, Cess Department issued a notice dated February 24, 2015 to IGHPL directing it to submit proof of payment of ₹ 1.5 million in respect of cess dues for FY 2011-2012. IGHPL by its reply dated February 26, 2015 stated that IGHPL had paid excess amount of ₹ 2.5 million for FY 2009-2010 as per adjustment order dated January 22, 2014 and that the excess amount has been adjusted in discharging the future liability of various financial years, out of which the amount of 1.5 million was utilized in discharging the balance liability of FY 2011-2012.
2. The Office of Deputy Labour Commissioner, Labour Department District South west issued a notice dated March 20, 2015 requesting filing of returns for payment of labour cess for the IBIS, DIAL, a unit of IGPL. IGHPL has approached the Office of Deputy Labour Commissioner and submitted the relevant documents. The assessment is awaited.
3. Sterling & Wilson have filed a claim for overstay and financial compensation amounting to ₹ 21.66 million. A dispute with respect to the same has been raised under the HVAC and Electrical Work Packages for Ibis, Hosur Road. An arbitration application has been filed in the present matter and arbitrator is yet to be appointed.

#### *Litigation by IGHPL*

##### *Civil Proceeding*

1. IGHPL has filed a recovery suit (bearing No. CS (O.S.) No. 41 of 2015) against On Dot Express before the Court of District Judge, Saket Court, New Delhi for recovery of ₹ 1.29 million along with interest pendent lite and future interest at the rate of 18% per on account of their failure to provide documents evidencing clearance of custom goods imported by IGHPL. The court has issued summons to On Dot Express to file their response.

##### *Criminal Proceedings*

1. IGHPL had executed a MoU dated February 15, 2007 with Bluemoon Hotels and G. Ramalingam and Sons for a long term lease and construction of a hotel on the property owned by Blue Moon and G. Ramalingam in Hyderabad. During the validity of the MoU Bluemoon entered into another development agreement with a third party subsequently on August 7, 2007, Bluemoon unilaterally terminated the said MoU and confirmed that the amount advanced of ₹ 23.30 million by IGH as initial deposit would be refunded on or before August 17, 2007. However, the amount was only partly refunded hence IGHPL filed a criminal complaint (CC No. 89/1/2012) before the Patiala House Courts for filing of FIR. A Memorandum of Settlement dated March 10, 2012 wherein it was agreed that Bluemoon shall refund the remaining amount to IGHPL in four installments, including three post-dated cheques, totaling ₹ 5.9 million. The se post-dated cheques were dishonored by the Bank due to insufficient funds in the issuer's account. A notice in this regard was sent to Bluemoon, however, no response was received. In view of the aforesaid, IGHPL filed a complaint bearing no. 655/1/14 under 138/141/142 of the N I Act. The complaint was transferred to Hyderabad vide the order of Court dated October 14, 2014 in view of the Hon'ble Supreme Courts Order. IGHPL filed the complaint bearing no. 15 of 2015 in Hyderabad. Summons were issued to all the accused. In response to the summons, all the accused except two appeared through their counsels. Court issued non-bailable warrants against the accused who failed to appear on the said date despite receiving the summon and issued fresh summons against the accused to whom the summons could not be served. Now, the matter is scheduled for hearing on June 29, 2015.

## **II. Ashford Properties Private Limited (“APPL”)**

### ***Litigation against APPL***

#### ***Income Tax***

There are three income tax proceedings against APPL involving an aggregate amount of ₹ 0.11 million, details of which are provided below.

#### ***1. Assessment Year 2008-2009***

APPL filed its return of income on April 27, 2015 for AY 2008-2009. APPL received notice dated March 19, 2015 from the Office of the Ward 1 (1) (1), Mumbai for re-assessment of income for AY 2008-2009. APPL by its letter dated April 28, 2015 requested the income tax officer to furnish reasons for reopening of assessment. APPL received another notice dated April 30, 2015 from IT officer requesting to submit annual report along with schedules, annexures and other relevant documents. APPL by its response dated May 18, 2015 has submitted the required documents.

#### ***2. Assessment Year 2009-2010***

APPL filed its return of income on April 27, 2015 for AY 2008-2009. APPL received notice dated March 19, 2015 from the Office of the Ward 1 (1) (1), Mumbai for re-assessment of income for AY 2008-2009. APPL by its letter dated April 28, 2015 requested the income tax officer to furnish reasons for reopening of assessment. APPL received another notice dated April 30, 2015 from IT officer requesting to submit annual report along with schedules, annexures and other relevant documents. APPL by its response dated May 18, 2015 has submitted the required documents.

#### ***3. Assessment Year 2012-2013***

APPL filed its return of income on September 28, 2012 declaring a total income of ₹ 1.4 million for AY 2012-2013. The Income Tax Officer issued a demand notice dated March 27, 2015 demanding ₹ 0.11 million as tax payable for AY 2012-2013. APPL by rectification application dated April 20, 2015 has reassessed its payable income tax to be *nil*. APPL has also filed an appeal before the CIT (A) against the said order on May 5, 2015.

## **III. Air France Ground Handling India Private Limited (“AFGH”)**

### ***Litigation against AFGH***

#### ***Legal Notices***

1. Profession Tax Officer, Department of Commercial Taxes, Government of Karnataka issued notice dated November 11, 2014 to AFGH on account of its failure to file the return in Form 4-A for the year ending

March 31, 2015. AFGH was directed to file its return for the said year along with an interest at the rate of 1.25% and also show cause as to why charge sheet should not be filed before the JMFC (Sales Tax) for recovery of tax and interest thereon. AFGH by its reply dated December 9, 2014 informed the Profession Tax Officer that AFGH had been closed down in June 2008 and that immediately after the closing, AFGH had informed the Profession Tax Officer that AFGH has undergone voluntary winding up and therefore is not required to file the said return in Form 4-A.

#### **IV. Pegasus Buildtech Private Limited (“PBPL”)**

##### ***Litigation against PBPL***

###### *Civil Proceedings*

1. Mr. Rajneesh Yadav has filed a statement of claims (DID No. 159 of 2011) under the Industrial Disputes Act before the Presiding Officer, Karkadooma Court seeking directions that his termination be set aside by declaring it to be illegal and for being reinstated with full back wages and consequential benefits. PBPL has filed its written statement and denied the claims of Mr. Yadav, seeking for dismissal of the matter.

###### *Environmental Matters*

1. Regional Officer, Gurgaon Region, Haryana State Pollution Control Board has filed a complaint (No. 42 of 2008) dated October 21, 2008 before the Special Environment Court, Faridabad against M/s Pegasus Buildtech Private Limited, IGHPL and its directors (“**Defendants**”) on the grounds that the defendants initiated the construction at Sector 53, Gurgaon without obtaining any prior environmental clearances from the Ministry of Environment and Forests (“**MoEF**”). The Directors were impleaded wrongly and were later discharged by the Court. An application dated October 28, 2014 was made before the Regional Officer, Gurgaon Region, Haryana State Pollution Control Board on behalf of the defendants praying for their discharge on the ground that the consent had already been granted to the defendants which dismissed on the same date. The special Environment Court, Faridabad by its order dated April 7, 2015 directed the defendants to pay a compensation amounting to ₹ 0.15 million each to the State taking into consideration the fact that the clearance was taken after one year of start of the construction.

###### *Notices*

1. The Directorate of Town and Country planning, Haryana issued a letter dated March 25, 2014 to PBPL directing it to submit the requisite statement/ record showing that it is in compliance with Haryana Development and Regulation of Urban Areas Rules 1976. PBPL has replied to this letter and furnished the required information.

#### **V. InterGlobe Technologies Private Limited (“IGTPL”)**

##### ***Litigation against IGTPL***

###### *TDS*

The ACIT (TDS) by an order dated March 22, 2012 culminated the TDS verification proceedings and concluded that IGTPL should have deducted applicable tax on payment gateway charges, yearend provisions. It was further held that IGTPL should have deposited the tax on holiday if the due date falls on such day. Thereafter, a demand of ₹ 0.43 million was raised by the ACIT the company deposited this demand and preferred an appeal (No. 841/12-13) before CIT (A). CIT (A) by order dated February 28, 2014 has granted full relief to IGTPL. The revenue has filed an appeal (2911/DEL-2014) before ITAT.

###### *Notices*

1. Labour Officer, Thane issued a show cause notice dated July 28, 2012 to Mr. Rahul Bhatia, Managing Director of IGTPL, alleging that IGTPL had failed to comply with the irregularities detected in the inspection report prepared by the Government Labour Officer and Inspector. IGTPL was provided an opportunity to show cause as to why no legal action shall be initiated against it. IGTPL replied to this notice on August 6, 2012. Deputy Labour Commissioner, Circle-I, issued a notice dated May 24, 2013 for inspection under various labour laws. IGTPL replied to this notice on June 13, 2013 and stated the labour

department had not been able to establish any violation. IGTPPL received another notice dated March 2, 2015 from the Assistant Labour Commissioner, Gurgaon stating that an inspection of the premises of the establishment of IGTPPL will be held on March 24, 2015 on account of audit under various labour laws. IGTPPL replied to this notice on March 24, 2015.

2. Department of Telecommunications issued a notice date February 3, 2015 to IGTPPL directing it to show cause as to why action should not be taken against it for violation of the terms and conditions of the Other Service Provider registration. IGTPPL replied to this notice on February 13, 2015 and enclosed the original bank letter on stamp paper and intimated DOT of other documents including the Sharing Agreement.

#### *Past Penalties*

IGTPPL has in the past paid penalties for non-payment of cess for the year 2009-2010, 2010-2011, 2011-2012, 2012-2013 aggregating to ₹ 0.50 million.

#### ***Litigation by IGTPPL***

##### *Civil Proceedings*

1. IGTPPL has filed a winding up petition (Company Petition No. 307 of 2013) before the High Court of Karnataka at Bangalore, against Gateway IT & Travel Solutions Private Limited (“GTSPPL”) due to failure of GTSPPL to pay admitted dues amounting to ₹ 6.02 million despite having served a demand notice dated October 9, 2013 to GTSPPL.

##### *Criminal Proceedings*

1. IGTPPL has filed an FIR (No. 304 of 2014) dated August 16, 2014 against Mr. Swapnil Prakash alleging that Mr. Prakash has committed fraudulent activities due to which IGTPPL has incurred a loss of approximately ₹ 3.40 million. The police conducted an inquiry into the case and Mr. Prakash was later arrested and taken into custody. Further, Mr. Prakash filed a bail application before the Punjab and Haryana High Court which was rejected by order dated February 4, 2015.

## **VI. InterGlobe Technologies Solutions International Private Limited (“IGTSIPL”)**

#### ***Litigation against IGTSIPL***

##### *TDS*

##### *1. Financial Year 2010-2011*

The TDS officer issued a notice dated October 16, 2012 to IGTSIPL alleging that TDS amounting to ₹ 0.02 million was deposited after a delay of one year and further directed to show cause as to why the prosecution proceedings should not be initiated against the principal officer of IGTSIPL in this matter. IGTSIPL by its replies dated November 5, 2012 and November 16, 2012, respectively, made submissions and requested that no prosecution proceedings be initiated against it. IGTSIPL again received a notice dated March 10, 2015 in the aforesaid matter to show cause as to why the prosecution proceedings should not be initiated against the principal officer of the company. IGTSIPL filed its reply wherein the complete factual and legal submissions were made. The TDS officer was requested not to initiate the Prosecution proceedings.

## **VII. InterGlobe Technologies Philippines Inc. (“IGT Philippines”)**

#### ***Litigation against IGT Philippines***

##### *Civil Proceedings*

1. Mr. Jeffrey Macalingdong has filed a claim (Case No. 11-14202-14) before the National Labour Relations Commission alleging illegal termination and further claiming an amount of 384,000 Peso along with legal fee services by the company.

2. Ms. Kristine Joann So has filed a claim (Case No. 13983-14) before the National Labour Relations Commission alleging illegal termination. The authority has decided the matter against IGT Philippines on the ground of constructive dismissal and further imposed payment of an amount of 300,000 Peso. The settlement cheque has been transmitted and order is awaited.
3. Ms. Cristina M. Pablo has filed a claim (Case No. 06-07409-14) before the National Labour Relations Commission for release of complainant's certificate of employment and further compensation of 15,000 Peso for moral and exemplary damages and attorney fees.
4. Mr. Joshua P. Cinco has filed a claim (Case No. 09-11503-14) before the National Labour Relations Commission for illegal termination and non-payment of service incentive and 13<sup>th</sup> month pay requesting full and final settlement per arbiter's recommendation along with legal fee and damages. The matter is pending arbitration.

#### *Past Penalty*

IGT Philippines has paid a penalty of 9000 (PHP) and 18000 (PHP) to the Security and Exchange Commission on February 20, 2014 and June 16, 2015 respectively.

### **VIII. InterGlobe Technology Quotient Private Limited ("ITQPL")**

#### ***Litigation against ITQPL***

##### *Income Tax*

There are six income tax proceedings against ITQPL involving an aggregate amount of ₹ 1,884.27 million, details of which are provided below.

##### 1. *Assessment Year 2007-2008*

The DCIT by order dated December 18, 2009 denied deduction/ exemption of ₹ 278.35 million claimed by ITQPL, in respect of profits of the unit set up by ITQPL in an SEZ in Noida. Consequently, the DCIT raised a demand of ₹ 124.53 million against ITQPL. ITQPL deposited an amount of ₹ 25 million and secured the stay of balance demand by order dated September 8, 2010 from CIT (A). Thereafter, ITQPL filed an appeal (No. 312/09-10) before the CIT (A), against order dated December 18, 2009. The CIT (A), New Delhi by his order dated November 25, 2010 allowed the appeal of ITQPL. The revenue department has filed appeal (No. 419/Del/2011) before the ITAT, against the relief given by the CIT (A) on deduction/ exemption under the IT Act.

##### 2. *Assessment Year 2008-2009*

The DCIT by order dated December 24, 2010 denied deduction/ exemption of ₹ 905.35 million claimed by ITQPL, in respect of profits of the unit set up by ITQPL in an SEZ in Noida and also made a disallowance of ₹ 0.06 million in respect of expenses attributable to the earning of dividend income. Consequently, the DCIT raised a demand of ₹ 409.44 million against ITQPL. Thereafter, ITQPL filed an appeal (No. 226/10-11) before the CIT (A), against order dated December 24, 2010. The CIT (A), New Delhi by his order dated October 20, 2011 allowed the appeal of ITQPL. The revenue department has filed appeal (No. 5830/Del/2011) before the ITAT, against the relief given by the CIT (A) on deduction/ exemption under the IT Act.

##### 3. *Assessment Year 2009-2010*

The income tax officer by order dated December 19, 2011 denied deduction/exemption of ₹ 704 million claimed by ITQPL, in respect of profits of the unit set up by ITQPL in an SEZ in Noida and also made a disallowance of ₹ 0.72 million in respect of expenses attributable to the earning of dividend income. Consequently, the income tax officer raised a demand of ₹ 318.34 million against ITQPL. Thereafter, ITQPL filed an appeal (No. 170/11-12/CIT(A)-XV) before the CIT (A), against order dated December 19, 2011. The CIT (A), New Delhi by his order dated January 29, 2013 allowed the appeal of ITQPL. The revenue department has filed appeal (No. 1463/Del/2013) before the ITAT, against the relief given by the CIT (A) on deduction/ exemption under the IT Act.

4. *Assessment Year 2010-2011*

The income tax officer by order dated March 1, 2013 denied deduction/ exemption of ₹ 985.69 million claimed by ITQPL, in respect of profits of the unit set up by ITQPL in an SEZ in Noida and also made a disallowance of ₹ 0.75 million in respect of expenses attributable to the earning of dividend income. Consequently, the income tax officer raised a demand of ₹ 456 million against ITQPL. Thereafter, ITQPL filed an appeal (No. 196/12-13/CIT(A)-XV) before the CIT (A), against order dated March 1, 2013. The CIT (A), New Delhi by his order dated September 6, 2013 allowed the appeal of ITQPL. The revenue department has filed appeal (No. 6144/Del/13) before the ITAT, against the relief given by the CIT (A) on deduction/ exemption under the IT Act.

5. *Assessment Year 2011-2012*

The income tax officer by order dated January 31, 2014 denied deduction/ exemption of ₹ 920.22 million claimed by ITQPL, in respect of profits of the unit set up by ITQPL in an SEZ in Noida and also made a disallowance of ₹ 2.10 million in respect of expenses attributable to the earning of dividend income. Consequently, the income tax officer raised a demand of ₹ 413.63 million against ITQPL. Thereafter, ITQPL filed an appeal (No. 329/13-14/CIT (A)-XV) before the CIT (A), against order dated January 31, 2014. The CIT (A), New Delhi by his order dated July 31, 2014 allowed the appeal of ITQPL. The revenue department has filed appeal (No. 5394/Del/14) before the ITAT, against the relief given by the CIT (A) on deduction/ exemption under the IT Act.

6. *Assessment Year 2012-2013*

The DCIT by order dated March 25, 2015 denied deduction/ exemption of ₹ 482.27 million claimed by ITQPL, in respect of profits of the unit set up by ITQPL in an SEZ in Noida. Consequently, the income tax officer raised a demand of ₹ 186.24 million against ITQPL. Thereafter, ITQPL has filed an appeal before the CIT (A) against the order dated March 25, 2015.

*TDS-CPC*

1. The income tax department through an intimation dated July 29, 2013 raised a demand of ₹ 6,600 on account of short deductions and interest on short deductions of TDS for the fourth quarter of FY 2012-2013. ITQPL by its reply dated March 4, 2014 stated that there was discrepancy in the demand raised as the demand raised under the said intimation does not tally with the justification report which provides amount of ₹ 1.39 only towards short deductions.
2. The income tax department through an intimation dated November 7, 2013 raised a demand of ₹ 6,000 on account of short deductions and interest on short deductions of TDS for the fourth quarter of FY 2012-2013. ITQPL by its letter dated November 15, 2013 to the tax authorities stated that as per their own records there was no short deduction and default for the fourth quarter of FY 2012-2013 and requested the authorities to provide them with a detailed report of the amount demanded. ITQPL again by its letter dated March 4, 2014, wrote to the tax authorities stating that the justification report available on the website of the tax department was incorrect as the report showed short deductions amounting to ₹ 1.39 million only and since there was an inherent discrepancy in the demands raised therefore ITQPL was unable to reply in a suitable manner.

*VAT*

A vehicle carrying Printers was detained in Kochi in January 2008. An amount of ₹ 0.52 million was deposited to release the goods. The amount deposited has been converted into penalty and the assessing authority has held that we are trader in computer items and hence liable to be registered under Kochi VAT. The Company has filed an appeal as well as application for stay of demand.

*Civil Proceedings*

1. STIL has filed a suit (C.S. No. 98 of 2012) before Patiala House Courts, Delhi against ITQPL for recovery of ₹ 1.50 million towards costs incurred by STIL for purchasing new hardware systems as well as loss of

business. The District Court by its order dated December 24, 2014, has consigned this matter to the record room *sine die* to be revived if required after the other suit (CS (O.S.) No.3010 of 2011) filed by ITQPL against STIL, is decided between the by the High Court of Delhi.

### *Notices*

ITQPL has in the past received notices from various departments like the police and the CBI seeking information pertaining to investigation like commercial disputes between travel agents, details of authorized travel agents and PNR details of certain passengers etc. being conducted by them.

### ***Litigation by ITQPL***

#### *Civil Proceedings*

There are seven civil proceedings initiated by ITQPL involving an aggregate amount of ₹ 214.94 million. These proceedings involve amounts in excess of ₹ 1 million. A brief description of these notices is provided below.

1. ITQPL has filed petition (OP No. 206 of 2013) before the Madras High Court against Rasi Travels & Cargo Private Limited and Ind. Trust Travels & Cargo Private Limited (“**Respondents**”) for appointment of arbitrator due to breach of the subscriber agreement by the Respondents. ITQPL has filed a petition for appointment of arbitrator as the Respondents have failed to reply to the notice for appointment of arbitrator sent by ITQPL. The amount of claim involved is ₹ 4.50 million along with an interest at the rate of 18% per annum.
2. ITQPL has filed a petition (CS (OS) No. 3010 of 2011) against Sharp Travels India Limited (“**STIL**”) before the High Court of Delhi for recovery of ₹ 2.70 million along with an interest at the rate of 18% per annum for failure of STIL to meet its minimum guarantee target segment obligation and breaching other terms and conditions of the subscriber agreement.
3. ITQPL has filed a civil suit (No. 24 of 2014) against Sky King Travels before the Patiala House Court for recovery of an amount of ₹ 1.10 million along with an interest at the rate of 18% on account of Sky King Travels’ breach of the terms and conditions of the subscriber agreement executed between them.
4. ITQPL has filed an application (No. 92 of 2015) before the High Court of Delhi against OSS Retails Private Limited for appointment of arbitrator on account of failure of OSS Retails Private Limited to meet its obligations of generating target segments under subscriber agreement executed between ITQPL and OSS Retails Private Limited. The amount of claim involved is ₹ 147.33 million.
5. ITQPL has filed a suit for recovery (CS No. 77 of 2015) against Neo Globe Tours & Travels before the Patiala House Court claiming an amount of ₹ 0.90 million along with an interest of 18% amounting to ₹ 0.72 million for the failure of Neo Globe Tours and Travels to meet their target segments in terms of the subscriber agreement executed between ITQPL and Neo Globe Tours and Travels.
6. ITQPL has filed a suit for recovery (CS (O.S) No. 783 of 2015) before the High Court of Delhi against Epitome Travel Solutions (I) Private Limited claiming an amount of ₹ 42.68 million along with an interest at the rate of 18% on account of discontinuation of operations by Epitome Travel Solutions (I) Private Limited and breach of the subscriber agreement executed between them.
7. A summary suit (CS (O.S.) No. 471 of 2015) has been filed by ITQPL against Gateway IT & Travel Solutions Private Limited before the High Court of Delhi claiming an amount of ₹ 15.73 million along with an interest at the rate of 18% on account of breach of the subscriber agreement by Gateway IT & Travel Solutions Private Limited.

#### *Arbitration*

1. ITQPL has filed an arbitration Application (A.A. No. 274 of 2011) before the Sole Arbitrator, against Shree Venus Holidays claiming an amount of ₹ 1.60 million on account of failure of Shree Venus Holidays to meet its target segments in terms of the subscriber agreement.

2. ITQPL has filed an application (No. 42 of 2012) against Tirumala Travels Private Limited before the Andhra Pradesh High Court for appointment of an Arbitrator on account of failure of Tirumala Travels Private Limited to meet its obligations under the subscriber agreement executed between ITQPL and Tirumala Travels Private Limited. The amount of claim involved is ₹ 3.80 million along with an interest at the rate of 18%.

#### *Criminal Proceedings*

1. Criminal case (No. 20/1 of 2012) filed by ITQPL against M.M. Travels, Mr. Mukul Agarwal and Others before the Chief Metropolitan Magistrate, Patiala House Court, New Delhi claiming an amount of ₹ 0.25 million along with an interest at the rate of 18% per annum on account of misappropriation of the amount which was paid by ITQPL.
2. Criminal suit (No. 52/1 of 2012) filed by ITQPL against Culture Holidays India Private Limited, Mr. Ashish Bhasin and others before the Chief Metropolitan Magistrate, Patiala House Court, New Delhi claiming an amount of ₹ 5.80 million along with an interest at the rate of 18% per annum on account of misappropriation of the amounts paid by ITQPL.

### **IX. Calleo Distribution Technologies Private Limited (“CDTPL”)**

#### *Litigation against CDTPL*

##### *Income Tax*

1. *Assessment Year 2007-2008*

CDTPL has filed its return of income declaring a loss of ₹ 18.70 million for AY 2007-2008 and claimed depreciation on UPS, printers etc. at the rate of 60% as this forms an integral parts of the computer system. The Assessing Officer by its order dated September 17, 2009 disallowed the amount of ₹ 0.77 million thereby reducing CDTPL’s loss to ₹ 18.01 million and stated that these assets are classifiable as normal plant and machinery and therefore allowed depreciation at the rate of 15%. CDTPL filed an appeal (No. 98/09-10) before CIT (A), New Delhi for AY 2007-2008 against the order dated September 17, 2009. The CIT (A) by its order dated June 7, 2010 accepted CDTPL’s claim. The income tax department filed an appeal (No. 3911/Del/2010) before the ITAT against the order dated June 7, 2006. The ITAT by its order dated December 10, 2010 has referred it back to CIT (A) for readjudication.

##### *Service Tax*

There are three service tax proceedings against CDTPL involving an aggregate amount of ₹ 117.33 million, details of which are provided below.

1. The Service Tax Department has issued a show cause notice dated October 15, 2013, pursuant to an audit conducted by the audit team of the Service Tax Department alleging that the data processing activities performed by CDTPL do not qualify as “Export of Service” for FY 2008-2009 and FY 2009-2010 and therefore CDTPL is liable to pay service tax amounting to ₹ 68.98 million along with interest and penalty. CDTPL replied to the show cause notice on July 25, 2014.
2. The Service Tax Department has issued a show cause notice dated October 15, 2013, pursuant to an audit conducted by the audit team of the Service Tax Department alleging that ‘Data Processing Fess’ paid to sub-distributors outside India during the period FY 2008-2009 and FY 2011-2012 is taxable under reverse charge mechanism and therefore CDTPL is liable to pay ₹ 48.33 million along with interest and penalty. CDTPL replied to the show cause notice on July 25, 2014.
3. The Commissioner of Service Tax, Delhi issued show cause notice dated May 16, 2014, alleging that CDTPL had not paid service tax on “Business Auxiliary Services” on data processing fee and transaction fee for the period of FY 2012-2013 and therefore CDTPL is liable to pay service tax ₹ 0.20 million and to show cause as to why action should not be initiated against them. CDTPL replied to the show cause notice on July 25, 2014.

##### *Past Penalties*



CDTPL has also in the past paid penalties for delayed payment of contributions towards provident fund and allied dues to the Assistant PF Commissioner, Delhi and Welfare Commissioner, Haryana. The amount of penalty paid does not exceed ₹ 1 million.

#### **X. ITQ Lanka Private Limited (“ITQ”)**

##### ***Litigation against ITQ***

###### *VAT*

1. ITQ has filed an appeal (No. TAC/VAT/09/2014) before the Tax Appeal Commission regarding non-entitlement of zero rated supply of ITQ by the inland revenue department for AY 2010-2011, leading to a demand of ₹ 14.71 million. ITQ has filed its written submissions on September 2, 2014 and additional written submissions on October 17, 2014.

#### **XI. IGT Lanka Private Limited (“IGT Lanka”)**

IGT Lanka received a penalty notice dated April 1, 2013 in relation to a loan amounting to of ₹ 0.11 million borrowed from a non-resident of Sri Lanka without permission.

#### **XII. InterGlobe Air Transport Limited (“IGATL”)**

##### ***Litigation against IGATL***

###### *Income Tax*

###### *1. Assessment Year 2012-2013*

The assessing officer, in his assessment order dated March 23, 2015 has accepted the income returned by IGATL. However, the assessing officer has allowed the credit of prepaid taxes amounting to ₹ 76.12 million as against the credit of ₹ 186.70 million. The company has filed an appeal before the CIT (A).

###### *Consumer Cases*

There are four consumer complaints filed against IGATL before the State District Consumer Forum, New Delhi alleging deficiency in services by IGATL. The aggregate amount involved in these complaints is ₹ 2.20 million.

###### *Civil Case*

There is one civil suit filed against IGATL seeking payment of compensation for alleged pilferage/ theft/ mishandling of luggage and goods of the complainant by IGATL. IGATL was added as a party at a later stage since IGATL was the general sales agent of Tarom Airlines at that time.

###### *Legal Notices*

1. The Revenue department, Delhi by notice dated December 30, 2011 directed IGATL to submit original share certificates along with documentary proof for payment of stamp duty on the issuance of the said share certificates. Subsequently, the office of Sub Divisional Magistrate vide order dated July 4, 2012 directed IGATL to deposit an amount of ₹ 1,500 along with penalty of ₹ 6,000 on issuance of the shares certificates. IGATL deposited the afore-mentioned amount with the office of Collector of Stamps on July 25, 2012, under protest. Thereafter, the Collector of Stamps, Government of NCT of Delhi issued another notice dated December 9, 2014 alleging that IGATL had failed to deposit the said stamp duty with penalty and thus directed IGATL to show cause as to why proceedings for recovery of the said amount should not be initiated against it as arrears of land revenue. IGATL by its reply dated December 19, 2014 informed the authorities that the stamp duty along with penalty had already been deposited way back on July 25, 2012 along with relevant challans. IGATL, in the afore-mentioned reply, also stated that an application (CCRA 43 of 2014) had been filed by IGATL before the Chief Controlling Revenue Authority seeking quashing of

the order dated July 4, 2012 and since the said application is pending adjudication the notice dated December 8, 2014 should be withdrawn. Final order of the department awaited.

Apart from the above IGATL has in the past been issued two notices pertaining to inspection of labour records, rectification of irregularities in its our records, compliance with provisions of Employment Provident Fund and Miscellaneous Provisions Act, 1952 and Gratuity Act, 1972.

### ***Litigation by IGATL***

#### *Civil Proceedings*

1. IGATL has filed a suit (C.S. No. 12 of 2015) dated January 5, 2015, before the Court of Senior Civil Judge, Patiala House Courts, New Delhi against Online Tourism & Freight Private Limited (“**Online Tourism**”) for non-payment of TDS to the concerned income tax authorities for AY 2012-2013 by Online Tourism and for obtaining a mandatory injunction in favour of IGATL thereby directing Online Tourism to issue TDS certificates to amounting to ₹ 0.29 million for AY 2012-2013.
2. IGATL has filed a suit (C.S. No. 13 of 2015) dated January 2, 2015, before the Court of Senior Civil Judge, Patiala House Courts, New Delhi against Aqua Logistics Private Limited (“**Aqua Logistics**”) for non-payment of TDS for AY 2012-13 and 2013-2014 by Aqua Logistics. and for obtaining mandatory injunction in favour of IGATL thereby directing Aqua Logistics to pay the TDS amounting to ₹ 0.23 million for AY 2012-2013 and 2013-2014 with the concerned income tax authorities.
3. IGATL has filed a suit (C.S. No. 56 of 2015) dated January 5, 2015, before the Court of Senior Civil Judge, Patiala House Courts, New Delhi against Cross Freight India Private Limited (“**Cross Freight India**”) for non-payment of TDS to the concerned income tax authorities for AY 2013-2014 by Cross Freight India and for obtaining a mandatory injunction in favour of IGATL thereby directing Cross Freight India to issue TDS certificates to amounting to ₹ 0.30 million for AY 2013-2014.

### **XIII. IGT Solutions Private Limited (“IGTSPL”)**

#### ***Litigation against IGTSPL***

##### *Notice*

1. Notice dated August 21, 2014 was issued by the Deputy Labour Commissioner, Circle 1, Gurgaon against IGTSPL regarding registration under the Contract labour Act (R&A) Act, 1970 directing IGTSPL to show labour license of all contractors. This notice was wrongly issued to IGTSPL instead of the contractors.

#### ***Litigation by IGTSPL***

##### *Criminal Proceedings*

1. A criminal complaint (CC No. 1750/1/07) was filed by IGTSPL against Mr. Amit Bhayana, Mr. Ashok Kumar Bhayana and certain others before the Court of Additional Chief Metropolitan Magistrate, Patiala House Court, New Delhi seeking directions form the court to take cognizance of the offence committed by the accused under section 138 of the Negotiable Instruments Act and direct the police to register an FIR against the accused and award appropriate compensation.
2. A criminal complaint (CC No. 992 of 11) dated December 15, 2011 was filed by IGTSPL against Mr. Mohan Lal Pandya before the Court of Chief Metropolitan Magistrate, New Delhi on account of an offence committed under section 138 of the Negotiable Instruments Act. The matter was referred for mediation and is pending settlement before the Mediation Centre.
3. A criminal complaint (CC No. 308/1/12) dated December 1, 2012 was filed by IGTSPL against Mr. R. Bhuvaneshwari and Mr. P. Rajamanickam before the Court of Chief Metropolitan Magistrate, New Delhi. The matter has been filed under section 138 of the Negotiable Instruments Act.

### **XIV. CAE Simulation Training Private Limited (“CSTPL”)**

## ***Litigation against CSTPL***

### *Income Tax*

CSTPL had made payments towards lease rentals of aircraft simulators on which the tax was withheld (after grossing up) as per the provisions of the double taxation avoidance treaty between India and UAE. The tax rate mentioned in the treaty is inclusive of applicable surcharge and cess and accordingly CSTPL did not enhance the specified rate with surcharge and education cess. The DCIT-TDS passed an order wherein it erred in calculating the tax payable by CSTPL on aforesaid payment after applying surcharge and education cess on treaty rate. CSTPL has filed an appeal before the CIT (A) and is yet to be heard.

### *VAT*

The goods belonging to CSTPL were detained by UPVAT department while transit at Delhi-UP border due to non-mention of prescribed information in Para 6 of the transit form. CSTPL was instructed to deposit an amount of ₹ 1.52 million as a pre-condition to get such goods released. CSTPL accordingly deposited the said amount and got the goods released. Later, the aforesaid pre-deposit was converted into penalty vide order dated March 13, 2014. CSTPL has filed an appeal dated April 15, 2014 before the Additional Commissioner Grade-2, Commercial Tax Department, Noida against the aforesaid penalty order.

## **XV. Navigator Travel Services Private Limited (“NTSPL”).**

### ***Litigation against NTSPL***

#### *Income Tax*

##### *1. Assessment Year 2011-2012*

NTSPL has filed an appeal before CIT (A) against assessment order dated January 31, 2014 wherein a demand of ₹ 4.20 million was levied on NTSPL in connection with certain disallowances/ additions made in assessment order for AY 2011-2012. NTSPL filed an application dated March 14, 2014 before Income Tax Officer, New Delhi seeking stay of the demand until the disposal of appeal by CIT (A), New Delhi.

## **XVI. Isha Steel Treatment Private Limited (“ISTPL”)**

### ***Litigation against ISTPL***

#### *Income Tax*

There are three income tax proceedings against ISTPL involving an aggregate amount of ₹ 4.62 million, details of which are provided below.

##### *1. Assessment Year 2010-2011*

ISTPL submitted its return of income on September 23, 2010. DCIT by an order dated December 31, 2012 assessed the total income of ISTPL at ₹ 6.07 million for AY 2010-2011 and raised a demand of ₹ 0.74 million. ISTPL filed appeal (A) No. CIT (A)-22/Dcit-10(3)/IT-292/2012-13] before the CIT (A) against the order dated December 31, 2012. The CIT (A) by its order dated May 12, 2014 partly allowed the appeal. ISTPL has filed an appeal before the ITAT against the order dated May 12, 2014 before the ITAT.

##### *2. Assessment Year 2011-2012*

The DCIT, Mumbai has issued a notice dated March 13, 2014 to ISTPL, to show cause as to why a penalty should not be levied against ISTPL for the pending demand of ₹ 1.09 million for AY 2011-2012. ISTPL by its reply dated April 7, 2014 to the DCIT stated that it has filed an appeal before the CIT (A) on April 1, 2014 and requested that the demand be stayed pending disposal of the appeal by CIT (A). ISTPL again by letter dated April 16, 2014 again requested the DCIT to stay the demand until disposal of the appeal.

##### *3. Assessment Year 2012-2013*

ISTPL submitted its return of income on September 18, 2012 for AY 2012-2013. The office of the DCIT, Mumbai issued notice dated August 8, 2013 directing ISTPL to produce or cause to be produced, documents, accounts and any other evidence in support of the return filed by it. The DCIT issued notice dated July 22, 2014 directing ISTPL to furnish information with respect to AY 2012-2013. ISTPL by its reply dated September 2, 2014 submitted the requisite information. The DCIT by assessment order dated January 22, 2015 computed the tax liability at ₹ 2.79 million. ISTPL has filed appeal against the order dated January 22, 2015 of the assessing officer. Simultaneously ISTPL has deposited the amount of ₹ 1.64 million under protest.

#### *TDS-CPC*

1. Income tax department through an intimation dated June 24, 2013 raised a demand of ₹ 340 as interest on late payment for AY 2013-2014.

#### *Notices*

ISTPL has received notices from Municipal Corporation of greater Bombay and Employee Provident Fund Organisation for recovery of octroi on articles imported under R-Forms and short payments under various heads of Employees Provident Fund, respectively. The aggregate amount involved in these notices does not exceed ₹ 1 million. The amount involved in these notices is ₹ 0.13 million.

### **XVII. ARA Hospitality Private Limited (“ARA Hospitality”)**

#### *Litigation against ARA Hospitality*

##### *Civil Proceedings*

1. Phonographic Performance Limited (“PPL”) has instituted a suit (CS (OS) No. 2400/2006 and I.A. No. 14452/06) for permanent injunction and declaration against ARA Hospitality and others (“Defendants”) to restrain them from playing sound recordings administered by PPL in shows/ special events organised by the Defendants on December 31, 2006 and events thereafter, without obtaining the mandatory public performance license along with an interest at the rate of 24% per annum. The Defendant has filed its written statement.

### **XVIII. ARC Hospitality Private Limited (“ARC Hospitality”)**

#### *Litigation against ARC Hospitality*

##### *Notices*

1. The Revenue department, Delhi by notice dated October 13, 2011 directed ARC Hospitality to submit original share certificates along with documentary proof for payment of stamp duty on the issuance of the said share certificates. Subsequently, the office of Sub Divisional Magistrate vide order dated July 4, 2012 directed ARC hospitality to deposit an amount of 0.02 million along with penalty of 0.06 million on issuance of shares certificates. ARC Hospitality deposited the afore-mentioned amount with the office of Collector of Stamps on July 27, 2012, under protest. Thereafter the Collector of Stamps by notice dated December 8, 2014 alleged that ARC Hospitality had failed to deposit the said stamp duty with penalty and thus directed it to show cause as to why proceedings for recovery of the said amount should not be initiated against it as arrears of land revenue. ARC hospitality by its reply dated December 19, 2014 informed the authorities that the stamp duty along with penalty had already been deposited way back on July 27, 2012 along with relevant challans. ARC Hospitality, in the afore-mentioned reply, also stated that an application (CCRA 44 of 2014) had been filed by IGAT before the Chief Controlling Revenue Authority seeking quashing of the order dated July 4, 2012 and since the said application is pending adjudication the notice dated December 8, 2014 should be withdrawn. Final order of the department is awaited.

### **XIX. InterGlobe Established Private Limited (“IEPL”)**

#### *Litigation against IEPL*

##### *Notices*

1. Central Pollution Control Board (“CPCB”) issued a notice dated February 23, 2012 alleging that IEPL had not filed half yearly returns with the CPCB in Form I and thus asked to show cause as to why the

registration bearing No. 23-17 (620)/2008-HSMD, issued to IEPL, should not be cancelled for violation of Batteries (Management and Handling) Rules, 2001 under the Environment Protection Act, 1986. IEPL has responded to the notice dated February 23, 2012. IEPL received another notice dated December 15, 2014 from the CPCB alleging that IEPL had not filed its half yearly returns of sales and buy-back on October 4, 2013 and that non-compliance with the provisions of Batteries (B&H) Rules 2001 is punishable. IEPL by its reply dated January 28, 2015 requested for cancellation of registration as the business pertaining to aircraft service centre i.e. business pertaining to services, repairs and maintenance of general aviation aircrafts had been transferred to Airworks MRO Services Private Limited and is therefore not required to file the said returns.

## **XX. M/s. Srilanand Mansions Private Limited (“SMPL”)**

### ***Litigation against SMPL***

#### *Commercial Tax*

SMPL received a notice dated March 29, 2015 from the Commercial Tax Department proposing to levy a tax on deemed sale basis the value of imports by SMPL in FY 2013-14 to the tune of ₹ 30.60 million and had requested SMPL to file objections (if any) within the stipulated time. SMPL has submitted its objections against the proposal on June 23, 2015. Further communication from the Department is awaited.

#### *VAT*

SMPL filed writ petitions (bearing No. 9365 of 2015 and No. 9366 of 2015) before the High Court of Madras, against the Joint Commissioner, Enforcement-1 and certain others (“**Respondents**”) for quashing of Goods Detention Notice No. 3477/2014-2015 dated February 8, 2015 and subsequent Compounding Notice dated February 12, 2012. Goods were being transported from the supplier in Gurgaon to the project office, the goods were detained at the Pethikuppam Checkpost alleging that SMPL was evading sales tax and VAT as it had filed “nil returns” while the goods were meant for resale. The goods were detained and Compounding Notice seeking to recover a sum of ₹ 3.20 million as compounding fees was issued under the TNVAT Act, 2006. Writ Petition (No. 9365 of 2015) was dismissed with an order dated March 31, 2015 to pay one-time tax amounting to ₹ 1.09 million and have the goods released. SMPL has filed an appeal against the dismissal order dated March 31, 2015. Writ Petition (No. 9366 of 2015) the court ordered the Respondent to file the counter affidavit.

## **XXI. Techpark Hotels Private limited (“THPL”)**

### ***Litigation against THPL***

#### *Income Tax*

##### *1. Assessment Year 2011-2012*

Income tax department by assessment order dated March 8, 2014 assessed the income at ₹ 6.34 million. THPL received a demand notice of 0.0038 million on account of difference in calculation of interest in the assessment for AY 2011-2012. THPL filed a rectification application dated March 27, 2014 with the income tax department.

##### *2. Assessment Year 2012-2013*

THPL received the assessment order dated March 19, 2015 from the income tax department on April 20, 2015. It was noted that the complete credit of TDS/ TCS was not allowed by the assessing officer and therefore the claim/ refund due was not processed. THPL has filed a rectification application dated April 20, 2015.

##### *3. Assessment Year 2013-2014*

Income tax officer by notice dated September 4, 2014 for AY 2013-2014 for submission of information regarding assessment. THPL has submitted its reply. Detailed questionnaire is awaited from the department.

### *Service Tax*

1. Techpark received a show cause notice dated June 05, 2015 from Service Tax Department on June 11, 2015 for recovery of differential service tax liability amounting to approximately ₹ 0.24 million along with interest and penalty thereon on 'In Room Dining Services' provided by THPL during April 2013 to September 2014. THPL is in process of responding to the said notice.

### *Customs*

1. The Deputy Commissioner confirmed the demand of SAD amounting to ₹ 0.27 million along with interest of ₹ 0.06 million and further ordered appropriation of the SAD and the interest. He further imposed a penalty of ₹ 0.34 million which is equivalent to the duty along with interest mentioned above. THPL has filed an appeal against the said order along with stay application dated August 28, 2014. Subsequently the SAD along with the interest amount has been deposited under protest, pending the disposal of the appeal and the stay order.

### *Civil Proceedings*

1. The Bangalore Bruhat Mahanagar palika ("BBMP") sanctioned the modified building plans of THPL subject to payment of ₹ 3.60 million on account of non -observation of regulations pertaining to parks and outer spaces. THPL has filed a Writ Petition (W.P. (C) 38956 of 2011) before the High Court of Karnataka against the said levy. Stay has been granted to THPL in the matter.

### *Legal Notices*

1. Sterling & Wilson have filed a claim for overstay and financial compensation amounting to ₹ 12.36 million. A dispute with respect to the same has been raised under the HVAC and Electrical Work Packages for Ibis, Hosur Road. An arbitration application has been filed in the present matter and arbitrator is yet to be appointed.

### ***Litigation by THPL***

#### *Civil Proceeding*

1. THPL has filed a recovery suit (bearing No. CS (O.S.) No. 42 of 2015) against On Dot Express before the Court of District Judge, Saket Court, New Delhi for recovery of ₹ 0.83 million along with interest pendent lite and future interest at the rate of 18% per on account of their failure to provide documents evidencing clearance of custom goods imported by THPL. The court has issued summons to On Dot Express to file their response.

## **XXII. Accent Hotels Private Limited ("AHPL")**

### ***Litigation against AHPL***

#### *Income Tax*

1. *Assessment Year 2012-2013*

AHPL received the assessment order dated February 27, 2015 on March 13, 2015 for AY 2012-13 from income tax department along with a notice of demand for ₹ 6,760. AHPL had already deposited the tax due of ₹ 7,096 on February 27, 2015 on an estimate basis. The same was communicated to the Assessing Officer. Assessing Officer has acknowledged the same while passing the order, however, has not allowed credit of the said amount. A request letter for rectification of order has been submitted on April 17, 2015.

## **XXIII. Caddie Hotels Private Limited ("CHPL")**

### ***Litigation against CHPL***

#### *Income Tax*

A survey was conducted by income tax department (TDS division) on December 12, 2013 for FY 2014-15. Pursuant to the said survey a summons were issued to the company. The documents requested vide the said summons were submitted through various letters resting with letter dated May 29, 2015. Further assessment order is awaited.

#### *Excise Duty*

CHPL received notice dated March 30, 2015 calling for certain information regarding manufacturing and sale of bakery products at its Novotel and Pullman Hotel, DIAL. The information requested by the department has been submitted on April 17, 2015 stating that no such activities have yet been started at the Novotel and Pullman Hotel, DIAL.

#### *Civil Proceedings*

1. Collector of Stamps by its order dated July 14, 2014 directed that show cause notices be issued to CHPL along with certain others (“**Petitioner**”) to show cause as to why proceedings for evading stamp duty under section 62 read with section 65 of the Indian Stamp Act should not be initiated against them. The Chief Controlling Revenue Authority issued notices dated August 13, 2014 and August 14, 2014 directing the Petitioners to show cause as to why proceedings under section 62 read with section 65 of the Indian Stamp Act should not be initiated against them. CHPL replied to the notices on June 3, 2014 and July 2, 2014, respectively, stating that the notices were non-est and issued in derogation of the provisions of the Indian Stamp Act, 1899. The Petitioners have filed a writ petition (W.P (C) No. 5429 of 2014) against Collector of Stamps and DIAL challenging the order dated July 14, 2014 issued by Collector of Stamps. The Collector of Stamps has filed its counter affidavit on March 25, 2015. The court has granted a stay against any proceedings in favour of the Petitioner.
2. DIAL has filed a writ petition (No. 5848 of 2014) dated September 3, 2014 before the High Court of Delhi against Collector of Stamps, Government of National Capital of Delhi, CHPL and certain others challenging the order No. F. No. 1/920/RB/Div. Comm./HQ/2013/110-123 dated July 14, 2014 issued by Collector of Stamps, Government of National Capital of Delhi and the consequent show cause notice dated August 14, 2014 issued by Collector of Stamps, Government of National Capital of Delhi to DIAL requiring the managing director/ principal officer/ authorised signatory/ company secretary of DIAL to show cause as to why criminal prosecution on account of non/deficient payment of stamp duty may not be initiated. The Collector of stamps had also issued notice No. F. 1/920/RB/Div. Comm./HQ/2013/42 dated April 24, 2014 asking the company to furnish certain documents and among other things the managing director/ principal officer/ authorised signatory/ company secretary to appear in person on May 6, 2014 in the office of the Collector of Stamps. As per the order dated July 14, 2014, Government of National Capital of Delhi *inter alia* held among other things that DIAL and other entities having developed hotels/ hospitality facilities at Delhi Aerocity have avoided payment of stamp duty to the government causing huge revenue losses and thereby are liable to criminal prosecution under Section 62 read with Section 65 of the Indian Stamps Act.

#### *Legal Notices*

1. Sterling & Wilson have filed a claim for overstay and financial compensation amounting to ₹ 21.66 million. A dispute with respect to the same has been raised under the HVAC and Electrical Work Packages for Ibis, Hosur Road. An arbitration application has been filed in the present matter and arbitrator is yet to be appointed.

#### **XXIV. World Connect Private Limited (“WCPL”)**

##### *Litigation against WCPL*

##### *Notices*

WCPL has received three notices in the past and has made payments of interest and damages under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 for belated remittances of provident fund dues and Employees State Insurance Act, 1952 on account of default in making the payments and contributions within the stipulated time. The aggregate amount of interest and damages involved in these notices is ₹ 10,012.

#### **XXV. IGT Lanka Private Limited (“IGT Lanka”)**

### ***Litigation against IGT Lanka***

#### *Notices*

IGT Lanka received a penalty notice dated April 1, 2013 in relation to a loan amounting to of 0.11 LKR borrowed from a non-resident of Srilanka without permission.

### **XXVI. InterGlobe Technologies International Private Limited (“IGTIPL”)**

#### ***Litigation against IGTIPL***

#### *Notices*

IGTIPL has in past been issued two notices from Welfare Officer, Labour Department, Faridabad for inspection of labour records and rectification of irregularities in records and compliance with respect to labour laws.

#### *Past Penalties*

IGTIPL has in the past paid a penalty amounting to ₹ 0.19 million for not paying Employee State Insurance contribution for the period November 2010 to March 2012.

### **XXVII. AAPC India Hotel Management Private Limited (“AAPC”)**

#### ***Litigation against CHPL***

#### *Assessment Year 2011-2012*

1. The income tax department by draft assessment order dated March 9, 2015 for the Assessment Year 2011-2012 has made certain adjustments aggregating to ₹ 3.89 million on account of notional interest on alleged excess price paid by AAPC for the purchase of shares to its associated enterprise. Further, the assessing officer disallowed an amount of ₹ 5.69 million pertaining to expenses incurred for issue of shares and increase in authorized share capital. The Company has filed an appeal with the Dispute Resolution Panel on April 8, 2015, challenging the order. The matter is presently sub-judice.

#### ***TDS-CPC***

There are 5 TDS-CPC proceedings against our Company involving an aggregate amount of ₹ 0.46 million, details of which are provided below.

1. The TRACES website shows a demand of ₹ 81,740 for FY 2009-2010 against AAPC. However, no intimation has been received by our Company.
2. The TRACES website shows a demand of ₹ 29, 560 for FY 2010-2011 against AAPC. However, no intimation has been received by our Company.
3. The TRACES website shows a demand of ₹ 760 for FY 2011-2012 against AAPC. However, no intimation has been received by our Company.
4. The TRACES website shows a demand of ₹ 2,740 for FY 2012-2013 against AAPC. However, no intimation has been received by our Company.
5. The TRACES website shows a demand of ₹ 0.34 million for FY 2013-2014 against AAPC. However, no intimation has been received by our Company.

#### **Material developments since the last balance sheet date**

Except as disclosed in the chapter “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page 325, in the opinion of our Board there have been no material developments since the last balance sheet date.



## **Material frauds against our Company**

### **Confirmation regarding litigation involving our Promoter and the Group Entities**

Except as stated in this chapter there is no (i) outstanding litigation in which our Promoters are involved; (ii) outstanding litigation against our Promoters and the Group Entities whose outcome could have a material adverse effect on the consolidated results of operations or financial condition of such entity or our Company; (iii) default to financial institutions or banks by our Promoters and the Group Entities; (iv) non-payment of statutory dues and dues towards instrument holders such as debt instrument holders, fixed deposits and arrears on cumulative preference shares, by our Promoters and the Group Entities; (v) proceedings initiated for economic offences or civil offences (including the past cases, if found guilty), any disciplinary action taken by the SEBI or any recognized stock exchange in India against our Promoters and the Group Entities; (vi) outstanding litigation or default in respect of Group Entities with which our Promoters was associated in the past but is no longer associated; (vii) default or litigation relating to over dues, labour problems, lock-outs or strikes against our Promoters and the Group Entities; (viii) litigation against our Promoters involving violation of statutory regulations or alleging criminal offence; (ix) adverse findings in respect of the persons/ entities connected with our Company, the Promoters or the Group Entities in respect of compliance with securities laws; and (x) past cases in which penalties were imposed by the relevant authorities on our Promoters and the Group Entities.

### **Details of default and non-payment of statutory dues**

Except as stated in this section, there have been no instances of default or non-payment of statutory dues by our Company.

## GOVERNMENT AND OTHER APPROVALS

Our Company has received necessary consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/or regulatory authorities, required for carrying out its present business and except as mentioned below, no further material approvals are required for carrying on our Company's present business. Certain approvals have elapsed and/or may elapse in their normal course and our Company has made applications to the appropriate authorities for renewal of such licenses and/or approvals. The object clause and objects incidental to the main objects of the Memorandum of Association enable our Company to undertake its existing activities.

### Approvals in relation to our Company's incorporation, change of name and registered office

1. Certificate of incorporation dated January 13, 2004 from the Registrar of Companies, Uttar Pradesh and Uttaranchal under the Companies Act, 1956 as 'InterGlobe Aviation Private Limited';
2. Fresh certificate of incorporation dated August 11, 2006 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana for change of name to 'InterGlobe Aviation Limited'; and
3. Certificate of registration of the order dated October 8, 2004 of the Company Law Board for change in registered office from the State of Uttar Pradesh to National Capital Territory of Delhi and Haryana issued by the Registrar of Companies.

### Approvals in relation to the Issue

#### *Corporate Approvals*

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on June 23, 2015, authorised the Issue, subject to the approval by the shareholders of our Company under section 62(1)(c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated June 25, 2015 under Section 62(1)(c) of the Companies Act, 2013, authorised the Issue.
3. The Offer for Sale has been authorised by the Selling Shareholders as follows:

S. No.	Selling Shareholders	Number of Equity Shares offered	Date of consent / authorisation
1.	Mr. Rahul Bhatia	3,060,000	June 26, 2015
2.	Mr. Rakesh Gangwal	3,759,638	June 28, 2015
3.	InterGlobe Enterprises Limited	3,290,419	Board Resolution dated June 25, 2015
4.	Dr. Asha Mukherjee	149,900	June 28, 2015
5.	Mr. Anil Chanana	601,200	June 25, 2015
6.	Mr. Kunal Chanana	300,600	June 25, 2015
7.	Mr. Newton Bruce Ashby	6,012,000	June 26, 2015
8.	Mr. Sanjay Kumar	100,200	June 26, 2015
9.	Mr. Shakti Swarup Lumba	84,000	June 8, 2015
10.	Ms. Shobha Gangwal	2,227,316	June 28, 2015
11.	Mr. Steven Eugene Harfst	1,442,000	June 26, 2015
12.	Mr. Paul Carl Schorr, IV (nominee of G5 Investments)	1,503,000	June 26, 2015
13.	IGT-InterGlobe Technologies Philippines Inc.	4,034,000	Board Resolution dated June 25, 2015
14.	The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware)	3,635,727	June 28, 2015

4. Further, pursuant to the above, our Board of Directors has, pursuant to a resolution dated June 28, 2015, authorised our Company to take necessary action for filing the Draft Red Herring Prospectus with the SEBI.

### ***Approvals from Stocks Exchanges***

1. Our Company has received an in-principle approval from the NSE dated [●] for listing of Equity Shares issued pursuant to the Issue.
2. Our Company has received an in-principle approval from the BSE dated [●] for listing of Equity Shares issued pursuant to the Issue.

### **Approvals in relation to Transfer of Equity Shares**

Our Company has made an application dated May 4, 2015 seeking approval of the RBI for the transfer of 2,165,000 Equity Shares held by Mr. Steven Eugene Harfst to Ms. Shobha Gangwal, each a non-resident. The application has been made for the transfer of shares on a non-repatriable basis and for the remittance of the sale proceeds outside India.

## **MATERIAL APPROVALS IN RELATION TO THE BUSINESS OF OUR COMPANY**

### **I. Certificate of Air Worthiness (“CoA”)**

<b>S. No.</b>	<b>Aircraft Registration and MSN</b>	<b>Date of Issue</b>	<b>Date of Expiry</b>
1.	VT-IDM – 2204	June 25, 2015	Till withdrawn or suspended
2.	VT-IDL – 5120	April 27, 2015	Till withdrawn or suspended
3.	VT-IDG – 5449	April 17, 2015	Till withdrawn or suspended
4.	VT-IDK – 5228	April 10, 2015	Till withdrawn or suspended
5.	VT-IDI – 5188	March 12, 2015	Till withdrawn or suspended
6.	VT-IDH – 5194	March 5, 2015	Till withdrawn or suspended
7.	VT-IDJ – 4812	February 11, 2015	Till withdrawn or suspended
8.	VT-IDF – 5426	February 4, 2015	Till withdrawn or suspended
9.	VT-IDE – 5375	January 29, 2015	Till withdrawn or suspended
10.	VT-IDC – 5073	January 5, 2015	Till withdrawn or suspended
11.	VT-IDD – 5335	December 29, 2014	Till withdrawn or suspended
12.	VT-IDA – 4918	December 5, 2014	Till withdrawn or suspended
13.	VT-IDB – 4973	November 24, 2014	Till withdrawn or suspended
14.	VT-IAY – 6336	November 5, 2014	Till withdrawn or suspended
15.	VT-IAX – 6287	October 8, 2014	Till withdrawn or suspended
16.	VT-IAS – 6289	September 30, 2014	Till withdrawn or suspended
17.	VT-IAR – 6275	September 24, 2014	Till withdrawn or suspended
18.	VT-INV – 3618	September 16, 2014	Till withdrawn or suspended
19.	VT-IAQ – 6247	August 28, 2014	Till withdrawn or suspended
20.	VT-IGH – 4008	August 25, 2014	Till withdrawn or suspended
21.	VT-IAP – 6208	July 30, 2014	Till withdrawn or suspended
22.	VT-INU – 3541	July 22, 2014	July 20, 2018
23.	VT-INZ – 3943	June 25, 2014	Till withdrawn or suspended
24.	VT-INT – 3497	May 28, 2014	May 26, 2018
25.	VT-INY – 3863	April 22, 2014	April 21, 2019
26.	VT-INS – 3457	April 3, 2014	April 2, 2018
27.	VT-IAO – 6036	April 3, 2014	April 2, 2019
28.	VT-INR – 3453	March 27, 2014	March 26, 2018
29.	VT-IAN – 6010	March 6, 2014	March 9, 2019
30.	VT-INX – 3782	March 8, 2014	March 8, 2019
31.	VT-IAL – 5992	March 3, 2014	March 4, 2019
32.	VT-INQ – 3414	February 25, 2014	February 24, 2018
33.	VT-IFZ – 5952	February 3, 2014	February 4, 2019
34.	VT-IFY – 5923	January 22, 2014	January 23, 2019
35.	VT-IFW – 5893	December 12, 2013	December 15, 2018
36.	VT-IFX – 5898	December 10, 2013	December 11, 2018
37.	VT-IFF – 5365	November 15, 2012	November 15, 2017
38.	VT-IFV – 5829	October 24, 2013	October 27, 2018
39.	VT-IFU – 5807	October 18, 2013	October 20, 2018
40.	VT-IFT – 5744	September 16, 2013	September 17, 2018
41.	VT-IFS – 5727	August 29, 2013	August 28, 2018

S. No.	Aircraft Registration and MSN	Date of Issue	Date of Expiry
42.	VT-IFR – 5712	August 6, 2013	August 5, 2018
43.	VT-IFQ – 5683	July 3, 2013	July 2, 2018
44.	VT-IFP – 5676	July 1, 2013	June 30, 2018
45.	VT-IFO – 5641	June 26, 2013	June 25, 2018
46.	VT-IFN – 5577	May 14, 2013	May 13, 2018
47.	VT-IFM – 5537	April 10, 2013	April 9, 2018
48.	VT-IFL – 5507	March 14, 2013	March 13, 2018
49.	VT-IFK – 5476	February 21, 2013	February 20, 2018
50.	VT-IFJ – 5473	February 14, 2013	February 13, 2018
51.	VT-IFI – 5460	February 1, 2013	January 31, 2018
52.	VT-IFH – 5437	January 28, 2013	January 27, 2018
53.	VT-IFG – 5411	December 13, 2012	December 12, 2017
54.	VT-IFE – 5313	October 23, 2012	October 22, 2017
55.	VT-IFC – 5291	October 5, 2012	October 4, 2017
56.	VT-IFD – 5298	September 26, 2012	September 25, 2017
57.	VT-IFB – 5262	August 21, 2012	August 20, 2017
58.	VT-IFA – 5259	August 16, 2012	August 15, 2017
59.	VT-IEZ – 5231	July 23, 2012	July 22, 2017
60.	VT-IEY – 5230	July 16, 2012	March 30, 2017
61.	VT-IEX – 5190	June 28, 2012	March 29, 2017
62.	VT-IEW – 5155	May 25, 2012	Till withdrawn or suspended
63.	VT-IEV – 5080	April 4, 2012	Till withdrawn or suspended
64.	VT-IET – 5094	March 30, 2012	Till withdrawn or suspended
65.	VT-IES – 5090	March 29, 2012	Till withdrawn or suspended
66.	VT-IEU – 5092	March 28, 2012	Till withdrawn or suspended
67.	VT-IER – 5076	March 26, 2012	Till withdrawn or suspended
68.	VT-IEQ – 5036	February 21, 2012	Till withdrawn or suspended
69.	VT-IEP – 5027	February 9, 2012	Till withdrawn or suspended
70.	VT-IEO – 4965	January 9, 2012	January 8, 2017
71.	VT-IEM – 4947	December 7, 2011	December 5, 2016
72.	VT-IEN – 4954	December 7, 2011	December 5, 2016
73.	VT-IEL – 4888	October 31, 2011	October 30, 2016
74.	VT-IEK – 4868	October 11, 2011	October 10, 2016
75.	VT-IEJ – 4818	September 12, 2011	September 11, 2016
76.	VT-IEI – 4813	August 17, 2011	August 16, 2016
77.	VT-IEG – 4762	July 6, 2011	Till withdrawn or suspended
78.	VT-IEF – 4752	June 30, 2011	June 29, 2016
79.	VT-IEH – 4757	June 30, 2011	June 29, 2016
80.	VT-IED – 4630	March 30, 2011	Till withdrawn or suspended
81.	VT-IEE – 4637	March 22, 2011	Till withdrawn or suspended
82.	VT-IEC – 4614	March 3, 2011	Till withdrawn or suspended
83.	VT-IEB – 4609	February 28, 2011	Till withdrawn or suspended
84.	VT-IEA – 4603	February 17, 2011	Till withdrawn or suspended
85.	VT-IGY – 4535	December 23, 2010	Till withdrawn or suspended
86.	VT-IGZ – 4552	December 23, 2010	Till withdrawn or suspended
87.	VT-IGX – 4518	November 30, 2010	November 29, 2015
88.	VT-IGW – 4506	November 16, 2010	Till withdrawn or suspended
89.	VT-IGV – 4481	November 10, 2010	November 9, 2015
90.	VT-IGU – 4488	October 29, 2010	October 28, 2015
91.	VT-IGT – 4384	August 02, 2010	Till withdrawn or suspended
92.	VT-IGS – 4328	June 15, 2010	Till withdrawn or suspended
93.	VT-IGL – 4312	May 31, 2010	Till withdrawn or suspended
94.	VT-IGK – 4216	February 22, 2010	Till withdrawn or suspended
95.	VT-IGJ – 4156	December 23, 2009	Till withdrawn or suspended
96.	VT-IGI – 4113	November 23, 2009	Till withdrawn or suspended
97.	VT-INP – 3357	January 9, 2008	January 8, 2018

## II. No-Objection Certificate for Import of Aircraft

1. The following No-Objection Certificates have been obtained from the DGCA for the import of new Airbus A320-232 aircrafts for operating air transport services in accordance with the Ministry of

Commerce Public Notice No. 274 (PN)/92-97 dated February 23, 1995.

S. No.	NOC Number	Date of Letter	Aircraft Registration Number	Validity of the import clearance
1.	AV. 14015/01/2004-AT.I	January 23, 2015 revised on May 5, 2015	N516VL (to be registered as VT-IDM in India) (MSN-2204)	January 22, 2016
2.	AV. 14015/01/2004-AT.I	February 15, 2015	9V-TRP (MSN-5194), 9V-TRO (MSN-5188), 9V-TRQ (MSN-5228) and 9V-TRG (MSN-5120)	August 24, 2015
3.	AV. 14015/01/2004-AT.I	January 14, 2015	9V-TRV(MSN-5449) and 9V-TAX (MSN-4812)	August 24, 2015
4.	AV. 14015/01/2004-AT.I	December 18, 2014	9V-TRT (MSN-5375) and 9V-TRU (MSN-5426)	August 24, 2015
5.	AV. 14015/01/2004-AT.I	December 9, 2014	9V-TRR (MSN-5073) and 9V-TRS (5335)	August 24, 2015
6.	AV. 14015/01/2004-AT.I	October 13, 2014	VT-IAY (MSN-6336)	December 31, 2014
7.	AV. 14015/01/2004-AT.I	September 24, 2014	VT-IDA (MSN-4918) and VT-IDB (MSN-4973)	August 24, 2015
8.	AV. 14015/01/2004-AT.I	September 18, 2014	VT-IAX (MSN-6287)	December 31, 2014
9.	AV. 14015/AAC/21/2013-AT-1	August 25, 2014	Import of 12 A-320 aircrafts	August 24, 2015
10.	AV. 14015/01/2004-AT.I	August 14, 2014	VT-IAR (MSN-6275) and VT-IAS (MSN-6289)	December 31, 2014
11.	AV. 14015/01/2004-AT.I	June 6, 2014	VT-IAP (MSN-6208)	December 31, 2014
12.	AV. 14015/01/2004-AT.I	February 6, 2014	VT-IAL (MSN-5992) and VT-IAN (MSN-6010)	May 7, 2014
13.	AV. 14015/01/2004-AT.I	January 21, 2014	VT-IFZ (MSN-5952)	May 7, 2014
14.	AV. 14015/01/2004-AT.I	December 20, 2013	VT-IFY (MSN-5923)	May 7, 2014
15.	AV. 14015/01/2004-AT.I	November 7, 2013	VT-IFW (MSN-5893) and VT-IFX (MSN-5898)	VT-IFW – February 20, 2014 VT-IFX – May 20, 2014
16.	AV. 14015/01/2004-AT.I	October 9, 2013	VT-IFV (MSN-5829)	February 20, 2014
17.	AV. 14015/01/2004-AT.I	September 26, 2013	VT-IFU (MSN-5807)	February 20, 2014
18.	AV. 14015/01/2004-AT.I	August 27, 2013	VT-IFT (MSN-5744)	February 20, 2014
19.	AV. 14015/01/2004-AT.I	July 17, 2014	VT-IAQ (MSN-6247)	December 31, 2014
20.	AV. 14015/01/2004-AT.I	July 5, 2013	VT-IFR (MSN-5712) and VT-IFS (MSN-5727)	February 20, 2014
21.	AV. 14015/01/2004-AT.I	June 12, 2013	VT-IFP (MSN-5676) and VT-IFQ (MSN-5683)	February 20, 2014
22.	AV. 14015/01/2004-AT.I	May 14, 2013	VT-IFO (MSN-5641)	February 20, 2014
23.	AV. 14015/01/2004-AT.I	April 4, 2013	VT-IFN (MSN-5577)	February 20, 2014
24.	AV. 14015/01/2004-AT.I	March 15, 2013	VT-IFM (MSN-5537)	February 20, 2014
25.	AV. 14015/01/2004-AT.I	February 8, 2013	VT-IFK (MSN-5476)	December 30, 2013
26.	AV. 14015/01/2004-AT.I	March 8, 2013	VT-IFL (MSN-5507)	December 30, 2013
27.	AV. 14015/01/2004-AT.I	January 31, 2013	VT-IFJ (MSN-5473)	December 30, 2013
28.	AV. 14015/01/2004-AT.I	January 15, 2013	VT-IFH (MSN-5437) and VT-IFI (MSN-5460)	December 30, 2013
29.	AV. 14015/01/2004-AT.I	November 14, 2012	VT-IFG (MSN 5411)	January 5, 2013

S. No.	NOC Number	Date of Letter	Aircraft Registration Number	Validity of the import clearance
30.	AV. 14015/01/2004-AT.I	October 30, 2012	VT-IFF (MSN 5365)	January 5, 2013
31.	AV. 14015/01/2004-AT.I	October 1, 2012	VT-IFE (MSN-5313)	January 5, 2013
32.	AV. 14015/01/2004-AT.I	August 13, 2012	VT-IFC (MSN-5291) and VT-IFD (MSN-5298)	January 5, 2013
33.	AV. 14015/01/2004-AT.I	July 6, 2012	VT-IFA (MSN-5259) and VT-IFB (MSN-5262)	January 5, 2013
34.	AV. 14015/01/2004-AT.I	June 6, 2012	VT-IEZ (MSN-5231)	January 5, 2013
35.	AV. 14015/01/2004-AT.I	May 29, 2012	VT-IEX (MSN-5190) and VT-IEY (MSN-5230)	January 5, 2013
36.	AV. 14015/01/2004-AT.I	April 23, 2012	VT-IEW (MSN-5155)	January 5, 2013
37.	AV. 14015/01/2004-AT.I	March 5, 2012	VT-IER (MSN-5076), VT-IES (MSN-5090), VT-IET (MSN-5094), VT-IEU (MSN-5092) and VT-IEV (MSN-5080)	January 5, 2013
38.	AV. 14015/01/2004-AT.I	January 20, 2012	VT-IEP (MSN-5027) and VT-IEQ (MSN-5036)	January 5, 2013
39.	AV. 14015/01/2004-AT.I	November 17, 2011	VT-IEM (MSN-4947) and VT-IEN (MSN-4954)	December 31, 2011
40.	AV. 14015/01/04-AT.I	November 3, 2009	VT-IGI (MSN-4113)	January 4, 2010
41.	AV. 14015/01/2004-AT.I	October 18, 2011	VT-IEL (MSN-4888)	October 31, 2011
42.	AV. 14015/01/2004-AT.I	September 15, 2011	VT-IEK (MSN-4868)	September 30, 2011
43.	AV. 14015/01/2004-AT.I AV. 14015/01/2004-AT.I Vol – VIII (extension of validity of NOC for import)	August 2, 2011	VT-IEI (MSN-4813) and VT-IEJ (MSN-4818)	August 30, 2011 – extended to September 30, 2011
44.	AV. 14015/01/2004-AT.I	June 3, 2011	VT-IEF (MSN-4752), VT-IEH (MSN-4757) and VT-IEG (MSN-4762)	August 30, 2011
45.	AV. 14015/01/2004-AT.I	March 4, 2011	VT-IED (MSN-4630) and VT-IEE (MSN-4637)	August 30, 2011
46.	AV. 14015/01/2004-AT.I	February 8, 2011	VT-IEB (MSN-4609) and VT-IEC (MSN-4614)	August 30, 2011
47.	AV. 14015/01/2004-AT.I	February 4, 2011	VT-IEA (MSN-4603)	August 30, 2011
48.	AV. 14015/01/04-AT.I	November 26, 2010	VT-IGY (MSN-4535) and VT-IGZ (MSN-4552)	February 18, 2011
49.	AV. 14015/01/04-AT.I	October 26, 2010	VT-IGV (MSN-4481), VT-IGW (MSN-4506) and VT-IGX (MSN-4518)	February 18, 2011
50.	AV. 14015/01/04-AT.I	July 9, 2010	VT-IGT (MSN-4384) and VT-IGU (MSN-4488)	February 18, 2011
51.	AV. 14015/01/04-AT.I	May 14, 2010	VT-IGL (MSN-4312) and VT-IGS (MSN-4328)	February 18, 2011
52.	AV. 14015/01/04-AT.I	February 18, 2010	VT-IGK (MSN-4216)	February 7, 2011
53.	AV. 14015/01/04-AT.I	December 11, 2009	VT-IGJ (MSN-4156)	January 4, 2010
54.	AV. 14015/01/04-AT.I	August 10, 2009	VT-IDA (MSN-4918) (amended to VT-IGH (MSN-4008) on August 24, 2009)	January 4, 2010
55.	AV. 14015/01/04-AT.I	June 10, 2009	VT-INZ (MSN-3943)	January 4, 2010
56.	AV. 14015/01/04-AT.I	April 8, 2009	VT-INY (MSN-3863)	January 4, 2010
57.	AV. 14015/01/04-AT.I	February 12, 2009	VT-INX (MSN-3782)	January 4, 2010

S. No.	NOC Number	Date of Letter	Aircraft Registration Number	Validity of the import clearance
58.	AV. 14015/01/04-AT.I	June 27, 2008	VT-INU (MSN-3541) and VT-INV (MSN-3618)	December 25, 2008
59.	AV. 14015/01/04-AT.I	February 27, 2008	VT-INR (MSN-3453), VT-INS (MSN-3457) and VT-INT (MSN-3497)	December 25, 2008
60.	AV. 14015/01/04-AT.I	December 24, 2007	VT-INP (MSN-3357) and VT-INQ (MSN-3414)	July 23, 2008

- In-principle approval dated August 31, 2005 has been issued by the MoCA to import 100 A-320 for scheduled air transport (passenger) services.
- In-principle approval dated May 5, 2010 has been issued by the MoCA to import 150 aircrafts prior to the year 2025 for scheduled air transport (passenger) services.
- In-principle approval dated March 23, 2015 has been issued by the MoCA to import additional 400 aircrafts.

### III. Approvals in relation to our pilots, cabin crew and technical staff

- The following approvals, in respect of validation of foreign licences under Rule 45 of the Aircraft Rules, also known as Foreign Aircrew Temporary Authorisation (“FATA”) have been obtained from the DGCA in respect of all foreign licence-holders employed as pilots by our Company:

S. No.	Name of pilot	FATA No.	Position	Valid from	Expiry date
1.	N’Goran Niamien Barthelemy	88/2015	Line Pilot	April 9, 2015	July 8, 2015
2.	Aram Yeghoyan	241/2015	Line Pilot	May 22, 2015	August 21, 2015
3.	Alfredo Santillan Zamora	70/2015	Line Pilot	March 26, 2015	June 25, 2015
4.	Carlos Roberto Colindres Lainez	161/2015	Line Pilot	April 10, 2015	July 9, 2015
5.	Pablo Roberto Mendoza Aguilar	119/2015	Line Pilot	April 7, 2015	July 6, 2015
6.	Tenzing Tshering	168/2015	Line Pilot	April 1, 2015	June 30, 2015
7.	Milton Hincapie Rojas	237/2015	Line Pilot	May 12, 2015	August 11, 2015
8.	Gatis Inzulis	218/2015	Line Pilot	April 28, 2015	July 27, 2015
9.	Eihab Khadra	189/2015	Line Pilot	April 15, 2015	July 14, 2015
10.	Miguel Toams Deza Parisi	163/2015	Line Pilot	March 26, 2015	June 25, 2015
11.	Silvio Diaz Acosta	660/2011	Line Pilot	March 17, 2015	August 31, 2015
12.	Carlos Mario Mejia Ocampo	186/2015	Line Pilot	April 10, 2015	July 9, 2015
13.	Ahmad Haji Bandeh	480/2013	Instructor	February 6, 2015	February 5, 2016
14.	Franklyn Donald McMillan Smith	218/2011	Line Pilot	March 31, 2015	September 30, 2015
15.	Eleterio Simeon Carlos, Jr.	658/2008	Line Pilot	March 24, 2015	September 16, 2015
16.	David Sargsyan	107/2014	Instructor	April 20, 2015	September 23, 2015
17.	Lorenzo Fernando Goiz Arenas	537/2014	Line Pilot	April 24, 2015	September 18, 2015
18.	Roberto Moreno	485/2014	Line Pilot	March 31, 2015	December 30, 2015
19.	Javier Ortega Martinez	538/2014	Line Pilot	May 1, 2015	July 11, 2015
20.	Pedro Felipe Morales Ocampo	199/2011	Line Pilot	April 24, 2015	December 17, 2015
21.	Abdou Kane	49/2015	Instructor	June 9, 2015	September 30, 2015
22.	Federico José Lozano Hernández	308/2012	Line Pilot	April 4, 2015	December 11, 2015
23.	Rod Henrich A. De Lara	415/2008	Line Pilot	April 21, 2015	October 8, 2015
24.	Fabio Guimaraes	02/2015	Line Pilot	May 25, 2015	February 24, 2016
25.	Tirso Antonio Garcia Vargas	219/2011	Line Pilot	May 6, 2015	September 20, 2015
26.	Juan Equisquiza Antonio Bello	910/2008	Line Pilot	May 29, 2015	November 30, 2015
27.	Agripino Jr. Cuartero	413/2008	Line Pilot	May 12, 2015	November 1, 2015

S. No.	Name of pilot	FATA No.	Position	Valid from	Expiry date
28.	Nereo Fredinand Versoza Daco	1672/2008	Line Pilot	May 2, 2015	May 1, 2016
29.	Jose Antonio Perez Ramirez	510/2014	Line Pilot	May 3, 2015	August 13, 2015
30.	Alberto Joaquin Garcia Gallego	41/2015	Line Pilot	May 14, 2015	August 31, 2015
31.	Richard Gatt	59/15	Line Pilot	June 12, 2015	July 20, 2015
32.	Marcos Antonio De Jesus Romero Palacios	61/2015	Line Pilot	May 19, 2015	February 18, 2016
33.	Hossein Ashrafi	20/2015	Instructor	May 20, 2015	October 25, 2015
34.	Giraldo Llano Eugenio	511/2014	Line Pilot	May 20, 2015	October 21, 2015
35.	Luis Guillermo Daza Pena	98/2015	Line Pilot	May 24, 2015	February 23, 2016
36.	Mansour Sadoughi	101/2015	Line Pilot	May 25, 2015	February 24, 2016
37.	Maurizio Casadei	110/2015	Line Pilot	June 2, 2015	September 2, 2015
38.	Ioan Diaconu	437/2011	Line Pilot	June 18, 2015	June 17, 2016
39.	Arturo Alejandro Rillegas Robles	282/2012	Line Pilot	February 2, 2015	June 29, 2015
40.	Arturo Aurelio Landaure Gonzales	246/2011	Line Pilot	January 1, 2015	June 30, 2015
41.	Cecilio Rueda Aja	435/2011	Line Pilot	November 20, 2014	November 19, 2015
42.	Mario Augusto Rivas Garcia	542/2011	Examiner	July 1, 2014	June 30, 2015
43.	Mariano Robert M. Varela	1457/2008	Line Pilot	January 20, 2015	July 2, 2015
44.	Winston Leonard Dougal Marshall	217/2011	Line Pilot	March 1, 2015	July 31, 2015
45.	Nicolas Daggain	48/2011	Line Pilot	March 24, 2015	September 23, 2015
46.	Richard Emuel Jones Owen	144/2011	Line Pilot	October 31, 2014	October 30, 2015
47.	Jorge Octavio Castro Figueroa	504/2011	Line Pilot	December 30, 2014	December 14, 2015
48.	Jorge Alejandro Agrudin Alcerrec	229/2015	Line Pilot	May 8, 2015	August 7, 2015
49.	Paul James O Hara	573/2011	Line Pilot	March 10, 2015	December 15, 2015
50.	Saleem Zaheer	1228/2009	Line Pilot (CAT-III B)	January 1, 2015	December 31, 2015
51.	Renato Storino	258/2013	Line Pilot	January 1, 2015	December 31, 2015
52.	Paul Andrew Goldson	572/2011	Line Pilot	January 29, 2015	December 31, 2015
53.	Mickey Shawn St. Clair	58/2012	Line Pilot	January 1, 2015	December 31, 2015
54.	Peter Markovic	494/2011	Line Pilot	January 14, 2015	January 13, 2016
55.	Efren Gallardo Lavin	270/2012	Line Pilot	January 30, 2015	January 29, 2016
56.	Steven Leslie Gordon Simmons	673/2011	Line Pilot	February 23, 2015	February 22, 2016
57.	Jose Luis Torres	1459/2008	Line Pilot	February 27, 2015	February 26, 2016
58.	William Parada Aviles	1337/2008	Line Pilot	February 28, 2015	February 27, 2016
59.	Brian Carter Glomb	435/2010	Line Pilot	March 1, 2015	February 28, 2016
60.	Ivan Cortes Mazo De Santin	661/2011	Line Pilot	March 1, 2015	February 28, 2016
61.	Richard Walter Quintero	1928/2008	Line Pilot	March 3, 2015	March 2, 2016
62.	Ruperto Augusto Clemente	1498/2008	Line Pilot	March 10, 2015	March 9, 2016

*Pending FATAs:*

Our Company has filed for renewal of the following FATAs to the DGCA:

S. No.	Name of pilot	FATA No.	Position	Valid from	Expiry date
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1.	Adolfo Leon Barragan Melo	011/2015	-	January 20, 2015	April 19, 2015
2.	Dario Alejandro Sanchez Torres	1039/2008	Line Pilot	August 5, 2014	June 24, 2015
3.	Holger Gallo Manrique	118/2015	Line Pilot	March 5, 2015	June 4, 2015
4.	Piotr Sławomir Pawski	117/2015	-	March 5, 2015	June 4, 2015
5.	Anibal Fonrodona Montoya	116/2015	Line Pilot	March 13, 2015	June 12, 2015
6.	Christopher Alan Parker	657/2008	Examiner	November 2, 2014	May 31, 2015
7.	David Fenech*	107/2015	Instructor	February 25, 2015	May 24, 2015
8.	Pavel Tuma	60/2015	Line Pilot	March 16, 2015	May 18, 2015
9.	Amrit Raj Maharjan	483/2014	Line Pilot	February 19, 2015	May 9, 2015
10.	Frank William Walker	489/2014	Line Pilot	February 3, 2015	May 2, 2015
11.	Magdy Mohamed Zaky Abdelwahed	87/2015	Line Pilot	April 19, 2015	May 19, 2015
12.	Anders Gunnar Friden*	01/2015	Line Pilot	January 13, 2015	April 12, 2015

\*Declared medically unfit, FATA cannot be renewed. Our Company has filed process appeal which is pending.

- Our Company currently employs 1,418 pilots as of May 31, 2015 and each of our operational pilots is licensed and medically certified by the DGCA. Each pilot carries a Flight Radio Telephone Operator's License, an Airline Transport Pilot's Licence, Commercial Pilot's License (Aeroplanes) and Medical Assessment and Instrument Ratings.
- Our Company has 405 aircraft maintenance engineers who have valid licences/authorizations to certify the aircraft.
- Our Company currently employs 2,587 cabin crew and has obtained DGCA approval for each of our cabin crew for operating on Airbus A-320 aircraft.
- Our Company has obtained a total of 32 approvals for its Flight Dispatchers from the DGCA. A Flight Dispatcher is responsible for planning and monitoring the travel itinerary of an aircraft.
- Our Company has obtained Cockpit Resource Management ("CRM") approvals for each of our nine CRM Facilitators from the DGCA. Each approval carries a term of three years.
- Our Company has obtained approvals for various instructors including Ground Instructors, Designated Examiners and Line Training Captains from the DGCA.

#### **IV. Security Approvals for our Directors**

- Security approval dated May 29, 2007 from the MoCA expressing no-objection to the appointment of Mr. Aditya Ghosh as a Director on the Board of Directors of our Company. This is a one-time approval.
- Security approval dated March 2004 from the MoCA expressing no-objection to the appointment of Mr. Rahul Bhatia and Mr. Kapil Bhatia as Directors on the Board of Directors of our Company. This is a one-time approval.
- Security approval dated August 12, 2014 from the MoCA expressing no-objection to the appointment of Mr. Devadas Mallya Mangalore as a Director on the Board of Directors of our Company. This is a one-time approval unless withdrawn by MoCA.
- Security approval dated November 18, 2010 from the MoCA expressing no-objection to the appointment of Dr. Anupam Khanna as a Director on the Board of Directors of our Company. This is a one-time approval.
- Security approval dated February 6, 2015 from the MoCA expressing no-objection to the appointment of Mrs. Rohini Bhatia as a Director on the Board of Directors of our Company. This is a one-time approval.
- Security approval dated October 1, 2010 from the MoCA expressing no-objection to the appointment of Mr. Rakesh Gangwal as a Director on the Board of Directors of our Company. This is a one-time approval.

#### **V. Other Aircraft, Training and Maintenance Related Approvals**

- Non-transferable permit (No. S-19) dated December 9, 2013 issued by the DGCA for operating scheduled air transport services (passenger and cargo). The permit is in respect of a fleet of 97 aircraft and is valid until August 2, 2017. The permit also requires our Company to maintain an insurance

policy which provides coverage to meet the liability towards the hull of its aircrafts, its passengers, crew and any other party who may be authorised to be on board as well as any baggage and cargo. For details regarding the insurance policies maintained by our Company, please see the chapter “*Our Business*” beginning on page 160.

2. Approval (No. Indigo/RECERTIFICATION/642) dated June 23, 2015 by the Deputy Director of Airworthiness of our Company’s Minimum Equipment List Issue 2, Revision 0 for Airbus 320-232 aircrafts fitted with IAE V2527-A5 Engines.
3. Approval (No. AV/Cabin Safety Indigo/2011-CS) dated December 25, 2013 issued by the DGCA for the Cabin Crew Training Manual Issue IV, Revision 0.
4. Approval (No. CAS-8(53)/Indigo/2014/Div-V/Trg) dated November 24, 2014 issued by the BCAS to ‘Aviation Security Training Institute, InterGlobe Aviation Limited’ to conduct various aviation security courses for its employees.
5. Approval (Ref: DDG/NR/MG/003/691) dated May 28, 2013 issued by the DGCA for Mr. Manoj Panda as a Quality Manager and Mr. R. D. Sharma as a Continuing Airworthiness Manager of our Company.
6. Approval (No. AV. 15025/03/2010-AS (103)) dated October 16, 2012, issued by the DGCA approving Captain Dhruv Rebbapragada as the Chief of Flight Safety for our Company. The approval remains in force unless revoked.
7. Approval (No. AV. 15025/03/2010-AS (103) dated November 30, 2011, issued by the DGCA approving Mr. Mukesh as the Deputy Chief of Flight Safety for our Company. The approval remains in force unless revoked.
8. Approval (No. AV 15025/Approval/Indigo/2009-AS) dated March 22, 2010 issued by the DGCA approving the Flight Safety Organisation of Our Company. The approval remains in force unless revoked.
9. Approval (No. INDIGO/CC/TRG/1393) dated August 28, 2006 issued by the DGCA in favour of Mr. Naresh Rao to impart training to cabin attendants on Airbus A-320-232 aircrafts.
10. Approval (No. 22036/05(IG)/2013-FSD) dated October 30, 2014 issued by the DGCA for approving the Operations Manual which consists of Part A, Part B Issue, Part C and Part D (Issue II Revision 5) of our Company.
11. Approval (No. CAS-5()/2009/SP/INTERGLOBE/Div.II) dated July 4, 2011 of the Security Programme of our Company issued by the Assistant Commissioner of Security (Civil Aviation), Bureau of Civil Aviation Security for domestic and international operations to Singapore, Bangkok, Dubai, Muscat & Kathmandu.
12. Our Company has obtained various aircraft ferrying approvals from DGCA permitting it to ferry its aircraft from Toulouse, France, where they are delivered by the manufacturer-Airbus, to India.
13. Approval (No. 23-05/2015-AED) dated March 17, 2015, from the DGCA in relation to the summer flight schedule (international) of our Company from March 29, 2015 till October 24, 2015.
14. Approval (No. 23-05/2015-AED) dated March 17, 2015, from the DGCA in relation to the summer flight schedule (domestic) of our Company from March 29, 2015 till October 24, 2015
15. Approval (No. AV. 22036/2/2010-FSD) dated July 11, 2014 issued by DGCA for approval of Cockpit Emergency and Normal Procedures Check List for A-320.
16. Approval (No. 8/24/2007-IR) dated July 2, 2014 issued by the DGCA for dangerous goods training programme by our Company. This approval also recognizes Mr. Anand Puri as the Chief Instructor and Mr. Balwant Karakoti and Mr. Wesley Dias to act as instructors for the dangerous goods training programme.
17. Approval (No. AV. 22012/126/2007-FSD) dated October 18, 2010 issued by the DGCA for approving the carrying out of dry and wet training our Company, in respect of their pilots by the DGCA approved Instructors/Examiners at Canadian Aviation and Electronics – Type Rating Training Organization, Bangalore.
18. Approval (No. AV. 15025/3/2011-AS (103)) dated May 5, 2015 issued by the DGCA approving Issue II Revision 6 of Flight Safety Manual of our Company.
19. Approval (No. INDIGO/L&T/Trg/627) dated June 8, 2006 issued by the DGCA approving conversion training to load and trim personnel by our Company. This is a one time approval.
20. Approval (No. F-APP/566) dated May 28, 2014 issued by the DGCA approving the Load and Trim Manual, Issue 2 of our Company.
21. Our Company has obtained import licence (No. 0550003262) dated November 27, 2014 from the Directorate General of Foreign Trade for import of ATF.
22. Our Company has obtained import licence (No. 0550003346) dated March 18, 2015 from the Directorate General of Foreign Trade for import of transceiver and weather radar transceiver.
23. Our Company has obtained approval dated April 10, 2015 from the DGCA for its CAT II/III Manual Issue 3 Revision 19.

24. Our Company has also obtained night halt approvals from the relevant authorities at each of the following airports: Jaipur, Ahmedabad, Nagpur, Agartala, Guwahati, Patna, Bengaluru, Bhubaneshwar, Mumbai, Chennai, Delhi, Hyderabad, Kolkata, Lucknow and Pune.
25. Our Company has obtained acceptance (AV. 15025/03/SMS/2011-AS (113)) dated December 9, 2014 issued by the DGCA for its Safety Management System Manual.
26. Our Company has obtained the Aircraft Station Licences for each of its aircraft issued by the Department of Telecommunications, Ministry of Communications and Information Technology.
27. Our Company has obtained import licences from the Directorate General of Foreign Trade for import of radio navigational apparatus/radar (receiver/transmitter).
28. Our Company holds DGCA approval as a Continuing Airworthiness Management Organization (CAMO) under CAR M, Subpart G. Approval Reference (DDG(NR).MG.003) initially issued on July 22, 2010.
29. Our Company holds DGCA approval as an Aircraft Maintenance Organization (AMO) under CAR 145 Approval Reference (Indigo/F-APP/1034) initially issued on July 31, 2006. The scope of approval includes the maintenance of A320-232 fitted with V2527-A5 engines up to 3000FH/ 480 days Inspection Schedules and multiples thereof, minor structural repairs, overhaul of Ni-Cd batteries and performing non-destructive Testing.
30. Approval (No. INDIGO/RECERTIFICATION/AMP/538) dated June 9, 2015 issued by the DGCA approving the Aircraft Maintenance Programme Revision 12 of our Company.
31. The DGCA has issued the following certificates of registration in respect of our Company's aircrafts in accordance with the Chicago Convention and the Aircraft Act.

S. No.	Aircraft Registration Number	Name of Operator/Lessee	Date of Issue	Date of Expiry	Name of Owner/Lessor
1.	VT-IGH – 4008	InterGlobe Aviation Limited	August 28, 2009	August 26, 2019	Indiaer Leasing 1 Limited
2.	VT-IGI – 4113	InterGlobe Aviation Limited	November 24, 2009	November 22, 2019	Indiaer Leasing 1 Limited
3.	VT-IGJ - 4156	InterGlobe Aviation Limited	December 24, 2009	December 23, 2019	Indiaer Leasing 1 Limited
4.	VT-IGK - 4216	InterGlobe Aviation Limited	February 23, 2010	February 22, 2020	Indiaer Leasing 1 Limited
5.	VT-IGL - 4312	InterGlobe Aviation Limited	June 1, 2010	May 31, 2020	Indiaer Leasing 1 Limited
6.	VT-IGZ - 4552	InterGlobe Aviation Limited	December 28, 2010	December 22, 2016	Crescent Leasing 9 Limited
7.	VT-IGV - 4481	InterGlobe Aviation Limited	December 29, 2010	November 9, 2016	Owner – White Skye Leasing Limited; Lessor – RBS Aerospace Limited
8.	VT-IEA – 4603	InterGlobe Aviation Limited	February 18, 2011	February 16, 2017	Orix Aviation System Limited
9.	VT-IEE – 4637	InterGlobe Aviation Limited	March 23, 2011	March 21, 2017	Orix Aviation System Limited
10.	VT-IED – 4630	InterGlobe Aviation Limited	March 31, 2011	March 30, 2017	HKAC Leasing (IGO No. 6) Limited
11.	VT-IEF – 4752	InterGlobe Aviation Limited	July 1, 2011	June 30, 2017	HKAC Leasing (IGO No. 6) Limited
12.	VT-IEH – 4757	InterGlobe Aviation Limited	July 1, 2011	June 30, 2017	HKAC Leasing (IGO No. 6) Limited
13.	VT-IEG – 4762	InterGlobe Aviation Limited	July 7, 2011	March 29, 2016	MCAP Europe Limited
14.	VT-IGS - 4328	InterGlobe Aviation Limited	July 11, 2011	June 14, 2016	Crescent Leasing 5 Limited
15.	VT-IGT - 4384	InterGlobe Aviation Limited	July 11, 2011	August 1, 2016	Crescent Leasing 6 Limited
16.	VT-IEK – 4868	InterGlobe Aviation Limited	October 12, 2011	October 10, 2019	GY Aviation Lease 101 Co., Limited
17.	VT-IEL – 4888	InterGlobe Aviation Limited	November 1, 2011	October 30, 2019	GY Aviation Lease 101 Co., Limited
18.	VT-IEM – 4947	InterGlobe Aviation Limited	December 8, 2011	December 5, 2019	GY Aviation Lease 101 Co., Limited

S. No.	Aircraft Registration Number	Name of Operator/Lessee	Date of Issue	Date of Expiry	Name of Owner/Lessor
19.	VT-IEO – 4965	InterGlobe Limited Aviation	January 10, 2012	January 8, 2018	Avolon Aerospace AOE 17 Limited
20.	VT-IEP – 5027	InterGlobe Limited Aviation	February 10, 2012	February 7, 2018	<u>Owner</u> – AWAS Six Leasing Trust <u>Lessor</u> – AWAS Ireland Six Limited
21.	VT-IEQ - 5036	InterGlobe Limited Aviation	November 13, 2013	February 19, 2018	Emerald Aviation AOE 9 Limited
22.	VT-IER – 5076	InterGlobe Limited Aviation	March 27, 2012	March 25, 2018	<u>Owner</u> – Glenveagh Aviation Limited <u>Lessor</u> – Avolon Aerospace AOE 32
23.	VT-IEU – 5092	InterGlobe Limited Aviation	March 29, 2012	March 27, 2018	AWAS 5092 Ireland Limited
24.	VT-IES – 5090	InterGlobe Limited Aviation	March 30, 2012	March 28, 2018	<u>Owner</u> – AWAS Seven Leasing Trust <u>Lessor</u> – AWAS Ireland Leasing Seven Limited
25.	VT-IEV – 5080	InterGlobe Limited Aviation	April 9, 2012	April 3, 2018	<u>Owner</u> – Dungloe Aviation Limited; <u>Lessor</u> – Avolon Aerospace AOE 33 Limited
26.	VT-IEW - 5155	InterGlobe Limited Aviation	May 28, 2012	May 24, 2018	<u>Owner</u> – MSN 5155 – I Spring Limited; <u>Lessor</u> – AWAS 5155 Ireland Limited
27.	VT-IEZ – 5231	InterGlobe Limited Aviation	July 24, 2012	July 22, 2018	GY Aviation Lease 1201 Co., Limited
28.	VT-IFA – 5259	InterGlobe Limited Aviation	August 17, 2012	August 15, 2018	GY Aviation Lease 1201 Co., Limited
29.	VT-IFB – 5262	InterGlobe Limited Aviation	August 22, 2012	August 19, 2018	GY Aviation Lease 1201 Co., Limited
30.	VT-INZ – 3943	InterGlobe Limited Aviation	August 28, 2012	April 24, 2019	Aether Aircraft 1 Limited
31.	VT-INX – 3782	InterGlobe Limited Aviation	September 25, 2012	March 10, 2019	Pembroke Aircraft Leasing 4 Limited
32.	VT-INY – 3863	InterGlobe Limited Aviation	September 25, 2012	April 21, 2019	Pembroke Aircraft Leasing 4 Limited
33.	VT-IFD - 5298	InterGlobe Limited Aviation	September 27, 2012	September 25, 2018	HKAC Leasing (IGO No. 7) Limited
34.	VT-IFC - 5291	InterGlobe Limited Aviation	October 8, 2012	October 4, 2018	Pembroke Aircraft Leasing 3 Limited
35.	VT-IFE – 5313	InterGlobe Limited Aviation	October 25, 2012	October 22, 2018	Pembroke Aircraft Leasing 3 Limited
36.	VT-IFF - 5365	InterGlobe Limited Aviation	November 16, 2012	November 15, 2018	HKAC Leasing (IGO No. 8) Limited
37.	VT-IET – 5094	InterGlobe Limited Aviation	November 30, 2012	March 29, 2018	HOWTH Aircraft Leasing Limited
38.	VT-IEX – 5190	InterGlobe Limited Aviation	November 30, 2012	March 29, 2017	Inver Aircraft Leasing Limited
39.	VT-IEY – 5230	InterGlobe Limited Aviation	November 30, 2012	March 30, 2017	Jamestown Aircraft Leasing Limited
40.	VT-IFG - 5411	InterGlobe Limited Aviation	December 14, 2012	December 12, 2018	HKAC Leasing (IGO No. 9) Limited
41.	VT-IFH – 5437	InterGlobe Limited Aviation	January 29, 2013	January 28, 2025	Unicorn Leasing Limited
42.	VT-IFI – 5460	InterGlobe Limited Aviation	February 4, 2013	February 1, 2025	Unicorn Leasing Limited
43.	VT-INT – 3497	InterGlobe Limited Aviation	February 13, 2013	May 27, 2018	Allco Leasing (IGO No. 2) Limited
44.	VT-IFJ – 5473	InterGlobe Limited Aviation	February 15, 2013	February 13, 2019	Connolly Aviation Capital 1 Limited

S. No.	Aircraft Registration Number	Name of Operator/Lessee	Date of Issue	Date of Expiry	Name of Owner/Lessor
45.	VT-IFK – 5476	InterGlobe Limited Aviation	February 22, 2013	February 21, 2025	Unicorn Leasing Limited
46.	VT-IFL – 5507	InterGlobe Limited Aviation	March 15, 2013	March 14, 2025	Unicorn Leasing Limited
47.	VT-INU – 3541	InterGlobe Limited Aviation	April 9, 2013	July 21, 2018 <sup>2</sup>	Allco Leasing (IGO No. 2) Limited
48.	VT-IFM – 5537	InterGlobe Limited Aviation	April 11, 2013	April 10, 2025	Unicorn Leasing Limited
49.	VT-INV – 3618	InterGlobe Limited Aviation	May 7, 2013	September 23, 2018	Allaviation Leasing (IGO No. 5) Limited
50.	VT-IFN – 5577	InterGlobe Limited Aviation	May 15, 2013	May 2, 2025	Unicorn Leasing Limited
51.	VT-IFO – 5641	InterGlobe Limited Aviation	June 27, 2013	June 25, 2019	Connolly Aviation Capital 2 Limited
52.	VT-IFP – 5676	InterGlobe Limited Aviation	July 2, 2013	July 1, 2025	Unicorn Leasing Limited
53.	VT-IFQ – 5683	InterGlobe Limited Aviation	July 4, 2013	July 2, 2025	Unicorn Leasing Limited
54.	VT-IFR – 5712	InterGlobe Limited Aviation	August 7, 2013	August 6, 2025	Unicorn Leasing Limited
55.	VT-IFS – 5727	InterGlobe Limited Aviation	August 30, 2013	August 29, 2025	Unicorn Leasing Limited
56.	VT-IFT – 5744	InterGlobe Limited Aviation	September 17, 2013	September 15, 2021	GY Aviation Lease 1301 Co., Limited
57.	VT-IFU – 5807	InterGlobe Limited Aviation	October 21, 2013	October 17, 2021	GY Aviation Lease 1301 Co., Limited
58.	VT-IFV – 5829	InterGlobe Limited Aviation	October 25, 2013	October 24, 2025	Unicorn Leasing Limited
59.	VT-IFX – 5898	InterGlobe Limited Aviation	December 11, 2013	December 9, 2021	GY Aviation Lease 1301 Co., Limited
60.	VT-IFW – 5893	InterGlobe Limited Aviation	December 13, 2013	December 11, 2021	GY Aviation Lease 1301 Co., Limited
61.	VT-INP – 3357	InterGlobe Limited Aviation	December 24, 2013	January 9, 2018	Allco Leasing (IGO No. 1) Limited
62.	VT-IGW - 4506	InterGlobe Limited Aviation	December 27, 2013	November 16, 2020 <sup>7</sup>	Aptree Aviation Trading 2 Co., Limited
63.	VT-INQ – 3414	InterGlobe Limited Aviation	January 3, 2014	February 25, 2018	Allco Leasing (IGO No. 2) Limited
64.	VT-IGU - 4488	InterGlobe Limited Aviation	January 3, 2014	October 28, 2020	Aptree Aviation Trading 2 Co., Limited
65.	VT-IGY - 4535	InterGlobe Limited Aviation	January 8, 2014	December 22, 2016	SMBC Aviation Capital Limited
66.	VT-IEN – 4954	InterGlobe Limited Aviation	January 13, 2014	December 6, 2017	SMBC Aviation Capital Ireland Leasing 3 Limited
67.	VT-IFY – 5923	InterGlobe Limited Aviation	January 23, 2014	January 21, 2022	Connolly Aviation Capital 3 Limited
68.	VT-IFZ - 5952	InterGlobe Limited Aviation	February 4, 2014	February 3, 2026	Good Fly Leasing Limited
69.	VT-IEC – 4614	InterGlobe Limited Aviation	March 4, 2014	March 30, 2021	Jackson Square Aviation Ireland Limited
70.	VT-IAL - 5992	InterGlobe Limited Aviation	March 4, 2014	March 2, 2022	Connolly Aviation Capital 4 Limited
71.	VT-IAN - 6010	InterGlobe Limited Aviation	March 7, 2014	March 5, 2026	Good Fly Leasing Limited
72.	VT-INR – 3453	InterGlobe Limited Aviation	March 19, 2014	March 27, 2018	Allaviation Leasing (IGO No. 3) Limited
73.	VT-INS – 3457	InterGlobe Limited Aviation	March 25, 2014	April 3, 2018	Allaviation Leasing (IGO No. 4) Limited
74.	VT-IAO - 6036	InterGlobe Limited Aviation	April 2, 2014	April 1, 2026	Good Fly Leasing Limited
75.	VT-IEB – 4609	InterGlobe Limited Aviation	June 18, 2014	February 27, 2021	Avolon Aerospace AOE 15 Limited

S. No.	Aircraft Registration Number	Name of Operator/Lessee	Date of Issue	Date of Expiry	Name of Owner/Lessor
76.	VT-IEI – 4813	InterGlobe Limited Aviation	June 18, 2014	August 16, 2019	Dunlewy Aviation Leasing 1 Limited
77.	VT-IEJ – 4818	InterGlobe Limited Aviation	June 18, 2014	September 11, 2019	Dunlewy Aviation Leasing 2 Limited
78.	VT-IGX - 4518	InterGlobe Limited Aviation	July 14, 2014	November 29, 2020	Avolon Aerospace AOE 4 Limited
79.	VT-IAP – 6208	InterGlobe Limited Aviation	July 31, 2014	July 30, 2022	Sky High XXIV Leasing Company Limited
80.	VT-IAQ – 6247	InterGlobe Limited Aviation	August 29, 2014	August 28, 2026	Good Fly Leasing Limited
81.	VT-IAR – 6275	InterGlobe Limited Aviation	September 23, 2014	September 22, 2026	Good Fly Leasing Limited
82.	VT-IAS - 6289	InterGlobe Limited Aviation	September 30, 2014	September 29, 2026	Good Fly Leasing Limited
83.	VT-IAX - 6287	InterGlobe Limited Aviation	November 11, 2014	October 7, 2022	Sky High XLIII Leasing Company Limited
84.	VT-IAY - 6336	InterGlobe Limited Aviation	November 5, 2014	November 3, 2022	Sky High XLIII Leasing Company Limited
85.	VT-IDA – 4918	InterGlobe Limited Aviation	December 1, 2014	December 1, 2017	Pembroke Aircraft Leasing 2 Limited
86.	VT-IDB – 4973	InterGlobe Limited Aviation	November 24, 2014	January 12, 2018	Pembroke Aircraft Leasing 3 Limited
87.	VT-IDD – 5335	InterGlobe Limited Aviation	December 24, 2014	October 25, 2018	Pembroke Aircraft Leasing 4 Limited
88.	VT-IDC – 5073	InterGlobe Limited Aviation	December 30, 2014	April 23, 2018	Pembroke Aircraft Leasing 3 Limited
89.	VT-IDE – 5375	InterGlobe Limited Aviation	January 23, 2015	November 28, 2018	Pembroke Aircraft Leasing 4 Limited
90.	VT-IDF – 5426	InterGlobe Limited Aviation	January 30, 2015	December 21, 2018	Pembroke Aircraft Leasing 4 Limited
91.	VT-IDH – 5194	InterGlobe Limited Aviation	March 2, 2015	June 28, 2018	<u>Owner</u> – Yamasa Sangyo Aircraft M3 Kumiai <u>Lessor</u> – MCAP Europe Limited
92.	VT-IDJ – 4812	InterGlobe Limited Aviation	February 6, 2015	September 22, 2017	Pembroke Aircraft Leasing 2 Limited
93.	VT-IDK – 5528	InterGlobe Limited Aviation	March 31, 2015	July 25, 2018	MCAP Europe Limited
94.	VT-IDI – 5188	InterGlobe Limited Aviation	March 9, 2015	July 4, 2018	<u>Owner</u> – Yamasa Sangyo Aircraft M3 Kumiai <u>Lessor</u> – MCAP Europe Limited
95.	VT-IDG – 5449	InterGlobe Limited Aviation	April 10, 2015	January 22, 2019	Pembroke Aircraft Leasing 4 Limited
96.	VT-IDL – 5120	InterGlobe Limited Aviation	April 16, 2015	April 26, 2018	MCAP Europe Limited
97.	VT-IDM - 2204	InterGlobe Aviation	June 16, 2015	May 21, 2019	<u>Owner</u> – M/s Wells Fargo Bank Northwest <u>Lessor</u> – M/s MASL Ireland (22) Limited

## VI. Other Approvals for our Business

S. No.	Description	Registration/ Reference No.	Date of Issue/Renewal	Expiry Date
<b>General Approvals</b>				
1.	Allotment of Tax Deduction Account Number under the Income Tax Act, 1961	DEL105040A	September 21, 2004	NA
2.	Certificates of Importer-Exporter Code received from the Office of the Director General of Foreign Trade, Ministry of Commerce and Industry	0505034841	August 1, 2005	NA
3.	Registration of service tax code under the Finance	AABC12726BST002	January 2, 2007	NA

S. No.	Description	Registration/ Reference No.	Date of Issue/Renewal	Expiry Date
	Act, 1994		(Last amendment as of April 15, 2015)	
4.	Employee Provident Fund Code received from Regional Provident Fund Commissioner, Delhi	DL/31297	May 10, 2006	NA
5.	Employee State Insurance Code under the Employee State Insurance Act, 1948	13/33078/76	March 13, 2007	NA
6.	Permanent Account Number issued by the Income Tax Department	AABC12726B	January 13, 2004	NA
<b>Central Sales Tax Registrations</b>				
1.	Registration under the Central Sales Tax Act, 1956 as Dealer in Tamil Nadu	980924	June 2, 2008	Until cancelled
2.	Registration under the Central Sales Tax (Registration and Turnover) Rules, 1957 as Re-seller in Kolkata, West Bengal	19677201266	February 25, 2008, with effect from February 22, 2008	Until cancelled
3.	Registration under the Central Sales Tax Act, 1956 as Dealer in Haryana	TIN No. 06201834794	May 2, 2013	Until cancelled
4.	Registration under the Central Sales Tax (Registration and Turnover) Rules, 1957 as Re-seller in Ahmedabad, Gujarat	24572703190	August 4, 2008 with effect from May 28, 2008	Until cancelled
5.	Registration under the Central Sales Tax (Registration and Turnover) Rules, 1957	07640320705	December 14, 2006	Until cancelled
<b>Value Added Tax Registrations</b>				
1.	Registration certificate for transport agency, etc. under Jammu & Kashmir Value Added Tax Act, 2005	Courier/ACCTJ/20	June 4, 2012	Until cancelled
2.	Registration certificate under the Andhra Pradesh Value Added Tax Act, 2005 (Telangana), and Registration certificate the Central Sales Tax, 1956 as a dealer (Telangana)	36218130792	October 20, 2014, with effect from June 2, 2014	NA
3.	Registration certificate under the Assam Value Added Tax Act, 2003	TRN/GWB/0523	July 27, 2009	NA
4.	Registration certificate under the Delhi Value Added Tax Act, 2004	07640320705	December 11, 2006	NA
5.	Registration certificate under the Gujarat Value Added Tax Act, 2003	24072703190	August 4, 2008, with effect from May 28, 2008	NA
6.	Registration certificate under the Karnataka Value Added Tax Act, 2003	29410787475	February 8, 2008, with effect from December 17, 2007	Until cancelled
7.	Registration certificate under the Kerala Value Added Tax Act, 2003 (Cargo)	32161541455	December 7, 2009	Until cancelled
8.	Registration certificate under the Kerala Value Added Tax Act, 2003 (CST Registration)	32150237771	May 27, 2011	Until cancelled
9.	Registration certificate under the Maharashtra Value Added Tax Act, 2002	27310593369V (CST No. 27310593369C)	March 2, 2007 with effect from February 20, 2007	Until cancelled
10.	Registration certificate under the Rajasthan Value Added Tax Act, 2003	08912162182 (CST No. 08912162182)	January 10, 2008, with effect from April 1, 2007 (for central sales tax) and with effect from January 4, 2008.	Until cancelled
11.	Registration certificate under the Tamil Nadu Value Added Tax Act, 2006	33120844750	June 2, 2008	NA
12.	Registration certificate under the West Bengal Value Added Tax Act, 2004	19677201072	February 25, 2008, with effect from February 22, 2008	NA
13.	Registration certificate under the Madhya Pradesh Value Added Tax Act, 2002, and Central Sales Tax Act, 1956	23319021837	May 26, 2011	Until cancelled
<b>Professional Tax Registrations</b>				
1.	Certificate of enrolment and registration under the Bihar Tax on Professions, Trades, Callings and Employments Act, 2011	10AABC12726B	November 10, 2011, with effect from September 1, 2011	NA
2.	Certificates of Registration issued under the	160453169	May 8, 2012 with	NA

S. No.	Description	Registration/ Reference No.	Date of Issue/Renewal	Expiry Date
	Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976		effect from April 1, 2007	
3.	Certificates of Registration issued under the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976	332157268	December 20, 2007	NA
4.	Certificate of enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	27310593369P	May 22, 2007	NA
5.	Certificate of enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	99521530977P	February 21, 2007	NA
6.	Certificate of Registration of West Bengal State Tax on Professions, Trades, Callings and Employment Rules, 1979	192008320341	February 8, 2008	NA
7.	Certificate of Registration of West Bengal State Tax on Professions, Trades, Callings and Employment Rules, 1979	191001279727	April 21, 2015 (with effect from February, 2008)	NA
8.	Certificate of enrolment under Andhra Pradesh Tax on Profession Trade, Calling and Employment Act, 1987	28598527528	December 5, 2011 (with effect from November, 1 2011)	NA
9.	Certificate of Enrolment under Andhra Pradesh Tax on Profession Trade, Calling and Employment Act, 1987	28722196158	December 5, 2011 (with effect from November, 1 2011)	NA
10.	Certificate of registration under the Madhya Pradesh Professional Tax Act	78649006160	May 26, 2011	NA
11.	Certificate of registration under the Madhya Pradesh Professional Tax Act	79389001108	May 26, 2011	NA
12.	Certificate of enrolment under the Orissa Tax on Professions, Trades, Callings and Employments Act, 2000	PR-BH-IV-22	February 29, 2008	NA
13.	Certificate of enrolment under the Orissa Tax on Professions, Trades, Callings and Employments Act, 2000	PE-BH-IV-119	June 8, 2010	NA
14.	Certificate of enrolment and registration under the Assam Professions, Trades, Callings and Employment Taxation Rules, 1947	GWB/PTX/E/0010	December 17, 2008	NA
15.	Certificate of enrolment under the Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employments Act, 1976 (Vadodara)	PEC020203153	December 14, 2007	NA
16.	Certificate of enrolment under the Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employments Act, 1976 (Vadodara)	PRC020200158	April 19, 2008	NA
17.	Certificate of enrolment under the Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employments Act, 1976 (Ahmedabad)	PEC012260816	November 3, 2008	NA
18.	Certificate of enrolment and registration under the Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employments Act, 1976 (Ahmedabad)	PRC012260015	November 3, 2008	NA
19.	Certificate of enrolment under the Tamil Nadu Panchayats Act, 1994 (Chennai)	12-159-PE-Old	February 22, 2008	NA
20.	Certificate of enrolment and registration under the Tamil Nadu Panchayats Act, 1994 (Coimbatore)	3613600001	January 2, 2012	NA

### **Registered Office and Corporate Office Approvals**

#### **1. Registered Office**

S. No.	Licence	Registration Number	Date of Issuance	Validity
1.	Registration as commercial establishment under the Delhi Shops and Establishment Act, 1954	2013018388	June 11, 2013	NA
2.	Registration as Principal Employer under Contract Labour (Regulation & Abolition) Act, 1970	ALC-1/46(06)/2009-REG.ACK	April 15, 2009	NA













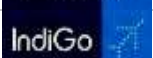

## 2. Corporate Office





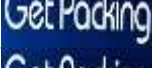

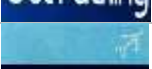
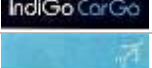


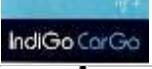





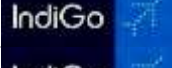






S. No.	Licence	Registration Number	Date of Issuance	Validity
1.	Registration under Punjab Shops and Commercial Establishments Act, 1962 by the Inspector of Shops and Establishments, Chandigarh	PSA/REG/GGN/LI-GGN-1-3/0131039	April 3, 2006	March 31, 2018
2.	Registration under Punjab Shops and Commercial Establishments Act, 1962 by the Inspector of Shops and Establishments, Chandigarh	PSA/REG/GGN/LI-GGN-1-3/0113167	July 7, 2012	March 31, 2017
3.	Registration Certificate under Haryana Value Added Tax Act, 2003	06201834794	May 13, 2013	NA
4.	Registration as Principal Employer under the Contract and Labour (Regulation & Abolition) Act, 1970	46(R-15)/2014/ALK	December 18, 2014	NA

















## VII. Intellectual Property






















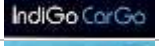

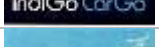







### Trademarks




The registered trademarks of our Company are as follows:

S. No.	Registration Number	Mark Protected	Date of Issue	Date of Expiry	Class
<b>India</b>					
1.	1277148	IndiGo Airways	April 6, 2004	April 6, 2024	16
2.	1277150	IndiGo Airlines	April 6, 2004	April 6, 2024	16
3.	1277154	IndiGo Air	April 6, 2004	April 6, 2024	16
4.	1419011		February 3, 2006	February 3, 2016	16
5.	1432254		March 10, 2006	March 10, 2016	16 and 39
6.	1552121	IndiGo Airways	April 23, 2007	April 23, 2017	39
7.	1552122	IndiGo Airlines	April 23, 2007	April 23, 2017	39
8.	1552123	INDIGO AIR	April 23, 2007	April 23, 2017	39
9.	1419010		February 3, 2006	February 3, 2016	16 and 39
10.	1969931		May 24, 2010	May 24, 2020	16, 25 and 39
11.	1552120	IndiGo	April 23, 2007	April 23, 2017	39
12.	1419009		February 3, 2006	February 3, 2016	16 and 39
13.	1419008		February 3, 2006	February 3, 2016	16 and 39
14.	1423665		February 22, 2006	February 22, 2016	16 and 39
<b>Oman</b>					
1.	73143		August 6, 2013	March 7, 2022	12
2.	73144		August 6, 2013	March 7, 2022	16
3.	73145		August 6, 2013	March 7, 2022	39
4.	73146		August 6, 2013	March 7, 2022	42
5.	73147		August 6, 2013	March 7, 2022	12

S. No.	Registration Number	Mark Protected	Date of Issue	Date of Expiry	Class
6.	73148		August 6, 2013	March 7, 2022	16
7.	73149		August 6, 2013	March 7, 2022	39
8.	73150		August 6, 2013	March 7, 2022	42
9.	73151		August 6, 2013	March 7, 2022	12
10.	73152		August 6, 2013	March 7, 2022	16
11.	73153		August 6, 2013	March 7, 2022	39
12.	73154		August 6, 2013	March 7, 2022	42
13.	73155		August 6, 2013	March 7, 2022	12
14.	73156		August 6, 2013	March 7, 2022	16
15.	73157		August 6, 2013	March 7, 2022	39
16.	73158		August 6, 2013	March 7, 2022	42
17.	73159		August 6, 2013	March 7, 2022	12
18.	73160		August 6, 2013	March 7, 2022	16
19.	73161		August 6, 2013	March 7, 2022	39
20.	73162		August 6, 2013	March 7, 2022	42
21.	73163		August 6, 2013	March 7, 2022	12
22.	73164		August 6, 2013	March 7, 2022	16
23.	73165		August 6, 2013	March 7, 2022	39
24.	73166		August 6, 2013	March 7, 2022	42
25.	73167		August 6, 2013	March 7, 2022	12
26.	73168		August 6, 2013	March 7, 2022	16
27.	73169		August 6, 2013	March 7, 2022	39
28.	73170		August 6, 2013	March 7, 2022	42





S. No.	Registration Number	Mark Protected	Date of Issue	Date of Expiry	Class
29.	73171		August 6, 2013	March 7, 2022	12
30.	73172		August 6, 2013	March 7, 2022	16
31.	73173		August 6, 2013	March 7, 2022	39
32.	73174		August 6, 2013	March 7, 2022	42
<b>Singapore</b>					
1.	T1200312H		January 10, 2012	January 10, 2022	12, 16, 39 and 42
2.	T1200311Z		January 10, 2012	January 10, 2022	12, 16, 39 and 42
3.	T1200314D		January 10, 2012	January 10, 2022	12, 16, 39 and 42
4.	T1200309H		January 10, 2012	January 10, 2022	12, 16, 39 and 42
5.	T1200307A		January 10, 2012	January 10, 2022	12, 16, 39 and 42
6.	T1200308Z		January 10, 2012	January 10, 2022	12, 16, 39 and 42
<b>United Arab Emirates</b>					
1.	171036		June 10, 2013	March 26, 2022	16
2.	171037		June 10, 2013	March 26, 2022	39
3.	171038		June 24, 2013	March 26, 2022	42
4.	171039		June 24, 2013	March 26, 2022	12
5.	171040		June 24, 2013	March 26, 2022	16
6.	171041		December 17, 2013	March 26, 2022	39
7.	171042		June 24, 2013	March 26, 2022	49
8.	171043		December 17, 2013	March 26, 2022	12

S. No.	Registration Number	Mark Protected	Date of Issue	Date of Expiry	Class
9.	171044		June 24, 2013	March 26, 2022	16
10.	171045		June 24, 2013	March 26, 2022	39
11.	171046		June 24, 2013	March 26, 2022	42
12.	171047		June 10, 2013	March 26, 2022	12
13.	171048		June 10, 2013	March 26, 2022	16
14.	171049		June 10, 2013	March 26, 2022	39
15.	171050		June 25, 2013	March 26, 2022	42
16.	171051	 	June 24, 2013	March 26, 2022	12
17.	171052	 	December 18, 2013	March 26, 2022	16
18.	171053	 	June 24, 2013	March 26, 2022	39
19.	171054	 	June 24, 2013	March 26, 2022	42
20.	171055	 	June 24, 2013	March 26, 2022	12
21.	171056	 	June 24, 2013	March 26, 2022	16
22.	171057	 	June 24, 2013	March 26, 2022	39
23.	171058	 	June 25, 2013	March 26, 2022	42
24.	171059	 	June 25, 2013	March 26, 2022	12
25.	171060	 	June 24, 2013	March 26, 2022	16
26.	171061	 	June 24, 2013	March 26, 2022	39
27.	171062	 	June 25, 2013	March 26, 2022	42

S. No.	Registration Number	Mark Protected	Date of Issue	Date of Expiry	Class
28.	171063		June 24, 2013	March 26, 2022	12
29.	171065		June 24, 2013	March 26, 2022	39
30.	171066		June 24, 2013	March 26, 2022	42

### Copyright

The registered copyrights are as follows:

S. No.	Registration Number	Title of the Work	Date of Issue
1.	A-78852/2007		April 11, 2007
2.	A-78855/2007		April 11, 2007
3.	A-78853/2007		April 11, 2007
4.	A-78854/2007		April 11, 2007

### Domain Name


S. No.	Registration Number	Name of Domain	Date of Issue	Date of Expiry
1.	D2069991-AFIN	www.goindigo.in	June 10, 2005	June 10, 2016













### Pending Intellectual Property

Our Company has filed applications for the following intellectual property:

#### Trade Mark Applications

S. No.	Application Number	Registration applied for or obtained	Date of Application	Class
<b>India</b>				
1.	1277147	IndiGo Airways (This mark has been opposed to, by Tata Motors Limited.)	April 6, 2004	39
2.	1277149	IndiGo Airlines (This mark has been opposed to, by Tata Motors Limited.)	April 6, 2004	39
3.	1277152	INDIGO (This mark has been opposed to, by Tata Motors Limited.)	April 6, 2004	39
4.	1277153	IndiGo Air (This mark has been opposed to, by Tata Motors Limited.)	April 6, 2004	39
5.	1878015	6E	October 29, 2009	16, 18, 25, 29, 30 and 39
6.	2433819	Corny Chips	November 27, 2012	30
7.	2433820	Chicken Jungle	November 27, 2012	30
8.	2433821	Nut Case	November 27, 2012	29
9.	2433822	Piece of Cake	November 27, 2012	30
10.	2433823	Straight from the Heart	November 27, 2012	41
11.	2647104	IndiGo Light	December 23, 2013	9, 16 and 39
12.	2647105	IndiGo Special	December 23, 2013	9, 16 and 39
13.	2647106		December 23, 2013	9, 16 and 39
14.	2918413	6E Link	March 9, 2015	9, 16, 35 and 39

S. No.	Application Number	Registration applied for or obtained	Date of Application	Class
15.	2978026		June 3, 2015	9, 16, 35 and 39
16.	2980800	6E Pass	June 9, 2015	9, 16, 35 and 39
17.	2980802	6E Plus	June 09, 2015	9, 16, 35 and 39
<b>Nepal</b>				
1.	042394		December 14, 2011	12
2.	042395		December 14, 2011	16
3.	042410		December 14, 2011	39
4.	042411		December 14, 2011	42
5.	042384		December 14, 2011	12
6.	042385		December 14, 2011	16
7.	042400		December 14, 2011	39
8.	042401		December 14, 2011	42
9.	042386		December 14, 2011	12
10.	042387		December 14, 2011	16
11.	042402		December 14, 2011	39
12.	042403		December 14, 2011	42
13.	042388		December 14, 2011	12
14.	042389		December 14, 2011	16
15.	042404		December 14, 2011	39
16.	042405		December 14, 2011	42
17.	042390		December 14, 2011	12
18.	042391		December 14, 2011	16
19.	042406		December 14, 2011	39
20.	042407		December 14, 2011	42
21.	042392		December 14, 2011	12

S. No.	Application Number	Registration applied for or obtained	Date of Application	Class
22.	042393		December 14, 2011	16
23.	042408		December 14, 2011	39
24.	042409		December 14, 2011	42
25.	042396		December 14, 2011	12
26.	042397		December 14, 2011	16
27.	042412		December 14, 2011	39
28.	042413		December 14, 2011	42
29.	042398		December 14, 2011	12
30.	042399		December 14, 2011	16
31.	042414		December 14, 2011	39
32.	042415		December 14, 2011	42
<b>UAE</b>				
1.	171035		March 26, 2012	12
2.	171064		March 26, 2012	16

*Copyright Applications*

1. Copyright application no. CR-189 (artistic work for *IndiGo*) dated March 17, 2011.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue consists of a Fresh Issue of [●] Equity Shares aggregating up to to ₹ 12,722 million and an offer for sale of up to 30,146,000 Equity Shares by the Selling Shareholders.

### *Corporate Approvals*

Our Board has approved the Issue pursuant to the resolution passed at their meeting held on June 23, 2015 and our shareholders have approved the Issue pursuant to a resolution passed at the EGM held on June 25, 2015.

### *Approvals from the Selling Shareholders*

The Equity Shares forming part of the Offer for Sale are eligible to be offered for sale under Regulation 26(6) of the ICDR Regulations. The Offer for Sale has been authorised by (i) Mr. Rahul Bhatia by way of a letter dated June 26, 2015; (ii) Mr. Rakesh Gangwal by way of a letter dated June 28, 2015; (iii) InterGlobe Enterprises by way of its resolution dated June 25, 2015 (iv) Ms. Shobha Gangwal by way of a letter dated June 28, 2015; (v) Dr. Asha Mukherjee by way of a letter dated June 28, 2015; (vi) Mr. Newton Bruce Ashby by way of a letter dated June 26, 2015; (vii) Mr. Steven Eugene Harfst by way of a letter dated June 26, 2015; (viii) The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware) by way of a letter dated June 28, 2015; (ix) Paul Carl Schorr, IV (nominee of G5 Investments) by way of its consent letter dated June 26, 2015; (x) IGT-InterGlobe Technologies Philippines Inc. by way of its resolution dated June 25, 2015; (xi) Mr. Sanjay Kumar by way of a letter dated June 26, 2015; (xii) Mr. Shakti Swarup Lumba by way of a letter dated June 26, 2015; (xiii) Mr. Anil Chanana by way of a letter dated June 25, 2015;(xiv) Mr. Kunal Chanana by way of a letter dated June 25, 2015.

The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware) (“CFT”) was formed on March 23, 2006. As on date the primary beneficiary of CFT is Ms. Parul Gangwal. The trustees of CFT are Ms. Shobha Gangwal and JP Morgan Trust Company of Delaware.

The Selling Shareholders have confirmed that they are the legal and beneficial owners of the respective Equity Shares being offered under the Offer for Sale.

The Selling Shareholders have confirmed that they have not been prohibited from dealing in securities market and the Equity Shares offered and sold are free from lien, encumbrance or third party rights (other than sub rights as set out under the various shareholder agreements, further details of which are set out in “*History and other Corporate Matters*” beginning on page 198).

The Board pursuant to its resolution dated June 23, 2015 has taken on record the Offer for Sale by the Selling Shareholders.

The Board pursuant to its resolution dated June 28, 2015 has approved and authorised this Draft Red Herring Prospectus.

We will obtain necessary regulatory approvals for the sale of shares by Mr. Newton Bruce Ashby, Mr. Rakesh Gangwal, Ms. Shobha Gangwal and Mr. Steven Eugene Harfst, as part of the Offer for Sale prior to allocation of the shares in the Issue.

### *In-principle Listing Approvals*

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

### **Prohibition by SEBI or other Governmental Authorities**

Our Company, the Promoters, our Directors, the members of the Promoter Group, the Group Companies, the persons in control of our Company, and the Selling Shareholders have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.



The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India or abroad.

The companies, with which any of the Promoters, Directors or persons in control of our Company are or were associated as promoters, directors or persons in control have not been prohibited from accessing capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Other than as disclosed in the chapter “*Our Management*” beginning on page 206, none of the entities that our Directors are associated with are engaged in securities market related business and are registered with SEBI. No action has been initiated by SEBI against the Directors of our Company, or any entities in which the Directors are involved in as promoters or directors.

### **Prohibition by RBI**

Neither our Company, nor our Promoters, including relatives as defined under the Companies Act, 2013 of our Promoters, Directors, Group Companies, nor the Selling Shareholders have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

### **Eligibility for the Issue**

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the ICDR Regulations as described below:

*“An issuer may make an initial public offer, if:*

- (a) *it has net tangible assets of at least three crore rupees in each of the preceding three full years (of twelve months each), of which not more than fifty per cent. are held in monetary assets:*

*Provided that if more than fifty per cent. of the net tangible assets are held in monetary assets, the issuer has made firm commitments to utilise such excess monetary assets in its business or project;*

*Provided further that the limit of fifty per cent. on monetary assets shall not be applicable in case the public offer is made entirely through an offer for sale.*

- (b) *it has a minimum average pre-tax operating profit of rupees fifteen crore, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years.*
- (c) *it has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each).*
- (d) *the aggregate of the proposed issue and all previous issues made in the same financial year in terms of the issue size does not exceed five times its pre-issue net worth as per the audited balance sheet of the preceding financial year.*
- (e) *if it has changed its name within the last one year, at least fifty per cent of the revenue for the preceding one full year has been earned by it from the activity indicated by the new name.*

Our Company’s net tangible assets, monetary assets, monetary assets as a percentage of our net tangible assets, our pre-tax operating profit and net worth, derived from our restated financial statements, as of and for the financial years ended March 31, 2010, 2011, 2012, 2013 and 2014 included in this Draft Red Herring Prospectus and set forth below:

*(₹ in million unless otherwise stated)*

<b>Particulars</b>	<b>Fiscal 2014</b>	<b>Fiscal 2013</b>	<b>Fiscal 2012</b>	<b>Fiscal 2011</b>	<b>Fiscal 2010</b>
Net tangible assets	38,039.07	22,335.13	12,541.98	10,339.73	12,567.77
Monetary assets	37,344.28	29,495.88	19,186.95	15,872.98	9,755.75
Monetary assets as % of net tangible assets	98%	132%	153%	154%	78%

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
Pre-tax operating profit	4,452.16	9,510.06	519.49	6,767.18	4,685.62
Networth	4,206.28	3,890.49	2,433.33	1,027.39	2,881.47

(1) *Net tangible assets are defined as the sum of total assets excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India, deducted by total non-current liabilities and current liabilities excluding deferred tax liabilities, long term borrowings, short term borrowings and current maturities of long term borrowings.*

(2) *Monetary assets include cash and bank balances including deposits with banks with maturity of more than 12 months from the balance sheet date and investments held in mutual funds.*

(3) *Net worth has been defined as the aggregate of share capital and reserves and surplus*

(4) *'Pre-tax operating profit', has been calculated as net profit before tax excluding non operating income and finance cost- interest others.*

Our Company has a minimum average pre-tax operating profit of ₹ 150 million calculated on a restated basis, during the three most profitable years being year ended on March 31, 2013, March 31, 2011 and March 31, 2010 out of the immediately preceding five years (fiscal years 2014, 2013, 2012, 2011, 2010).

Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three financial years, of which more than 50% are held in monetary assets in the fiscals 2014, 2013 and 2012. The Company has firm commitments to utilize such excess monetary assets in its business.

Hence, we are eligible for the Issue as per Regulation 26(1) of the ICDR Regulations. If the Company does not allot Equity Shares pursuant to the Issue within 12 Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

The total expenses of the Issue are estimated to be approximately ₹ [•] million. Expenses in relation to the Issue will be borne by our Company and each of the Selling Shareholders in proportion to the Equity Shares contributed to the Issue respectively, provided that listing fees, auditor's fees, expenses relating to the legal counsels to the Company and the BRLMs will be borne solely by the Company and expenses relating to the legal counsel to the Selling Shareholders will be borne by the respective Selling Shareholder.

Our Company is undertaking this Issue under Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 41 of the ICDR Regulations and shall comply with the requirements thereunder. This is an issue for at least 25% of the fully diluted post-Issue paid-up equity capital of our Company.

Further, this Issue is being made through the Book Building Process wherein 50% of the Issue shall be available for allocation to QIBs on a proportionate basis out of which 5% of the QIB Category (excluding the Anchor Investor Portion, which shall be allocated on a discretionary basis) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue will be available for allocation to Retail Individual Investors, subject to valid Bids being received at or above the Issue Price. Our Company and the Selling Shareholders may, in consultation with the GCBRLMs and the BRLMs, allocate up to 60% of the QIB Category to the Anchor Investors on a discretionary basis. One third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For further details, please refer to the chapter "Issue Procedure" beginning on page 463.

Further, in accordance with Regulation 26(4) of the ICDR Regulations, our Company shall ensure that the number of Allottees under the Issue shall be not less than 1,000, otherwise, the entire application money will be refunded forthwith. In case of delay, if any, our Company's refund shall include interest on the application money at the rate of 15% per annum for the period of delay.

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the ICDR Regulations:

1. Our Company has applied to the NSE and the BSE for obtaining their in-principle listing approval for listing of the Equity Shares under the Issue through its applications dated [●]. For the purposes of the Issue, the [●] shall be the Designated Stock Exchange;
2. Our Company has entered into agreements dated November 16, 2010 and November 19, 2010 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares; and
3. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

We are not required to make firm arrangements of finance through verifiable means towards 75% of the means of finance, excluding the amount to be raised through the Issue. For further details in this regard, please see the chapter “*Objects of the Issue*” beginning on page 110.

#### **DISCLAIMER CLAUSE OF SEBI**

**AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, J.P. MORGAN INDIA PRIVATE LIMITED, MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED, BARCLAYS BANK PLC, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, UBS SECURITIES INDIA PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 30, 2015 WHICH READS AS FOLLOWS:**

**WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:**

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC, AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**
2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:**

- (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
- (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE “ICDR REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS’ CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. – COMPLIED WITH AND NOTED FOR COMPLIANCE.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS’ CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE ‘MAIN OBJECTS’ LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH.

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE ISSUE HAVE TO BE ISSUED IN DEMATERIALIZED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
  - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
  - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE ICDR REGULATIONS WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. COMPLIED WITH.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Sections 34 or Section 36 of Companies Act, 2013 or from the requirement of obtaining such statutory

and/ or other clearances as may be required for the purpose of the Issue. SEBI further reserves the right to take up at any point of time, with the GCBRLMs and the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 30 of the Companies Act, 2013.

**Caution - Disclaimer from our Company, the Selling Shareholders and the GCBRLMs and the BRLMs**

Our Company, the Directors and the GCBRLMs and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.goindigo.in](http://www.goindigo.in), would be doing so at his or her own risk.

The GCBRLMs and the BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into amongst the Underwriters, the Selling Shareholders and our Company.

Each Selling Shareholder assumes responsibility severally only for statements in this Draft Red Herring Prospectus specifically in relation to itself as a Selling Shareholder and the Equity Shares being offered by it through the Offer for Sale. The Selling Shareholders do not assume any responsibility for any other statement in this Draft Red Herring Prospectus, including without limitation, any and all of the statements made by or relating to the Company or its business.

All information shall be made available by our Company and the GCBRLMs and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Our Company, its Directors and officers, the Selling Shareholders and any member of the Syndicate is not liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the GCBRLMs and the BRLMs and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not offer, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the GCBRLMs and the BRLMs and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

The GCBRLMs and the BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

## Price information of past issues handled by the GCBRLMs and the BRLMs

### A. Citigroup Global Markets India Private Limited

#### 1. Price information of past issues handled by Citigroup Global Markets India Private Limited

Sr No.	Issue Name	Issue Size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 <sup>th</sup> calendar day from listing day	Benchmark index as on 10 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 20 <sup>th</sup> calendar day from listing day	Benchmark index as on 20 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 30 <sup>th</sup> calendar day from listing day	Benchmark index as on 30 <sup>th</sup> calendar days from listing day (Closing)
1.	Just Dial Limited (3)	9,191.41	530.00	June 5, 2013	590.00	611.45	15.37%	19,568.22	629.30	19,177.93	625.45	18,629.15	655.80	19,495.82
2.	UFO Moviez India Limited	6,000.00	625.00	May 14, 2015	600.00	598.80	(-) 4.19%	27,206.06	600.15	27,957.50	562.75	27,188.38	553.25	26,425.30

Source: [www.bseindia.com](http://www.bseindia.com), Citi

#### Notes:

- The Benchmark index is BSE Sensex.
- In case 10th/20th/30th day is not a trading day, closing price on the BSE of a trading day immediately prior to the 10th/20th/30th day, is considered.
- A discount of INR 47 per Equity Share was offered to Retail Individual Bidders in the IPO.

#### 2. Summary statement of price information of past issues handled by Citigroup Global Markets India Private Limited

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing day			No. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015 – 2016	1	6,000.00	-	-	1	-	-	-	NA	NA	NA	NA	NA	NA
2014 – 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013 – 2014	1	9,191.41	-	-	-	-	-	1	-	-	-	-	-	1

Notes: In the event that any day falls on a holiday, the price/ index of the previous trading day has been considered. The information for each of the financial years is based on issues listed during such financial year.

## B. J.P. Morgan India Private Limited

### 1. Price information of past issues handled by J.P. Morgan India Private Limited

Sr No.	Issue Name	Issue Size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 <sup>th</sup> calendar day from listing day	Benchmark index as on 10 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 20 <sup>th</sup> calendar day from listing day	Benchmark index as on 20 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 30 <sup>th</sup> calendar day from listing day	Benchmark index as on 30 <sup>th</sup> calendar days from listing day (Closing)
	Bharti Infratel Limited <sup>1</sup>	41,727.6	220.00	28-Dec-12	200.00	191.65	-12.89%	5,908.35	207.4	5,988.4	204.95	6,039.20	210.30	6,074.80

Source: www.nseindia.com

<sup>1</sup> Price for retail individual investors was ₹210.00 per equity share and for anchor investors was ₹230.00

Notes:

a. The S&P CNX NIFTY is considered as the Benchmark Index.

b. Price on NSE is considered for all of the above calculations.

In case 10th/20th/30th day is not a trading day, closing price on NSE of the next trading day has been considered.

### 2. Summary statement of price information of past issues handled by J.P. Morgan India Private Limited

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing day			No. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012-2013	1	41,727.6	-	-	1	-	-	-	-	-	1	-	-	-

Note: In the event that any day falls on a holiday, the price/ index of the next trading day has been considered.

The information for each of the financial years is based on issues listed during such financial year.



### C. Morgan Stanley India Company Private Limited

#### 1. Price information of past issues handled by Morgan Stanley India Company Private Limited

Sr No.	Issue Name	Issue Size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 <sup>th</sup> calendar day from listing day	Benchmark index as on 10 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 20 <sup>th</sup> calendar day from listing day	Benchmark index as on 20 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 30 <sup>th</sup> calendar day from listing day	Benchmark index as on 30 <sup>th</sup> calendar days from listing day (Closing)
1.	Just Dial Limited. <sup>(3)</sup>	9,191.41	530.00	5-Jun-13	590.00	611.45	15.37%	19,568.22	629.30	19,177.93	625.45	18,629.15	655.80	19,495.82

Notes:

1. Benchmark index is BSE Sensex.
2. In case 10th/ 20th/ 30th day is not a trading day, closing price on the BSE of a trading day immediately prior to the 10th/ 20th/ 30th day, is considered.
3. A discount of ₹47 per Equity Share was offered to Retail Individual Bidders in the IPO.

#### 2. Summary statement of price information of past issues handled by Morgan Stanley India Company Private Limited

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing day			No. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013-14	1	9,191.41	-	-	-	-	-	1	-	-	-	-	-	1
2012-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-

### D. Barclays Bank PLC

#### 1. Price information of past issues handled by Barclays Bank PLC

Barclays Bank PLC has not handled any initial public offerings of equity shares in the current financial year and two financial years preceding the current financial year.

## E. Kotak Mahindra Capital Company Limited

### 1. Price information of past issues handled by Kotak Mahindra Capital Company Limited

Sr. No.	Issue Name	Issue Size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 <sup>th</sup> calendar day from listing day	Benchmark index as on 10 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 20 <sup>th</sup> calendar day from listing day	Benchmark index as on 20 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 30 <sup>th</sup> calendar day from listing day	Benchmark index as on 30 <sup>th</sup> calendar days from listing day (Closing)
1.	Adlabs Entertainment Limited(1)	3,745.94	180.00	April 6, 2015	162.20	192.65	7.03%	8,659.90	175.90	8,750.20	144.45	8,305.25	146.95	8,324.80
2.	Ortel Communications Limited	1,736.49	181.00	March 19, 2015	160.05	162.25	-10.36%	8,634.65	147.50	8,492.30	156.00	8,660.30	174.35	8,606.00
3.	Bharti Infratel Limited	41,727.6	220.00 (2)	December 28, 2012	200.00	191.65	-12.89%	5,908.35	207.4	5,988.4	204.95	6,039.20	210.30	6,074.80

Source: www.nseindia.com

1. In Adlabs Entertainment Limited, the issue price to retail individual investor was ₹ 168 per equity share after a discount of ₹ 12 per equity share. The Anchor Investor Issue price was ₹ 221 per equity share.
2. Price for retail individual bidder was ₹ 210.00 per equity share and for anchor investors was ₹ 230.00
3. In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.

### 2. Summary statement of price information of past issues handled by Kotak Mahindra Capital Company Limited

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing day			No. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2015 – June 21, 2015	1	3,745.94	-	-	-	-	-	1	-	-	1	-	-	-
2014 – 2015	1	1,736.49	-	-	1	-	-	-	-	-	1	-	-	-
2013 – 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012-2013	1	41,727.6	-	-	1	-	-	-	-	-	1	-	-	-

NA: Not available

## F. UBS Securities India Private Limited

### 1. Price information of past issues handled by UBS Securities India Private Limited

Sr No.	Issue Name	Issue Size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 <sup>th</sup> calendar day from listing day	Benchmark index as on 10 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 20 <sup>th</sup> calendar day from listing day	Benchmark index as on 20 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 30 <sup>th</sup> calendar day from listing day	Benchmark index as on 30 <sup>th</sup> calendar days from listing day (Closing)
1.	Bharti Infratel Limited	41,727.6	220.00 <sup>1</sup>	December 28, 2012	200.00	191.65	-12.89%	5908.35	207.4	5988.4	204.95	6039.2	210.30	6074.8

Source: www.nseindia.com

1. Price for retail individual bidder was ₹ 210.00 per equity share and for anchor investors was ₹ 230.00

#### Notes:

a. The S&P CNX NIFTY is considered as the Benchmark Index.

b. Price on NSE is considered for all of the above calculations.

c. In case 10th/ 20th/ 30th day is not a trading day, closing price on NSE of the next trading day has been considered.

### 2. Summary statement of price information of past issues handled by UBS Securities India Private Limited

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing day			No. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012-2013	1	41,727.6	0	0	1	0	0	0	0	0	1	0	0	0

### 1. Track record of past issues handled by the GCBRLMs and BRLMs

For details regarding the track record of the GCBRLMs and the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please see the websites of the GCBRLMs and the BRLMs, as set forth in the table below:

Sr. No.	Name of the GCBRLMs and BRLMs, as applicable	Website
1.	Citigroup Global Markets India Private Limited	<a href="http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm">http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm</a>
2.	J.P. Morgan India Private Limited	<a href="http://www.jpimipl.com">http://www.jpimipl.com</a>
3.	Morgan Stanley India Company Private Limited	<a href="http://www.morganstanley.com/about-us/global-offices/india">http://www.morganstanley.com/about-us/global-offices/india</a>
4.	Barclays Bank PLC	<a href="http://www.barclays.in/investment-banking/index.html">http://www.barclays.in/investment-banking/index.html</a>
5.	Kotak Mahindra Capital Company Limited	<a href="http://www.investmentbank.kotak.com">http://www.investmentbank.kotak.com</a>
6.	UBS Securities India Private Limited	<a href="http://www.ubs.com/indianoffers">http://www.ubs.com/indianoffers</a>

## **Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, Hindu Undivided Families, other companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs and FPIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

This Draft Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with SEBI and SEBI has issued its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company and the Selling Shareholders and their respective affiliates from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

## **IMPORTANT INFORMATION FOR INVESTORS – ELIGIBILITY AND TRANSFER RESTRICTIONS**

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the Securities Act.

***Equity Shares Offered and Sold within the United States***

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company and the Managers that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;
- (4) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;
- (6) the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;
- (7) the purchaser will not deposit or cause to be deposited such Equity Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act;
- (8) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the United States with respect to the Equity Shares;
- (9) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES

ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

- (10) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
- (11) the purchaser acknowledges that the Company, the Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

***All Other Equity Shares Offered and Sold in this Offer***

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with the Company and the Managers that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (3) the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;
- (4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;
- (5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

(7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the United States with respect to the Equity Shares;

(8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(9) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(10) the purchaser acknowledges that the Company, the Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

In relation to each EEA State that has implemented the Prospectus Directive (Directive 2003/71/EC) (each, a “**Relevant Member State**”), an offer to the public of any Equity Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors), subject to obtaining the prior consent of the Underwriters; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Equity Shares shall result in a requirement for the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Draft Red Herring Prospectus will be deemed to have represented, warranted and agreed to with the Underwriter and the Company that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of to the public” in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.



In the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the Issue have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public in a Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, other than their offer or resale to qualified investors or in circumstances in which the prior consent of the Underwriters has been obtained to each such proposed offer or resale.

The Company, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

#### **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

#### **Disclaimer Clause of the NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

#### **Filing**

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC at National Capital Territory of Delhi and Haryana and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the RoC at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 079.

#### **Listing**

The Equity Shares issued through this Draft Red Herring Prospectus and proposed to be listed on the BSE and the NSE. Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days from the Bid/ Issue Closing Date. Further, the Selling Shareholders shall provide reasonable support and extend reasonable co-operation as required or requested by the Company to facilitate this process.

#### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of Section 38(1) of the Companies Act, 2013 which is reproduced below:

*“Any person who—*

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Consents**

Consents in writing of: (a) Selling Shareholders, (b) our Directors, our Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, legal advisors, Banker/Lenders to our Company and (c) the GCBRLMs and the BRLMs and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Section 26 and 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Consents in writing of the Syndicate Members, the Escrow Collection Banks, and the Refunds Bank(s) shall be obtained prior to filing of the Red Herring Prospectus with RoC and will be filed along with a copy of the Red Herring Prospectus with RoC for registration, as required under Section 26 and 32 of the Companies Act, 2013.

In accordance with the Companies Act, 2013 and the ICDR Regulations, our Statutory Auditors, B S R & Co. LLP, Chartered Accountants, have given their written consent for inclusion of their report dated June 28, 2015 on the restated financial statements of our Company and the statement of tax benefits dated June 28, 2015 in the form and context, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

We have also obtained written consent from S-A-P Group LLC and Center for Asia Pacific Aviation India Private Limited for the inclusion of their reports titled, “SAP Report” and “CAPA Report”, respectively in this Draft Red Herring Prospectus, and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **Expert Opinion**

Our Company has received written consent from its Auditor, namely, B S R & Co. LLP, Chartered Accountants, to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the report of the auditor on the restated financial statements, dated June 28, 2015 and the statement of tax benefits dated June 28, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. The term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

### **Issue Expenses**

The expenses of this Issue include, among others, underwriting and management fees, selling commissions, printing and distribution costs, legal fees, statutory advertisement expenses, registrar and depository fees, and filing and listing fees. For further details of Issue expenses, please see the chapter “*Objects of the Issue*” beginning on page 110.

The total expenses of the Issue are estimated to be approximately ₹ [•] million. Expenses in relation to the Issue will be borne by our Company and each of the Selling Shareholders in proportion to the Equity Shares contributed to the Issue respectively, provided that listing fees, auditor’s fees, expenses relating to the legal counsels to the Company and the BRLMs will be borne solely by the Company and expenses relating to the

legal counsel to the Selling Shareholders will be borne by the respective Selling Shareholder.

#### **Fees Payable to the Syndicate**

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the fee letter dated June 30, 2015, a copy of which is available for inspection at the Registered Office.

#### **Commission payable to the Registered Brokers**

For details of the commission payable to the Registered Brokers, please see the chapter “*Objects of the Issue*” beginning on page 110.

#### **Fees Payable to the Registrar to the Issue**

The fees payable by our Company and the Selling Shareholders to the Registrar to the Issue for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated June 27, 2015 entered into, between our Company, the Selling Shareholders and the Registrar to the Issue.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment Advice by registered post/speed post/under certificate of posting.

The Selling Shareholders will reimburse our Company a part of the expenses incurred in proportion to the number of Equity Shares offered by them in the Offer for Sale.

#### **Underwriting commission, brokerage and selling commission on Previous Issues**

Since this is an initial public offering of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any Equity Shares since inception of our Company.

#### **Particulars regarding public or rights issues by our Company during the last five years**

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

#### **Previous issues of Equity Shares otherwise than for cash**

Except as disclosed in the chapter “*Capital Structure*” beginning on page 86, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **Commission and Brokerage paid on previous issues of the Equity Shares**

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s inception.

#### **Previous capital issue during the previous three years by listed Group Companies, Subsidiaries and associates of our Company**

Neither our Company nor our Group Entities or associate companies, have made any public issue (including any rights issue to the public) in the last three years. For further details please see the chapter “*Capital Structure*” beginning on page 86.

#### **Performance vis-à-vis objects – Public/ rights issue of our Company and associates of our Company**

There has been no public issue by our Company or our Group Entities.

### **Outstanding Debentures or Bonds**

Except as disclosed in the chapter “*Capital Structure*” beginning on page 86, our Company does not have any outstanding debentures or bonds as of the date of this Draft Red Herring Prospectus.

### **Outstanding Preference Shares**

Our Company does not have any outstanding preference shares as on date of this Draft Red Herring Prospectus.

### **Partly Paid-up Shares**

The Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

### **Stock Market Data of Equity Shares**

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

### **Mechanism for Redressal of Investor Grievances**

The agreement between the Registrar to the Issue, and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Investors may contact the GCBRLMs and the BRLMs for any complaint pertaining to the Issue. All grievances relating to the non-ASBA process must be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid cum Application Form number, Bidders’ DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Syndicate Member or the Registered Broker where the Bid was submitted and cheque or draft number and issuing bank thereof.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations or the Registered Banker with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Broker at the Broker Centre where the Bid-cum-Application Form was submitted by the ASBA Bidder.

Further, with respect to the Bid-cum-Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/ information mentioned hereinabove.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders Relationship Committee comprising Ms. Rohini Bhatia and Mr. Aditya Ghosh as members. For details, please see the chapter “*Our Management*” beginning on page 206.

Our Company has also appointed Mr. Suresh Kumar Bhutani, the Company Secretary, as the Compliance Officer for the Issue and he may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

**InterGlobe Aviation Limited**  
Level 4, Tower D, Global Business Park,  
M.G. Road, Gurgaon,  
Haryana – 122 002

Tel: +91 124 485 2158  
Fax: +91 124 426 8664  
E-mail: investors@goindigo.in

### **Changes in Auditors**

There has been no change in the Statutory Auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

### **Capitalisation of Reserves or Profits**

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in the chapter "*Capital Structure*" beginning on page 86.

### **Revaluation of Assets**

Our Company has not re-valued its assets in the last five years.

## ISSUE INFORMATION

### ISSUE STRUCTURE

Public Issue of [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating ₹ [●] million, through the Book Building Process. The Issue consists of a Fresh Issue of [●] Equity Share aggregating up to ₹ 12,722 million and an Offer for Sale of up to 30,146,000 Equity Shares aggregating up to ₹ [●] million. The Issue consists of a Net Issue of [●] Equity Shares to the public and an Employee Reservation Portion of up to [●] Equity Shares for subscription by Eligible Employees on a competitive basis.

The Issue will constitute [●] % of the total post issue paid-up equity capital of our Company and the Net Issue will constitute [●] % of the total post issue paid-up equity capital of our Company. The Issue is being made through the Book Building Process:

Particulars	Eligible Employees	Qualified Institutional Bidders**	Non-Institutional Bidders	Retail Individual Investors
Number of Equity Shares available for allocation*	[●] Equity Shares.	[●] Equity Shares or Net Issue less allocation to Non-Institutional Investors and Retail Individual Investors.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIBs and Retail Individual Investors.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIBs and Non-Institutional Investors.
Percentage of the Issue size available for allocation	Approximately [●] % of the Issue. The Employee Reservation Portion comprises approximately [●] % of our Company's post-Issue paid-up Equity Share capital.	50% of the Net Issue shall be available for allocation to QIBs.  However, 5% of the QIB Category (excluding Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% Mutual Fund Portion will also be eligible for allocation in the remaining QIB Category.	Not less than 15% of the Net Issue or Issue less allocation to QIBs and Retail Individual Investors shall be available for allocation.	Not less than 35% of the Net Issue or the Issue less allocation to QIBs and Non-Institutional Investors shall be available for allocation.
Basis of Allotment/allocation, if respective category is oversubscribed	Proportionate.	Proportionate as follows:  (a) [●] Equity Shares, shall be available for allocation on a proportionate basis to Mutual Funds;  (b) [●] Equity Shares shall be allotted on a proportionate basis to	Proportionate.	Not less than the minimum Bid Lot (subject to availability of Equity Shares in the Retail Category), and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. For more details

Particulars	Eligible Employees	Qualified Institutional Bidders**	Non-Institutional Bidders	Retail Individual Investors
		all QIBs including Mutual Funds receiving allocation as per (a) above.		please see the chapter “Issue Procedure” beginning on page 463.
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares in multiples of [●] Equity Shares, such that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares in multiples of [●] Equity Shares, such that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares in multiples of [●] so as to ensure that the Payment Amount does not exceed ₹ 200,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Issue size, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Issue size, subject to applicable limits.	Such number of Equity Shares in multiples of [●] so as to ensure that the payment amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share.	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Category.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply ***	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs other than Category III FPIs, FVCIs, VCFs, AIFs, multilateral/bilateral development financial institutions, state industrial development	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, Category III FPIs.	Resident Indian individuals (including HUFs in the name of the Karta) and Eligible NRIs who are individuals applying for Equity Shares such that the Bid Amount does not exceed ₹ 200,000 in value.

Particulars	Eligible Employees	Qualified Institutional Bidders**	Non-Institutional Bidders	Retail Individual Investors
		<p>corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.</p>		
Terms of Payment	<p>The entire Bid Amount will be payable at the time of submission of the Bid-cum-Application Form to the Syndicate or the Designated Branch or the member of the Syndicate at the Specified Location or the Registered Broker at the Broker Centre, as the case may be. In case of ASBA Bidders, the SCSBs will be authorized to block funds equivalent to the Bid Amount in the relevant ASBA Account as detailed in the Bid-cum-Application Form.</p>	<p>The entire Bid Amount will be payable at the time of submission of the Bid-cum-Application Form to the Designated Branch or the member of the Syndicate at the Specified Location or the Registered Broker at the Broker Centre, as the case may be. The SCSBs will be authorized to block funds equivalent to the Bid Amount in the relevant ASBA Account as detailed in the Bid-cum-Application Form.</p>	<p>The entire Bid Amount will be payable at the time of submission of the Bid-cum-Application Form to the Designated Branch or the member of the Syndicate at the Specified Location or the Registered Broker at the Broker Centre, as the case may be. The SCSBs will be authorized to block funds equivalent to the Bid Amount in the relevant ASBA Account as detailed in the Bid-cum-Application Form.</p>	<p>The entire Bid Amount will be payable at the time of submission of the Bid-cum-Application Form to the Syndicate or the Designated Branch or the member of the Syndicate at the Specified Location or the Registered Broker at the Broker Centre, as the case may be. In case of ASBA Bidders, the SCSBs will be authorized to block funds equivalent to the Bid Amount in the relevant ASBA Account as detailed in the Bid-cum-Application Form.</p>

\* Subject to valid Bids being received at or above the Issue Price, the Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation to QIBs on a proportionate



basis. 5% of the QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allotment on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Issue Price. Mutual Funds participating in the 5% reservation in the QIB Category will also be eligible for allocation in the remaining QIB Category. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories (including the Employee Reservation Portion), as applicable, on a proportionate basis, subject to applicable law. Our Company and the Selling Shareholders may (in consultation with the GCBRLMs and BRLMs) offer an Employee Reservation Portion in accordance with the ICDR Regulations. The details of Employee Reservation Portion (if any) shall be disclosed in the Red Herring Prospectus prior to filing it with the RoC.

- \*\* Our Company may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100.00 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100.00 million but up to ₹2,500.00 million, subject to a minimum Allotment of ₹50.00 million per Anchor Investor, and (iii) minimum of five and maximum of 25 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹2,500.00 million, subject to a minimum Allotment of ₹50.00 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100.00 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above Anchor Investor Issue Price.

The QIB Category includes Anchor Investor Portion, as per the ICDR Regulations. Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any difference between the Anchor Investor Allocation Price and Anchor Investor Issue Price shall be payable by Anchor Investor Pay-in Date.

- \*\*\* In case of joint Bids, the Bid-cum-Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid-cum-Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

Bidders will be required to confirm and will be deemed to have represented to our Company, the GCBRLMs, the BRLMs their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.

SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

### **Withdrawal of the Issue**

Our Company and the Selling Shareholders, in consultation with the GCBRLMs and the BRLMs, reserve the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment. In such an event, our Company shall issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The GCBRLMs and the BRLMs, through the Registrar to the Issue, shall instruct the SCSBs to unblock the ASBA Accounts within one Working Day of receipt of such notification. Our Company shall also promptly inform the Stock Exchanges on which the Equity Shares were proposed to be listed.

If our Company and the Selling Shareholders withdraw the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with an issue of our Company's Equity Shares or offer for sale by existing shareholders, our Company shall file a fresh draft red herring prospectus with SEBI and/or the Stock Exchanges, as the case may be.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within 12 Working Days of the Bid/Issue Closing Date, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
<b>Bid/Issue Programme</b>	
<b>BID/ISSUE OPENS ON</b>	[●]*
<b>BID/ISSUE CLOSES ON</b>	[●]**
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds/un-blocking of ASBA Accounts	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

*\*Our Company and Selling Shareholders may consider participation by Anchor Investors. The Anchor Investors shall Bid on the Anchor Investor Bidding Date i.e. one Working Day prior to the Bid/Issue Opening Date.*

*\*\*Our Company and Selling Shareholder smay, in consultation with the GCBRLMs and the BRLMs, consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the ICDR Regulations.*

**The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the GCBRLMs or the BRLMs. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company and the Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders shall extend reasonable co-operation required in order to facilitate their proportion of the Equity Shares offered as part of the Offer for Sale.**

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding Centres mentioned in the Bid-cum-Application Form or, in case of Bids submitted through ASBA, at the Designated Branches (a list of such branches is available at the website of the SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) or with the members of the Syndicate at the Specified Locations or with the Registered Brokers at the Broker Centres (a list of such Broker Centres is available at the websites of the Stock Exchanges), as the case may be. **Except in case where the Bidding by the QIBs is closed one day prior to the Bid/Issue Closing Date, on the Bid/Issue Closing Date, Bids (excluding ASBA Bidders) shall be accepted until 3.00 p.m.** and uploaded

- i. up to 5.00 p.m. or such extended time as permitted by the Stock Exchanges in case of Bids by Retail Individual Investors; and
- ii. up to 4.00 p.m. for Bids by QIBs and Non-Institutional Investors.

It is clarified that Bids not uploaded in the book would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the BSE and NSE.

QIBs and Non-Institutional Investors shall neither withdraw nor revise their Bids so as to lower the size of their Bid at any stage after they have Bid for the Issue. QIBs and Non-Institutional Investors may revise their Bids upwards (in terms of quantity of Equity Shares or the Bid Amount) during the Bid/Issue Period. Such upward revision must be made using the Revision Form. Retail Individual Investors may either withdraw or revise their Bids until finalisation of the Allotment.

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Investors after taking into account the total number of Bids received and as reported by the GCBRLMs and the BRLMs to the Stock Exchanges.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Draft Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Working Days. Neither our Company, the Selling Shareholders, the members of the Syndicate, the SCSBs or the Registered Brokers will be liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Bids will be accepted only on Working Days.

Revisions, if any, in the Price Band, will be determined by our Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs and will be determined during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price as disclosed at least one Working Day prior to the Bid/Issue Opening Date and the Cap Price will be revised accordingly.

**In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after revision of Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the website of the members of the Syndicate and by intimation to SCSBs and the Registered Brokers.**

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid-cum-Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

## TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/ or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

### Ranking of the Equity Shares

The Equity Shares being issued and transferred shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see the chapter “*Main Provisions of Articles of Association*” beginning on page 517.

### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the shareholders in accordance with the provisions of Companies Act, the Memorandum of Association and Articles of Association and provisions of the Listing Agreements to be entered into with the Stock Exchanges. In relation to the Offer for Sale, the dividend for the entire year shall be payable to the transferee. Any dividends declared, after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale) in this Offer, will be received by the Allottees. For further details please see the chapter “*Dividend Policy*” beginning on page 252.

### Face Value and Issue Price

The face value of each Equity Share is ₹ 10 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs and advertised in all editions of the English national newspaper, Financial Express and all editions of the Hindi national newspaper, Jansatta, each with wide circulation, with Hindi being the regional language of Delhi where the Registered Office is located at least five Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

### Discount to Eligible Employees

Our Company and the Selling Shareholders, in consultation with the GCBRLMs and the BRLMs, may offer a discount of up to 10% on the Issue Price to Eligible Employees, which shall be announced at least five Working Days prior to the Issue Opening Date.

### Compliance with ICDR Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreements with the Stock Exchanges and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see the chapter “*Main Provisions of Articles of Association*” beginning on page 517.

## **Market Lot and Trading Lot**

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated November 16, 2010 among NSDL, our Company and the Registrar to the Issue;
- Agreement dated November 19, 2010 among CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

## **Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in New Delhi.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

### **Minimum Subscription**

The Issuer is required to receive a minimum subscription of 90% of the Issue. If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) a subscription in the Issue equivalent to the minimum number of securities as specified under Rule 19(2)(b)(ii) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received, but not later than 70 days from the Bid/Issue Closing Date. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the ICDR Regulations and applicable law.

Further, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays etc. for the Equity Shares being offered in the Issue will be reimbursed by the Selling Shareholders to our Company in proportion to the respective Equity Shares being offered for sale by the Selling Shareholders in the Issue.

Subject to applicable laws, a Selling Shareholder shall not be responsible to pay interest for any delay, unless such delay has been on account of such Selling Shareholder.

### **Arrangements for Disposal of Odd Lots**

The Equity Shares will be traded in dematerialized form only and therefore the marketable lot is one Equity Share. Hence, there is no possibility of any odd lot.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution and the

Anchor Investor lock-in as provided in the chapter “*Capital Structure*” beginning on page 86 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please see the chapter “*Main Provisions of the Articles of Association*” beginning on page 517.

**Option to Receive Securities in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

## ISSUE PROCEDURE

All Bidders should review the 'General Information Document for Investing in Public Issues' prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document") included below under sub-section titled "Part B- General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 ("FPI Regulations") and Companies Act, 2013 (to the extent notified and in effect), insofar as applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the GCBRLMs and BRLMs. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Please note that QIBs (other than Anchor Investors) and Non-Institutional Investors ("NIIs") can participate in the Issue only through the ASBA process. Retail Individual Investors ("RII") can participate in the Issue through the ASBA process as well as the non-ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to non-ASBA Bidders. However, there is a common Bid-cum-Application Form for ASBA Bidders (submitted to SCSBs or to the Syndicate at the Specified Cities or to the Registered Brokers at the Broker Centres) as well as for non-ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process.

ASBA Bidders may submit ASBA Bids to a Designated Branch (a list of such branches is available on the website of the SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)) or to the Syndicate at the Specified Cities or to the Registered Brokers at the Broker Centres. Non-ASBA Bidders are required to submit Bids to the Syndicate, only on a Bid-cum-Application Form bearing the stamp of a member of the Syndicate or the Registered Broker. ASBA Bidders are advised not to submit Bid-cum-Application Forms to Escrow Collection Banks, unless such Escrow Collection Banks are also SCSBs.

All Bidders are required to pay the full Bid Amount or, in case of ASBA Bids, ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. SEBI by its circular (CIR/CFD/DIL/1/2011) dated April 29, 2011 ("2011 Circular") has made it mandatory for QIBs (other than Anchor Investors) and Non Institutional Investors to make use of the facility of ASBA for making applications for public issues. Further, the 2011 Circular also provides a mechanism to enable the Syndicate and sub-Syndicate Members to procure Bid-cum-Application Forms submitted under the ASBA process from prospective Bidders. SEBI by its circular (CIR/CFD/14/2012) dated October 4, 2012 ("2012 Circular"), has introduced an additional mechanism for prospective Bidders to submit Bid-cum-Application Forms (ASBA and non-ASBA applications) using the stock broker network of Stock Exchanges, who may not be Syndicate Members in the Issue. Further, SEBI by its circular (CIR/CFD/DIL/4/2013) dated January 23, 2013 ("2013 Circular"), in partial modification of the 2011 Circular, has mandated that in order to facilitate Syndicate/sub-syndicate/non-syndicate members to accept Bid-cum-Application Forms from prospective ASBA Bidders in the locations, all the SCSBs having a branch in the location of Broker Centres, notified in terms of the 2012 Circular are required to name at least one branch before March 1, 2013, where Syndicate/sub-syndicate/ non-syndicate members can submit such Bid-cum-Application Forms.

## PART A

### Book Building Procedure

The Issue is being made through the Book Building Process wherein 50% of the Issue shall be available for allocation on a proportionate basis to QIBs. Our Company may, in consultation with the GCBRLMs and BRLMs, allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only.



In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Category (excluding Anchor Investor Portion). Such number of Equity Shares representing 5% of the QIB Category (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Category (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Category (excluding Anchor Investor Portion), the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining of the QIB Category (excluding Anchor Investor Portion) for proportionate allocation to QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. [●] Equity Shares aggregating up to ₹ [●] million shall be made available for allocation on a proportionate basis to the Eligible Employees bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Issue Price.

In the event of under-subscription in the Retail Category or the Non-Institutional Category in the Issue, the unsubscribed portion would be allowed to be met with spill over from over subscription from any other category or a combination of categories (including the Employee Reservation Portion), at the sole discretion of our Company, in consultation with the GCBRLMs and the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in any category, except the QIB category, would be allowed to be met with spill-over from other categories or a combination of categories.

In case of QIBs (other than Anchor Investors) Bidding through the ASBA process, the GCBRLMs and the BRLMs and the members of the Syndicate, may reject Bids at the time of acceptance of the Bid-cum-Application Form, provided that the reasons for such rejection shall be disclosed to such Bidder in writing. Further, Bids from QIBs can also be rejected on technical grounds. In case of NIIs and RIIs, our Company has a right to reject Bids based on technical grounds only.

However, our Company, in consultation with the GCBRLMs and the BRLMs, reserves the right to reject any Bid received from Anchor Investors without assigning any reason.

Bidders can Bid at any price within the Price Band. The Price Band and the Bid Lot for the Issue will be decided by our Company, in consultation with the GCBRLMs and the BRLMs, and advertised in one English national daily newspaper with wide circulation and one Hindi national daily newspaper with wide circulation which shall also serve as the regional language newspaper, with Hindi being the regional language of Delhi where the Registered Office is located, at least five Working Days prior to the Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and the Cap Price. Such information shall also be disclosed to the Stock Exchanges for dissemination.

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid-cum-Application Forms which do not have the details of the Bidders depository account, including DP ID, Client ID and PAN (other than Bids made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) are liable to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. On Allotment, the Equity Shares will be traded only on the dematerialized segment of the Stock Exchanges.**

Bidders are required to ensure that the PAN (of the sole/first Bidder) provided in the Bid-cum-Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Bids, the Bid-cum-Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid-cum-Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

### **Bid-cum-Application Form**

Please note that there is a common Bid-cum-Application Form for ASBA Bidders and non-ASBA Bidders. Copies of the Bid-cum-Application Form and the abridged prospectus will be available at the offices of the GCBRLMs and the BRLMs, the Syndicate Members, the Registered Brokers, the SCSBs and the Registered Office of our Company. An electronic copy of the Bid-cum-Application Form will also be available on the websites of the SCSBs, the NSE ([www.nseindia.com](http://www.nseindia.com)) and the BSE ([www.bseindia.com](http://www.bseindia.com)) and the terminals of

the Registered Brokers. Physical Bid-cum-Application Forms for Anchor Investors shall be made available at the offices of the GCBRLMs and the BRLMs.

QIBs (other than Anchor Investors) and Non-Institutional Bidders shall mandatorily participate in the Issue only through the ASBA process. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can participate in the Issue through the ASBA process as well as the non-ASBA process.

Anchor Investors are not permitted to participate in the Issue through the ASBA process

ASBA Bidders must provide bank account details in the relevant space provided in the Bid-cum-Application Form and the Bid-cum-Application Form that does not contain such details are liable to be rejected. In relation to non-ASBA Bidders, the bank account details shall be available from the depository account on the basis of the DP ID, Client ID and PAN provided by the non-ASBA Bidders in their Bid-cum-Application Form.

Bidders shall ensure that the Bids are made on Bid-cum-Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding centres only (except in case of electronic Bid-cum-Application Forms) and the Bid-cum-Application Forms not bearing such specified stamp are liable to be rejected.

ASBA Bidders can submit their Bids by submitting Bid-cum-Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained, or in physical form to the Syndicate, the sub-Syndicate or the Non-Syndicate Registered Brokers.

The prescribed colour of the Bid-cum-Application Form for various categories of Bidders is as follows:

Category	Colour of Bid-cum-Application Form *
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA and non-ASBA) **	White
Non-Residents including Eligible NRIs, FVCIs and FIIs and FPIs applying on a repatriation basis (ASBA and non ASBA) **	Blue
Anchor Investors ***	White
Eligible Employees bidding in the Employee Reservation Portion	Pink

\* *Excluding electronic Bid-cum-Application Forms.*

\*\* *Same Bid-cum-Application Form applies to all ASBA Bids irrespective of whether they are submitted to the SCSBs, to the Non Syndicate Registered Brokers, or to the Syndicate (in Specified Cities).*

\*\*\* *Bid-cum-Application Forms for Anchor Investors shall be available at the offices of the GCBRLMs and the BRLMs.*

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **Who can Bid?**

In addition to the category of Bidders set forth in the sub-section titled “Part B – General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue” on page 482

of this Draft Red Herring Prospectus, the following persons are also eligible to invest in the Equity Shares under the applicable laws, regulations and guidelines:

- Mutual Funds registered with SEBI;
- VCFs and AIFs registered with SEBI;
- FVCIs registered with SEBI;
- State Industrial Development Corporations;
- Scientific and/or industrial research organisations in India, authorised to invest in equity shares;
- Insurance companies registered with IRDA;
- Provident funds and pension funds with a minimum corpus of ₹ 250 million and who are authorised under their constitutional documents to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Insurance funds set up and managed by the army, navy or air force of the Union of India or by the Department of Posts, India;
- Multilateral and bilateral development financial institutions;
- FPI registered with SEBI, provided that any QFI or FII who holds a valid certificate or registration shall be deemed to be on FPI until the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulation, 1995;
- Public financial institutions as defined under Section 2(72) of the Companies Act, 2013;
- Scheduled Commercial Banks; and
- Eligible Employees bidding in the Employee Reservation Portion;
- Any other person eligible to Bid in the Issue under applicable laws.

#### **Participation by associates and affiliates of the GCBRLMs, the BRLMs and the Syndicate Members**

The GCBRLMs and BRLMs and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the GCBRLMs and the BRLMs and the Syndicate Members may subscribe to or purchase Equity Shares in the Issue, in the QIB Portion or in Non-Institutional Category as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of bidders, including associates or affiliates of the GCBRLMs and the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The GCBRLMs and the BRLMs and any other persons related to the GCBRLMs and the BRLMs, the Promoter, the Promoter Group cannot apply in the Issue under the Anchor Investor Portion except mutual funds sponsored by entities related to GCBRLMs and the BRLMs.

#### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid-cum-Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid in whole or in part without assigning any reason thereof. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the concerned scheme registered with SEBI for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by asset management companies or custodians of Mutual Funds should clearly indicate the name of the concerned scheme for which the Bid is submitted.

### **Bids by Eligible NRIs**

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs applying on a non-repatriation basis should make payments by inward remittance in foreign exchange through normal banking channels or out of funds held in Non-Resident External (“NRE”) accounts or Foreign Currency Non-Resident (“FCNR”) accounts, or out of a Non-Resident Ordinary (“NRO”) account, or Non-Resident (Special) Rupee/Non-Resident Non-Repatriable Term Deposit accounts. NRIs bidding on non-repatriation basis are advised to use the Bid-cum-Application Form for residents (white in colour). Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

Eligible NRIs intending to make payment through freely convertible foreign exchange and Bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their NRE or FCNR accounts, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid-cum-Application Form meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder Bidding on a repatriation basis will not be accepted out of NRO account.

Non-ASBA Bids by Eligible NRIs shall be submitted only in the locations specified in the Bid-cum-Application Form.

### **Bids by FIIs (including FPIs and QFIs)**

On January 7, 2014, the SEBI notified the FPI Regulations pursuant to which the existing classes of portfolio investors namely, ‘foreign institutional investors’ and ‘qualified foreign investors’ will be subsumed under a new category namely, ‘foreign portfolio investors’ or ‘FPIs’. On March 13, 2014, the RBI amended the FEMA Regulations and specified conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the FPI Regulations, any FII which holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the FPI Regulations, participate in the Issue, until the expiry of its registration with the SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. An FII shall not be eligible to invest as an FII after registering as an FPI under the FPI Regulations. Further, a QFI which has not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Accordingly, QFIs which have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in the Issue.

In terms of the FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of the total issued capital of our Company. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up total issued share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up total issued share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the shareholders. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Further, pursuant to a circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the FPI Regulations; and (ii) do not have opaque structures, as defined under the FPI Regulations.

FPIs which wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents. FPIs are required to Bid through the ASBA process to participate in the Issue.

#### **Bids by SEBI registered VCFs, AIFs, and FVCIs**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “**SEBI VCF Regulations**”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, (the “**FVCI Regulations**”), as amended, *inter alia* prescribe the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding in any company by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to initial public offerings.

The Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A Category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one third of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

All Non-Resident Bidders including Eligible NRIs, FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the ICDR Regulations, the shareholding of VCFs, Category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft red herring prospectus with SEBI.

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid-cum-Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

#### **Bids by insurance companies**

In case of Bids made by insurance companies registered with IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid-cum-Application Form. Failing this, our Company reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers is prescribed in Regulation 9 of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (the “**IRDA Investment Regulations**”), as amended, are broadly set forth below:

- equity shares of a company: the least of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and
- the industry sector in which the investee company operates: 10% of the insurer’s total investment exposure to the industry sector (25% in case of ULIPs).

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid-cum-Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

### **Bids by Banking Companies**

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid-cum-Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason therefore.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30% of the paid up share capital of the investee company or 30% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up a subsidiary company or investing in financial services company, which requires RBI approval). The investment limit for banking companies in a non-financial services company is 10% of the paid-up share capital and reserves of the investee company and the total investment made by the investee company in all non-financial services companies cannot exceed 20% of the investee company's paid-up share capital and reserves. Further, the RBI Master Circular of July 1, 2014 sets forth prudential norms required to be followed for classification, valuation and operation of investment portfolio of banking companies.

### **Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney with the Bid-cum-Application Form, subject to such terms and conditions that our Company and the GCBRLMs and BRLMs deem fit, without assigning any reasons thereof.

### **Bids by Eligible Employees**

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Price payable by the Eligible Employee does not exceed ₹ 200,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form (*i.e.* pink colour form).

- (b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ [●]. The maximum Bid in this category by an Eligible Employee cannot exceed ₹ [●].
- (c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.
- (d) The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.
- (e) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.
- (f) Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for Allotment under this category.
- (g) Eligible Employees can apply at Cut-off Price. The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of ₹ [●].
- (h) Bid by Eligible Employees can be made also in the “Net Issue to the Public” and such Bids shall not be treated as multiple Bids.
- (i) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (j) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting [10%] of the post-Issue share capital of the Company.
- (k) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to “Basis of Allotment” on pages [●] to [●] of this Draft Red Herring Prospectus.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in one English national daily newspaper and one Hindi national daily newspaper which shall also serve as the regional language newspaper, with Hindi being the regional language of Delhi where the Registered Office is located, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date, the Bid Closing Date and the QIB Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the GCBRLMs and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulations or as specified in the Draft Red Herring Prospectus.**

#### **Information for Bidders**

In addition to the instructions provided to Bidders set forth in the sub-section titled “*Part B – General Information Document for Investing in Public Issues*” on page 479 of this Draft Red Herring Prospectus, Bidders are requested to note the following additional information in relation to the Issue.

1. Our Company shall dispatch the Red Herring Prospectus and other Issue material including Bid-cum-Application Forms, to the Designated Stock Exchange, Syndicate/sub-Syndicate, Bankers to the Issue, investors’ associations and SCSBs in advance.

2. It is not obligatory for the Non Syndicate Registered Brokers to accept the Bid-cum-Application Forms. However, upon acceptance of a Bid-cum-Application Form, it is the responsibility of the Non Syndicate Registered Brokers to comply with the obligations set out in SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, including in relation to uploading the Bids on the online system of the Stock Exchanges, depositing the cheque and sending the updated electronic schedule to the relevant branch of the Escrow Collection Bank (in case of Bids by Bidders other than ASBA Bidders) and forwarding the schedule along with the Bid-cum-Application Form to the relevant branch of the SCSB (in case of Bids by ASBA Bidders), and are liable for any failure in this regard.

In case of Bid-cum-Application Form by non ASBA Bidders, Non Syndicate Registered Brokers shall deposit the cheque, prepare electronic schedule and send it to Escrow Collection Banks. All Escrow Collection Banks, which have branches in a Non Syndicate Broker Centre, shall ensure that at least one of its branches in the Non Syndicate Broker Centre accepts cheques. Non Syndicate Registered Brokers shall deposit the cheque in any of the bank branch of the Escrow Collection Banks in the Non Syndicate Broker Centre. Non Syndicate Registered Brokers shall also update the electronic schedule (containing application details including the application amount) as downloaded from Stock Exchange platform and send it to local branch of the Escrow Collection Banks. Non Syndicate Registered Brokers shall retain all physical Bid-cum-Application Forms and send it to the Registrar to Issue after six months.

3. The Syndicate/sub-Syndicate, the SCSBs and the Non Syndicate Registered Brokers, as the case may be, will enter each Bid option into the electronic Bidding system as a separate Bid and generate a Transaction Registration Slip (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form. All accepted Bids made at the Non Syndicate Broker Centre shall be stamped and thereby acknowledged by the Non Syndicate Registered Brokers at the time of receipt, which shall form the basis of any complaint. It is the Bidder’s responsibility to obtain the TRS from the Syndicate/sub-Syndicate, the Designated Branches or Non Syndicate Registered Brokers. The registration of the Bid by the Syndicate/sub-Syndicate, the Designated Branches or Non Syndicate Registered Brokers does not guarantee that the Equity Shares shall be allocated/Allotted by our Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he/she shall surrender the earlier TRS and may request for a revised TRS from the Syndicate/sub-Syndicate, the Non-Syndicate Registered Brokers or the SCSBs as proof of his or her having revised the previous Bid.
4. In relation to electronic registration of bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the GCBRLMs and the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
5. Allocation to Non-Residents, including Eligible NRIs, FIIs, and FPIs will be subject to the applicable laws, rules, regulations, guidelines and approvals.

### **Signing of the Underwriting Agreement and the RoC Filing**

The Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price. After signing the Underwriting Agreement, the Company will file an updated Red Herring Prospectus with the RoC and, subsequently, the Prospectus. The Prospectus would have details of the Issue Price, Anchor Investor Issue Price, Issue size and underwriting arrangements and would be complete in all material respects.

### **General Instructions**

#### **Do’s:**



1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid-cum-Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of the Syndicate or Registered Broker or SCSB (except in case of electronic forms).
6. Ensure that the thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
7. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details), and completed in full, in Block Letters in English and in accordance with the instructions contained in this Red Herring Prospectus and in the Bid-cum-Application Form.
8. In relation to the ASBA Bids, ensure that your Bid-cum-Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Selling Shareholders or the Registrar to the Issue;
9. With respect to the ASBA Bids, ensure that the Bid-cum-Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid-cum-Application Form;
10. QIBs (other than Anchor Investors) and the Non-Institutional Bidders should submit their Bids through the ASBA process only;
11. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
12. Ensure that you request for and receive a TRS for all your Bid options;
13. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid-cum-Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Registered Broker (at the Broker Centres);
14. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid-cum-Application Form under non-ASBA process to the Syndicate or the Registered Brokers;
15. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;
16. Instruct your respective banks not to release the funds blocked in the ASBA Account under the ASBA process;
17. Submit revised Bids, in case of revision of Bid, to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised TRS;
18. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for

transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

19. Ensure that the Demographic Details are updated, true and correct in all respects;
20. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid-cum-Application Forms;
21. Ensure that the name(s) given in the Bid-cum-Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid-cum-Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
22. Ensure that the category and sub-category is indicated;
23. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
24. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
25. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid-cum-Application Form and entered into the electronic bidding of the Stock Exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;
26. Ensure that the entire Bid Amount is paid at the time of submission of the Bid or in relation to the ASBA Bids, ensure that you use the Bid-cum-Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/or relevant SCSB and/ or the Designated Branch and/ or the Registered Broker at the Broker Centres (except in case of electronic forms);
27. Ensure that you tick the correct investor category, as applicable, in the Bid-cum-Application Form to ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;
28. Ensure that the Bid-cum-Application Forms are delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form and the Red Herring Prospectus;
29. ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid-cum-Application Form is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid-cum-Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid-cum-Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>, updated from time to time). ASBA Bidders bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid-cum-Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid-cum-Application Forms;
30. Ensure that you have mentioned the correct ASBA Account number in the Bid-cum-Application Form;
31. Ensure that the entire Bid Amount is paid at the time of submission of the Bid or in relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the Bid-cum-Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid-cum-Application Form; and

32. In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid-cum-Application Form.

The Bid-cum-Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order or by stock invest;
5. If you are an ASBA Bidder, the payment of the Bid Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted under the ASBA process;
6. Do not send Bid-cum-Application Forms by post; instead submit the same to the Syndicate, the SCSBs or the Registered Brokers only;
7. Do not submit the Bid-cum-Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company, the Selling Shareholders or the Registrar to the Issue;
8. Do not Bid on a physical Bid-cum-Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;
9. Anchor Investors should not Bid through the ASBA process;
10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
11. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
12. Do not fill up the Bid-cum-Application Form such that the Equity Shares Bid for exceeds the Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
13. Do not submit the GIR number instead of the PAN;
14. In case you are a Bidder other than an ASBA Bidder, do not submit the Bid without payment of the entire Bid Amount. In case you are an ASBA Bidder, do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
15. In case you are an ASBA Bidder, do not instruct your respective banks to release the funds blocked in the ASBA Account;
16. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
17. Do not submit Bids on plain paper or on incomplete or illegible Bid-cum-Application Forms or on Bid-cum-Application Forms in a colour prescribed for another category of Bidder;
18. If you are a QIB, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date for QIBs;

19. If you are a Non-Institutional Bidder or Retail Individual Investor, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;
20. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
21. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;
22. In case of ASBA Bidders, do not submit more than five Bid-cum-Application Forms per ASBA Account;
23. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;
24. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid-cum-Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid-cum-Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>, updated from time to time);
25. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid-cum-Application Form, has named at least one branch in that location for the Registered Broker to deposit the Bid-cum-Application Forms;
26. For Bids by QIB Bidders and Non-Institutional Bidders, do not withdraw your Bids or lower the size of your Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage; and
27. Do not Bid for a Bid Amount exceeding ₹ [●] (for Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion).

The Bid-cum-Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Payment instructions**

In terms of RBI circular no. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, non-CTS 2010 standard compliant cheques are processed in three CTS centres once a week from November 1, 2014 onward. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Issue Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment.

**BIDDERS ARE CAUTIONED THAT BID-CUM-APPLICATION FORMS ACCOMPANIED BY NON-CTS CHEQUES ARE LIABLE TO BE REJECTED DUE TO ANY DELAY IN CLEARING BEYOND SIX WORKING DAYS FROM THE BID/ISSUE CLOSING DATE.**

**PLEASE NOTE THAT IN THE EVENT OF A DELAY BEYOND SIX WORKING DAYS FROM THE BID/ISSUE CLOSING DATE IN CLEARING THE CHEQUES ACCOMPANYING THE BID-CUM-APPLICATION FORMS, FOR ANY REASON WHATSOEVER, SUCH BID-CUM-APPLICATION FORMS WILL BE LIABLE TO BE REJECTED.**

### **Escrow mechanism for non-ASBA Bidders**

In addition to the payment instructions for non-ASBA Bidders as provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Applying in the Issue – Payment Details – Instructions for non-ASBA Applicants*” on page 479 of this Draft Red Herring Prospectus, non-ASBA Bidders are requested to note the following.

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of resident Retail Individual Bidders: “[●]”;
  - In case of Non-Resident Retail Individual Bidders: “[●]”;
  - In case of Anchor Investors: “[●]” for resident Anchor Investors, and “[●]” for Non Resident Anchor Investors; and
  - In case of Eligible Employees bidding in the Employee Reservation Portion: “[●]”
2. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid-cum-Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Please note that cheques without the nine digit Magnetic Ink Character Recognition (“MICR”) code are liable to be rejected.

Our Company and the Selling Shareholders, in consultation with the GCBRLMs and the BRLMs, in its absolute discretion, shall decide the list of Anchor Investors to whom the Allotment Advice would be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names would be notified to such Anchor Investors.

### **Depository Arrangements**

The Allotment of the Equity Shares in the Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated November 19, 2010 among NSDL, our Company and the Registrar to the Issue.
- Agreement dated November 16, 2010 among CDSL, our Company and Registrar to the Issue.

### **Undertakings by Our Company**

Our Company undertakes the following:

- that if our Company or Selling Shareholders do not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- that the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- that all steps for completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid Closing Date;
- that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- that Allotment letters shall be issued or application money shall be refunded within 15 days from the Bid/Issue Closing Date or such lesser time specified by SEBI, else application money shall be refunded forthwith, failing which interest shall be due to the applicants at the rate of 15% per annum for the delayed period;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- that no further Issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.;
- that the Promoter’s contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought in *pro-rata* basis before the calls

- are made on public;
- that adequate arrangement shall be made to collect all Bid-cum-Application Forms under the ASBA process and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment; and
- our Company shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Issue Price, will be taken by our Company and the Selling Shareholders, in consultation with the GCBRLMs and the BRLMs.

### **Undertakings by Selling Shareholders**

Each Selling Shareholder severally undertakes that:

- the Equity Shares being sold by it pursuant to the Offer for Sale are eligible to be offered through the Offer For Sale in terms of Regulation 26(6) of the SEBI ICDR Regulations and are free and clear of any liens and encumbrances;
- they are the legal and beneficial owner of, and has full title to, the Equity Shares being sold in the Issue;
- the Equity Shares being sold by it pursuant to the Issue are free and clear of any liens or encumbrances;
- they shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment, dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Offer for Sale;
- they shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the GCBRLMs and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer for Sale. The Selling Shareholders have authorised the Compliance Officer and Registrar to the Issue to redress such investor grievances;
- they shall provide such reasonable support and extend such reasonable co-operation as may be required by our Company for making refunds;
- they shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from all stock exchanges where listing is sought has been received;
- they shall not further transfer the Equity Shares offered in the Offer for Sale except in the Issue during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/to be Allotted pursuant to the Issue and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by it in the Offer for Sale;
- they shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Issue are available for transfer in the Issue within the time specified under applicable law; and
- they shall comply with all applicable laws, in India, including the Companies Act, the ICDR Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by it in the Offer for Sale.

### **Utilisation of Issue Proceeds**

The Board declares that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under the Promoters' contribution, if any, shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- the details of all unutilised monies out of the funds received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

The Selling Shareholders declare that all monies received out of this Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

#### **Withdrawal of the Issue**

Our Company and the Selling Shareholders, in consultation with the GCBRLMs and the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid Opening Date but before the Board meeting for Allotment. In such an event, our Company shall issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The GCBRLMs and the BRLMs, through the Registrar to the Issue, shall instruct the SCSBs to unblock the ASBA Accounts within one Working Day of receipt of such notification. Our Company shall also promptly inform the Stock Exchanges on which the Equity Shares were proposed to be listed.

If our Company withdraws the Issue after the Bid Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares or offer for sale by existing shareholders, our Company shall file a fresh draft red herring prospectus with SEBI and/or the Stock Exchanges, as the case may be.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within 12 Working Days of the Bid Closing Date, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

## PART B

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR Regulations**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("RHP")/Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid-cum-Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the GCBRLM(s) and the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India ("SEBI") at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

##### 2.1 Initial Public Offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

##### 2.2 Further Public Offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.



### **2.3 Other Eligibility Requirements:**

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the ICDR Regulations, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the “**SCRR**”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

### **2.4 Types of Public Issues - Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the ICDR Regulations, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### **2.5 Issue Period**

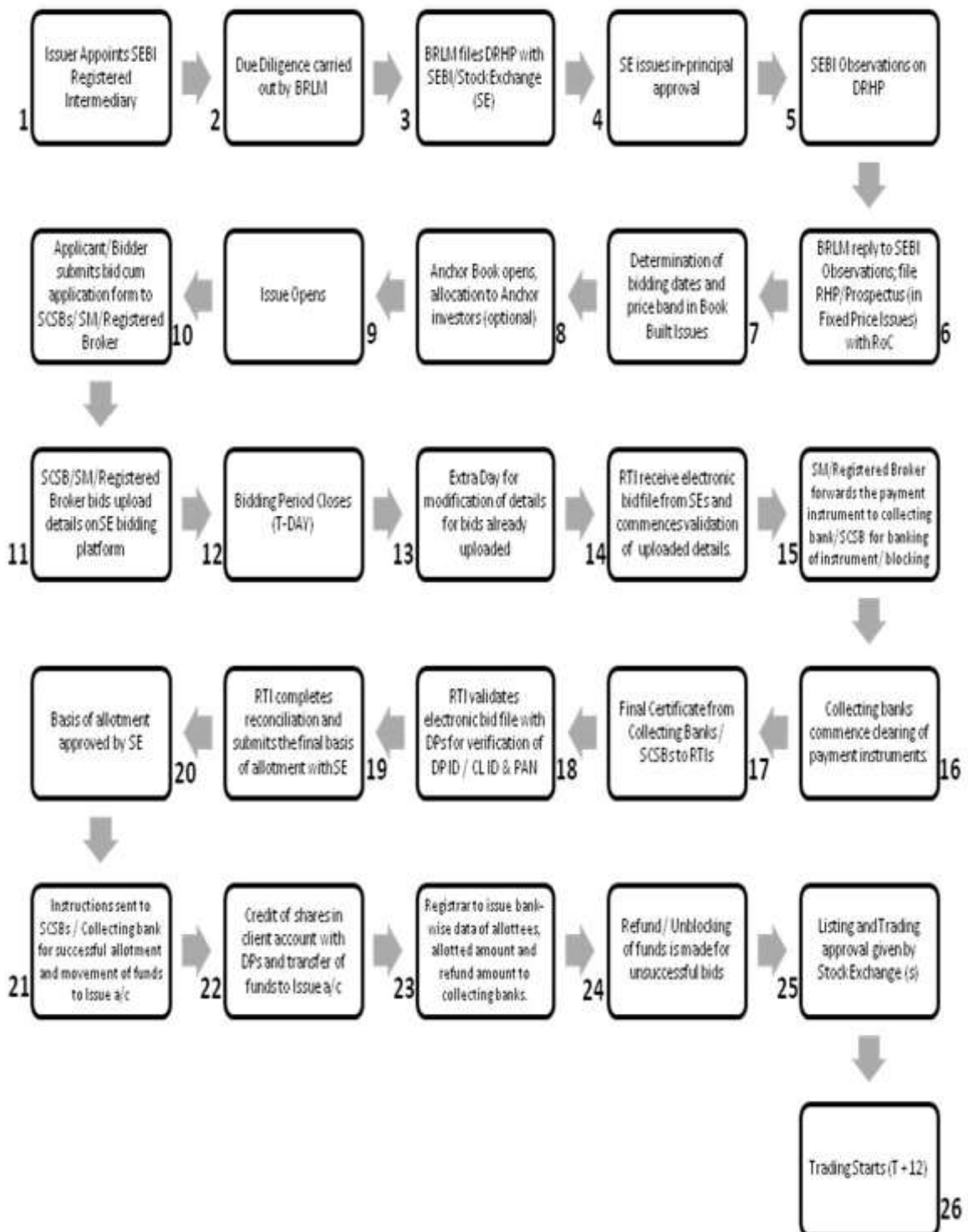
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid-cum-Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the GCBRLM(s) and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

### **2.6 Flowchart of Timelines**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows [Bidders/Applicants may note that this is not applicable for Fast Track FPOs]:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - (i) Step 7 : Determination of Issue Date and Price
  - (ii) Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
  - (iii) Step 11: SCSB uploads ASBA Application details in Stock Exchange platform
  - (iv) Step 12: Issue period closes
  - (v) Step 15: Not Applicable



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

*Each Bidder/Applicant should check whether it is eligible to apply under applicable law.*

Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Qualified Foreign Investors subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the ICDR Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Investors ("NIIs") category;
- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be "qualified institutional buyers"**

(as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid-cum-Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid-cum-Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid-cum-Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid-cum-Application Forms, Bidders may refer to the RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified Bid-cum-Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid-cum-Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid-cum-Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub- Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, QFIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants bidding/applying in the reserved category	As specified by the Issuer

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

#### 4.1 INSTRUCTIONS FOR FILING THE BID-CUM-APPLICATION FORM / APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid-cum-Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid-cum-Application Form can be found on the reverse side of the Bid-cum-Application Form. Specific instructions for filling various fields of the Resident Bid-cum-Application Form and Non-Resident Bid-cum-Application Form and samples are provided below.

The samples of the Bid-cum-Application Form for resident Bidders and the Bid-cum-Application Form for non-resident Bidders are reproduced below:

TEAR HERE

**COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA**      **XYZ LIMITED - PUBLIC ISSUE - R**      **FOR RESIDENT INDIA, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS**

**Logo** To: **BOOK BUILDING ISSUE** Bid cum Application Form No. \_\_\_\_\_  
 The Board of Directors  
 XYZ Limited

SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant			
ESROWBANK/SCSB BRANCH STAMP & CODE		SUB-BROKER/SUB-AGENT'S STAMP & CODE		Mr / Ms _____			
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		Address _____			
				Email _____			
				Tel. No (with STD code) / Mobile _____			
2. PAN OF SOLE / FIRST APPLICANT							

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS:  NSDL  CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 15 digit Client ID

4. BID OPTIONS (Only Retail Institutional Bidders can Bid as "Cut-off")

Bid Options	No. of Equity Shares Bid (in Figures) (Bids must be in multiples of 100, as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 01 only) (in Figures)				*Cut-off (₹ in %)	5. Category <input type="checkbox"/> Retail Institutional <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
		Bid Price	Discount, if any	Net Price			
Option 1							6. Investor Status <input type="checkbox"/> Individual - IND <input type="checkbox"/> Hindu Undivided Family - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indian - NRI <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Others (Please specify) - OTH * HUF should apply only through Karta (Application by HUF must be treated on par with individual)
Option 2							
Option 3							

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)

Amount Paid (₹ in figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

(A) CHEQUE/ DEMAND DRAFT (DD)       (B) ASBA

Cheque/DD No. \_\_\_\_\_ Dated: DD/MM/YYYY      Bank A/c No. \_\_\_\_\_

Drawn on (Bank Name & Branch) \_\_\_\_\_      Bank Name & Branch \_\_\_\_\_

WE ON BEHALF OF OUR APPLICANT(S) IF ANY, HEREBY CONFIRM THAT WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORMS AND HEREBY AGREE AND CONFIRM THE BIDDING UNDERTAKING AS GIVEN ON RULE 156 (as amended) of SEBI (Issue of Prospectus) Regulations, 2009 and hereby confirm that I/we have read the instructions for filing of the Bid Cum Application Form given on the

8A. SIGNATURE OF SOLE / FIRST APPLICANT  Date: _____ 2011	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY) (The Bank/branch, PIN Code, Branch Address and Account No. should be mentioned)	BROKER'S / SUB-BROKER'S STAMP (Acknowledging receipt of Bid in Stock Exchange system)
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TEAR HERE

<b>XYZ LIMITED</b>		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No. _____	
DPID / CLID		PAN			
Amount Paid (₹ in figures)		Bank & Branch		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No.					
Received from Mr./Ms.					
Telephone / Mobile		Email			

TEAR HERE

<b>XYZ LIMITED</b>	No. of Equity Shares	Option 1	Option 2	Option 3	Stamp & Signature of Syndicate Member / SCSB	Name of Sole / First Applicant
	Bid Price					
	Amount Paid (₹)					
	Cheque / DD/ASBA Bank A/c No.					
	Bank & Branch					Acknowledgement Slip for Bidder Bid cum Application Form No. _____

TEAR HERE

**COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA**      **XYZ LIMITED - PUBLIC ISSUE - NR**      **FOR ELIGIBLE NRIs, FIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS**

Logo To: **The Board of Directors**      **BOOK BUILDING ISSUE** Bid cum Application Form No.   
 XYZ Limited      **INE529L01018**

SYNDICATE MEMBER'S STAMP & CODE		BROKER/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant			
SCSB BANK / SCSB BRANCH STAMP & CODE		SUB-BROKER / SUB-AGENT'S STAMP & CODE		Mr. / Ms. <input type="text"/>			
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		Address <input type="text"/>			
				Tel. No. (with STD code) / Mobile <input type="text"/> Email <input type="text"/>			
				2. PAN OF SOLE / FIRST APPLICANT			
				<input type="text"/>			

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				6. Investor Status			
Per NSDL enter 8 digit DP ID followed by 8 digit Client ID / Per CDSL enter 16 digit Client ID				<input type="checkbox"/> NR Non Resident Indian (Repatriation basis) <input type="checkbox"/> FI Foreign Institutional Investor <input type="checkbox"/> FVCI Foreign Venture Capital Investor <input type="checkbox"/> FISA FI Sub Account Corporate / Individual <input type="checkbox"/> OTH Others (Please Specify)			

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")										5. Category	
Bid Option	No. of Equity Shares Bid (in Figures) (Bids must be in multiples of B/L or as advertised)	Price per Equity Share (i.e. "Cut-off") (Price in multiples of ₹ 1/- only) (in Figures)			Cut-off (Price in)	<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non Institutional <input type="checkbox"/> OIB					
		Bid Price	Discount, if any	Net Price		FVCI	FISA				
Option 1											
(OR) Option 2											
(OR) Option 3											

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)				PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment			
Amount Paid (₹ in figures) <input type="text"/> (₹ in words) <input type="text"/>							
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. <input type="text"/> Dated <input type="text"/>				<input type="checkbox"/> (B) ASBA Bank A/c No. <input type="text"/>			
Drawn on (Bank Name & Branch) <input type="text"/>				Bank Name & Branch <input type="text"/>			

WE ON BEHALF OF JOINT APPLICANTS, IF ANY, HEREBY CONFIRM THAT WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'RIDERS' UNDERTAKING AS GIVEN OVER EAR. (We on behalf of joint applicants, if any) hereby confirm that we have read the instructions for filling up the Bid Cum Application Form given over)

8A. SIGNATURE OF SOLE / FIRST APPLICANT		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER (AS PER BANK RECORDS) (For ASBA option ONLY) <small>(We authorize the SCSB to do all acts as are necessary to make the Application in the issue)</small>		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
<input type="text"/>		<input type="text"/>		<input type="text"/>	
Date: _____, 2011					

TEAR HERE

<b>XYZ LIMITED</b>		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No. <input type="text"/>	
DPID / CLID <input type="text"/>		PAN <input type="text"/>			
Amount Paid (₹ in figures) <input type="text"/>		Bank & Branch <input type="text"/>		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No. <input type="text"/>					
Received from: Mr./Ms. <input type="text"/>					
Telephone / Mobile <input type="text"/>		Email <input type="text"/>			

TEAR HERE

<b>XYZ LIMITED</b>	Option 1			Option 2			Option 3			Stamp & Signature of Syndicate Member / SCSB			Name of Sole / First Applicant				
	No. of equity shares			Bid Price			Amount Paid (₹)			Cheque / DD/ASBA Bank A/c No.			Bank & Branch				
												Acknowledgement Slip for Bidder			Bid cum Application Form No. <input type="text"/>		

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum-Application Form/Application Form may be used to dispatch communications(including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid-cum-Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid-cum-Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid-cum-Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who –*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

- (a) PAN (of the sole/first Bidder/Applicant) provided in the Bid-cum-Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“**PAN Exempted Bidders/Applicants**”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid-cum-Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid-cum-Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid-cum-Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### 4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid-cum-Application Form/Application Form. The DP ID and Client ID provided in the Bid-cum-Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid-cum-Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid-cum-Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid-cum-Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

#### 4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper where the Registered Office of our Company is situated, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before



Bid/Issue Opening Date in case of an FPO.

- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the GCBRLMs and the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

#### 4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.  
  
In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid-cum-Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- (e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids

or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid-cum-Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

#### 4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid-cum-Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid-cum-Application Form and such options are not considered as multiple Bids.

Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid-cum-Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
  - (i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - (ii) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid-cum-Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
  - (i) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - (ii) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - (iii) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### 4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the ICDR Regulations for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the ICDR Regulations. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The ICDR Regulations, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

#### 4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid-cum-Application Form and Non-Resident Bid-cum-Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

#### 4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid-cum-Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid-cum-Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid-cum-Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.
- (c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.
- (d) RIIs bidding in the Retail Category can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft (“Non-ASBA Mechanism”).
- (e) Bid Amount cannot be paid in cash, through money order or through postal order.

##### 4.1.7.1 **Instructions for non-ASBA Bidders:**

- (a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock

Exchanges.

- (b) **For Bids made through a member of the Syndicate:** The Bidder may, with the submission of the Bid-cum-Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid-cum-Application Form and submit the same to the members of the Syndicate at Specified Locations.
- (c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid-cum-Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid-cum-Application Form and submit the same to the Registered Broker.
- (d) If the cheque or demand draft accompanying the Bid-cum-Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- (e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid-cum-Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- (g) Bidders are advised to provide the number of the Bid-cum-Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### 4.1.7.2 Payment instructions for ASBA Bidders

- (a) ASBA Bidders may submit the Bid-cum-Application Form either
  - (i) in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
  - (ii) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid-cum-Application Form, or
  - (iii) in physical mode to a member of the Syndicate at the Specified Locations or
  - (iv) Registered Brokers of the Stock Exchange
- (b) ASBA Bidders may specify the Bank Account number in the Bid-cum-Application Form. The Bid-cum-Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid-cum-Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bid-cum-Application Forms can be submitted.
- (f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid-cum-Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid-cum-Application Forms submitted to a

member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid-cum-Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid-cum-Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

- (g) **ASBA Bidders bidding through a Registered Broker** should note that Bid-cum-Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid-cum-Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid-cum-Application Forms.
- (h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid-cum-Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the Bid-cum-Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid-cum-Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid-cum-Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid-cum-Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid-cum-Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### 4.1.7.2.1 **Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

- (c) In the event of withdrawal or rejection of the Bid-cum-Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

#### 4.1.7.3 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### 4.1.7.4 **Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category and Retail Individual Shareholder and Employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### 4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/Applicant is required to sign the Bid-cum-Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid-cum-Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid-cum-Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid-cum-Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

#### 4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid-cum-Application Form.
- (b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- (c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
  - (i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue;
  - (ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the

Bidders/Applicants should contact the relevant Designated Branch of the SCSB;

- (iii) In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member;
  - (iv) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker; or
  - (v) Bidder/Applicant may contact the Company Secretary and Compliance Officer or GCBRLM(s) and BRLM(s) in case of any other complaints in relation to the Issue.
- (d) The following details (as applicable) should be quoted while making any queries –
- (i) full name of the sole or First Bidder/Applicant, Bid-cum-Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - (ii) name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or
  - (iii) In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof
  - (iv) In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid-cum-Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid-cum-Application Form.
- (b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision Form is reproduced below:

COMMON BID REVISION FORM FOR ASBA / NON-ASBA		<b>XYZ LIMITED - PUBLIC ISSUE - R</b>		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS	
Logo To: The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523LD1018		Bid cum Application Form No. _____	
SYNDICATE MEMBERS' STAMP & CODE		BROKER'S/AGENTS' STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant	
BANK/SHAREHOLDERS' STAMP & CODE		SUB-BROKER'S/AGENTS' STAMP & CODE		Mr. / Ms. _____	
BANK/SHAREHOLDERS		REGISTRAR'S / SCSE/GENERAL NO.		Tel. No (with STD code) / Mobile _____	
				2. PAN OF SOLE / FIRST APPLICANT _____	
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	
				For NSDL enter 8 digit ID provided by Dept. Govt. Of India, and for CDSL 8 digit ID	
<b>PLEASE CHANGE MY BID</b>					
4. FROM (as per last Bid or Revision)					
Bid Options:		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)	
		(In Figures)		(In Figures)	
		Bid Price		Discount, if any	
		Net Price		"Cut-off" (Phase 1a)	
Option 1					
Option 2					
Option 3					
5. TO (Revised Bid)					
Bid Options:		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)	
		(In Figures)		(In Figures)	
		Bid Price		Discount, if any	
		Net Price		"Cut-off" (Phase 1a)	
Option 1					
Option 2					
Option 3					
6. PAYMENT DETAILS (Please tick (x) any one of payment option A or B below)					
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____			PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment		
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD)			<input type="checkbox"/> (B) ASBA		
Cheque/DD No. _____ Dated: DD/MM/YYYY			Bank A/c No. _____		
Drawn on (Bank Name & Branch) _____			Bank Name & Branch _____		
BIDDER ON BEHALF OF JOINT APPLICANTS, FAW HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORMS AND HEREBY AGREE AND CONFIRM THE "BIDDER'S UNDERTAKING" AS GIVEN OVER EX-17(a) on behalf of joint applicants, if applicable, and hereby confirm that I/We have read the instructions for filling up the Bid revision Form given over-17.					
7A. SIGNATURE OF SOLE/JOINT APPLICANT(S)		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS FOR ASBA OPTION ONLY)		BROKER'S / SCSE BRANCH'S STAMP (Acknowledging receipt of Bid in Bank Exchange system)	
I/We declare the BIDS to be my/our genuine intention to make the Application for the issue.					
Date: _____, 2011					
TEAR HERE					
<b>XYZ LIMITED BID REVISION FORM</b>		Acknowledgement Slip for Syndicate Member / SCSE		Bid cum Application Form No. _____	
DPID/CLID		PAN			
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No.					
Received from Mr./Ms.					
Telephone / Mobile		Email			
TEAR HERE					
XYZ LIMITED Bid Revision Form		Acknowledgement Slip for Bidders		Name of Sole / First Applicant	
No. of Equity Shares		Bid Price			
Additional Amount Paid (₹)		Cheque / DD/ASBA Bank A/c No.		Bid cum Application Form No. _____	
Bank & Branch					

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

**4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

**4.2.2 FIELD 4 AND 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the



Bid-cum-Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.

- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid-cum-Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

#### 4.2.3 FIELD 6: PAYMENT DETAILS

- (a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- (b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid-cum-Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.
- (e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does

not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

- (f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

#### 4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### 4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

#### 4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY AND AMOUNT**

- (a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the GCBRLMs and BRLMs to the Issue may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - (i) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

- (ii) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
  - (i) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - (ii) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### 4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the ICDR Regulations for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the ICDR Regulations. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The ICDR Regulations specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

#### 4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### 4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) RIIs bidding in the Retail Category can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- (c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

##### 4.3.5.1 **Instructions for non-ASBA Applicants:**

- (a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).
- (b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).

- (c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.
- (d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- (f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### 4.3.5.2 Payment instructions for ASBA Applicants

- (a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- (b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder.
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bid-cum-Application Forms can be submitted.
- (f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### 4.3.5.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

#### 4.3.5.3 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### 4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS AND ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 and 4.1.9.

#### 4.4 **SUBMISSION OF BID-CUM-APPLICATION FORM/ REVISION FORM/APPLICATION FORM**

##### 4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

<b>Mode of Application</b>	<b>Submission of BID-CUM-APPLICATION Form</b>	
Non-ASBA Application	(a)	To members of the Syndicate at the Specified Locations mentioned in the Bid-cum-Application Form
	(b)	To Registered Brokers
ASBA Application	(a)	To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres
	(b)	To the Designated branches of the SCSBs where the ASBA Account is maintained

- (a) Bidders/Applicants should not submit the Bid-cum-Application Forms/ Revision Form directly to the escrow collection banks. Bid-cum-Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- (b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate,

the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.

- (c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid-cum-Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

## **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of ICDR Regulations. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### **5.1 SUBMISSION OF BIDS**

- (a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- (b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid-cum-Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.
- (c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.
- (d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

### **5.2 ELECTRONIC REGISTRATION OF BIDS**

- (a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the Bid information to the Registrar for validation of the electronic Bid Details with the Depository's records.

### **5.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges, on a regular basis. The book gets built up at various price levels. This information may be available with the GCBRLMs and the BRLMs at the end of the Bid/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

### **5.4 WITHDRAWAL OF BIDS**

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **5.5 REJECTION AND RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
  - (i) the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
  - (ii) the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
  - (iii) the Bid-cum-Application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
  - (iv) With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The GCBRLMs and the BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid-cum-Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the GCBRLMs and the BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs and RIIs Bids can be rejected on technical grounds listed herein.

### 5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid-cum-Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the GCBRLMs and the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs;
- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid-cum-Application Form/Application Form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids by persons in the United States excluding persons who are U.S. QIBs (as defined in this Draft Red Herring Prospectus);
- (g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) DP ID and Client ID not mentioned in the Bid-cum-Application Form/Application Form;
- (i) PAN not mentioned in the Bid-cum-Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (j) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (k) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (l) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- (m) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (n) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid-cum-Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (o) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (p) In relation to ASBA Bids/Applications, submission of more than five Bid-cum-Application Forms/Application Form as per ASBA Account;



- (q) Bids/Applications for a Bid/Application Amount of more than ₹ 200,000 by RIIs by applying through non-ASBA process;
- (r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (t) Bid-cum-Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid-cum-Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid-cum-Application Forms;
- (u) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid-cum-Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (v) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (w) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- (x) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (y) ASBA Bids/Applications submitted to a GCBRLM and the BRLM at locations other than the Specified Cities and Bid-cum-Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- (z) Bids/Applications not uploaded on the terminals of the Stock Exchanges; and
- (aa) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid-cum-Application Form/Application Form.

## 5.6 BASIS OF ALLOCATION

- (a) The ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid-cum-Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the GCBRLMs and the BRLMs and the Designated Stock Exchange and in accordance with the ICDR Regulations. Unsubscribed portion in QIB category is not available for subscription to other categories.
- (c) For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

*Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the GCBRLMs and the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid-cum-Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“**ASBA Account**”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of

specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section the GID.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **7.1 ALLOTMENT TO RIIs**

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“**Maximum RII Allottees**”). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### **7.2 ALLOTMENT TO NIIs**

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### **7.3 ALLOTMENT TO QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the ICDR Regulations or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5%

of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

#### 7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:
- (i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - (ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - (iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Bid-cum-Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the GCBRLMs and the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### 7.5 ALLOTMENT TO EMPLOYEE RESERVATION PORTION

- (a) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Eligible Employees does not exceed ₹ [●]. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may Bid at Cut-off Price.

- (b) Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.
- (c) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue.
- (d) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiple of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.
- (e) Only Eligible Employees can apply under Employee Reservation Portion.

#### 7.6 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS) AND NIIs IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

#### 7.7 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue

Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.

- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING AND COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Issue Closing Date.

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus. If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Issue (excluding any offer for sale

of specified securities), including devolvement to the Underwriters, within 60 days from the Bid/Issue Closing Date, the Issuer may forthwith, but not later than 70 days from the Bid/Issue Closing Date, without interest refund the entire subscription amount received in a manner prescribed under the ICDR Regulations, the Companies Act, 2013 and other applicable laws. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. If there is a delay beyond the prescribed time, then the Issuer and every director of the Issuer who is an officer in default may be liable to repay the money, with interest at the rate of 15% per annum.

### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the ICDR Regulations comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Issue to QIBs, in such case full subscription money is to be refunded.

## **8.3 MODE OF REFUND**

- (a) **In case of ASBA Bids/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- (b) **In case of Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.
- (c) In case of non-ASBA Bidders/Applicants, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid-cum-Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) In the case of Bids from Eligible NRIs, FPIs and FIIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

### **8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants**

The payment of refund, if any, may be done through various modes as mentioned below:

- (a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;

- (b) **NEFT**— Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code (“**IFSC**”), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) **Direct Credit**— Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS**— Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- (e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc Bidders/Applicants may refer to RHP/Prospectus.

### 8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Issue Closing Date.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

<b>Term</b>	<b>Description</b>
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in ICDR Regulations.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer, in



<b>Term</b>	<b>Description</b>
	consultation with the GCBRLMs and BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid-cum-Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid-cum-Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the ICDR Regulations. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid-cum-Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid-cum-Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a

<b>Term</b>	<b>Description</b>
	Bid pursuant to the terms of the RHP/Prospectus and the Bid-cum-Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under ICDR Regulations, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid-cum-Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Companies Act	The Companies Act,2013
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the GCBRLMs and BRLMs, which can be any price within the Price Band. Only RIIs and Retail Individual Shareholders and Employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid-cum-Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the ICDR Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under the ICDR Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Joint Book Running Lead Manager, the Syndicate Member(s), the Escrow

<b>Term</b>	<b>Description</b>
	Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid-cum-Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under ICDR Regulations, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Joint Book Running Lead Managers
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid-cum-Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid-cum-Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs, QFIs, FIIs and FVCIs
OCB/Overseas Corporate	A company, partnership, society or other corporate body owned directly or

<b>Term</b>	<b>Description</b>
Body	indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Joint Book Running Lead Manager and advertised, at least two working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Joint Book Running Lead Manager, finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price ,the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Qualified Foreign Investors or QFIs	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under ICDR Regulations
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013 which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid-cum-Application Form of the Issuer

<b>Term</b>	<b>Description</b>
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid-cum-Application Form
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid-cum-Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Joint Book Running Lead Manager and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Joint Book Running Lead Manager and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open f business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

## **SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

Set forth below is certain information relating to our share capital, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares and/or on their consolidation/splitting and other important terms of Articles of Association of our Company. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalised/defined terms herein have the same meaning given to them in the Articles of Association.

The Articles of Association of the Company comprise of two parts. In case of inconsistency between Part I and Part II, the provisions of Part II shall be applicable. However, Part II shall become inapplicable without any further action immediately on the commencement of trading of the Equity Shares of the Company on the Stock Exchanges subsequent to the Issue.

### **PART I**

#### **1. SHARES**

##### Share capital

- 1.1 The authorised share capital of the Company shall be such as given in Clause V of the Memorandum of Association or as altered from time to time, thereat payable in the manner as may be determined by the Board, with the power to increase, reduce, sub-divide or to repay the same or to divide the same into several classes and to attach thereto any rights and to consolidate or sub-divide or re-organize the shares and subject to the provisions of the Companies Act, to vary such rights as may be determined in accordance with the regulations of the Company.

##### Redeemable preference shares

- 1.2 Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Companies Act.

##### Allotment of shares

- 1.3 Subject to the provisions of the Companies Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of Section 53 and 54 of the Companies Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

##### Commission for placing shares

- 1.4 The Company may, subject to compliance with the provisions of Section 40 of the Companies Act, exercise the powers of paying commission on the issue of shares or debentures, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be in accordance with and disclosed in the manner required by the Companies Act. The commission may be paid or satisfied in cash or by allotment of fully or partly paid shares, debentures or debenture stock of the Company or partly in one way and partly in the other.

##### Trusts not recognized

- 1.5 Subject to Section 89 of the Companies Act, the Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as by law required, be bound to recognize any trust, benami or equitable or other claim to or interest in such shares or any fractional part of a share whether or not it shall have express or other notice thereof.

#### Transfer of Equity Shares

- 1.6 If any member of RG Group or IGE Group proposes to Transfer (“**Transferring Shareholder**”) any of its Equity Shares (“**Transfer Shares**”) to a third party (“**Third Party Purchaser**”), the other group i.e. the IGE Group and the RG Group, respectively (“**Non-Transferring Shareholders**”) shall have the right at its sole discretion to:

- (a) purchase the Transfer Shares to the extent and in the manner described below in Article 1.7 or Article 1.9, as the case maybe (“**Right of First Refusal**”); or
- (b) the right to tag along to the extent and in the manner described below in Article 1.7 or Article 1.9, as the case maybe (“**Tag Along Right**”).

- 1.7 If a Transferring Shareholder proposes to Transfer the Transfer Shares otherwise than on a Stock Exchange:

- (a) the Transferring Shareholder shall first notify the Non-Transferring Shareholder in writing, by fax or by email of (i) the number of Transfer Shares, (ii) the proposed Transfer price in cash (“**Transfer Price**”), (iii) the identity of the Third Party Purchaser, (iv) the proposed closing date for such Transfer which shall not be less than 45 (forty- five) Business Days of the date of the notice; and (v) any other material terms of the agreement between the Transferring Shareholder and the Third Party Purchaser (“**Off Market Transfer Notice**”).
- (b) Upon receipt of the Off Market Transfer Notice, the Non-Transferring Shareholder will be entitled at its option to exercise, by written notice given within 3 (three) Business Days of the receipt of the Off Market Transfer Notice to the Transferring Shareholder:
  - (i) the Right of First Refusal to purchase, on or before the proposed transfer date, at the Transfer Price and such number of the Transfer Shares as are stated in Article 1.7(c) below; or
  - (ii) to require that the Transferring Shareholder causes the Third Party Purchaser to purchase at least half in number of the Transfer Shares from the Non-Transferring Shareholder at the Transfer Price.
- (c) The Non-Transferring Shareholders shall be entitled to purchase all but not less than all of the Transfer Shares, provided however that in the event the purchase of such number of the Transfer Shares would require the Non-Transferring Shareholders to make an “open offer” under the Takeover Regulations, they shall be obligated only to purchase a minimum of such number of Transfer Shares as would not require them to make such open offer.
- (d) If the Non-Transferring Shareholders exercise the Right of First Refusal or the Tag Along Right, as the case maybe, then the Transferring Shareholders and the Non-Transferring Shareholders shall take steps to consummate the sale and purchase of the Transfer Shares identified in the Off Market Transfer Notice not later than the proposed closing date for such Transfer as stated in the Off Market Transfer Notice.

- 1.8 If mutually acceptable to both the Transferring Shareholders and the Non-Transferring Shareholders and if permissible under applicable law, the Transferring Shareholders and the Non-Transferring Shareholders may agree to effect the Transfer of the Transfer Shares on a Stock Exchange.

- 1.9 If a Transferring Shareholder proposes to Transfer any of the Transfer Shares by way of a pre-negotiated sale on the Stock Exchange, it shall first notify the Non-Transferring Shareholders by way of an Off-Market Transfer Notice. Upon receipt of the Off-Market Transfer Notice, the Non-Transferring Shareholders may exercise the Right of First Refusal or the Tag Along Right (exercisable

by a written notice given within 3 (Three) Business Days of the receipt of the Off-Market Transfer Notice to the Transferring Shareholders). If the Non-Transferring Shareholders exercise the Right of First Refusal or the Tag Along Right, then the Transferring Shareholders and the Non-Transferring Shareholders shall take steps to consummate the sale and purchase of the Transfer Shares identified in the Off-Market Transfer Notice not later than the proposed closing date for such Transfer as stated in the Off-Market Transfer Notice. In the event the Non-Transferring Shareholders do not consummate the sale or the purchase of the Transfer Shares after having exercised the above Right of First Refusal or the Tag Along Right, the Non-Transferring Shareholder shall lose the Right of First Refusal and Tag Along Right with respect to all subsequently proposed Transfers by the Transferring Shareholder.

- 1.10 In the event the Non-Transferring Shareholder does not exercise the Right of First Refusal or the Tag Along Right within the period specified in Article 1.7 or Article 1.9, as the case may be, or does not communicate any decision within such period, the Transferring Shareholder may, after the expiry of such period, Transfer all but not less than all of the Transfer Shares to the Third-Party Purchaser on terms and conditions including price that are no more favourable to the buyer of the Transfer Shares than those set forth in the Off Market Transfer Notice. Such Transfer must take place not later than the proposed closing date given in the relevant notice referred to above. In the event the Non-Transferring Shareholder exercises the Tag Along Right, the Third Party Purchaser shall purchase, not later than 7 (Seven) Business Days from the original proposed closing date for such Transfer, all of the Transfer Shares (including the shares of the Non-Transferring Shareholder pursuant to the exercise of the Tag Along Right) on the same terms as in the Transfer Notice. The Off Market Transfer Shares referred to in an Off Market Transfer Notice, including any pre-negotiated block deal, shall be transferred only to the specific Third-Party Purchaser, whether on or off the Stock Exchange. For avoidance of doubt, it is understood that if for any reason such Transfer does not take place by the proposed closing date then Article 1.11 will apply.
- 1.11 Any Transfer Shares not so transferred within a period set out in Article 1.10 shall again become subject to the provisions of the Right of First Refusal and the Tag Along Right with respect to any subsequent proposed Transfer.
- 1.12 Notwithstanding anything to the contrary stated herein, a Transferring Shareholder shall not be entitled to Transfer, directly or indirectly, without the prior written consent of the Non-Transferring Shareholders, any of the Equity Shares:
- (a) to a Competitor, it being agreed that this will not apply to any Transfer undertaken in good faith on the floor of a Stock Exchange (i) other than in a block deal or a synchronized deal; and (ii) other than where the identity of the buyer was otherwise known; or
  - (b) to any Person, if such proposed Transfer requires such Person to make an “open offer” under the Takeover Regulations for the shares of the Company.
- 1.13 The Right of First Refusal and the Tag Along Right shall not apply:
- (a) to the Transfer of Equity Shares by any Shareholder to any of its Affiliates, provided:
    - (i) the concerned Affiliate signs the Deed of Adherence contained in the Shareholders Agreement;
    - (ii) In case of RG Group, the said Affiliate does not fall in the category of “FDI Investor” under the applicable Indian law at the time of such Transfer of Equity Shares, provided however, the restriction in this sub-Article 1.13(a)(ii) shall not apply to any Transfers made by the Chinkerpoo Family Trust to any of its Affiliate; and
    - (iii) such Affiliate is not any entity in which a Competitor is, directly or indirectly, a partner or shareholder;
  - (b) to the Transfer of any Equity Shares acquired after the IPO by any Shareholder other than as a result of a Transfer in terms of Article 1.13(a);
  - (c) to the Transfer of Equity Shares by any Shareholder to an educational institution or charitable



institution as a gift/donation, without any material financial consideration.

- 1.14 If a Non-Transferring Shareholder exercises its Right of First Refusal under these Articles, it may either purchase the subject Shares itself or have the Shares purchased by a Person nominated by it.
- 1.15 It is agreed that if any Shareholder Transfers its shares to a third party (either in full or in part) pursuant to the provisions of these Articles, such Shareholder shall not, except where the third party is an Affiliate of the Shareholder, be entitled to transfer the rights available to such Party unless approved by the other Party.

#### Acquisition of Shares

- 1.16 Each Group agrees that they shall not acquire any additional Equity Shares, voting rights or other securities of the Company (“**Securities**”), the acquisition of which triggers an open offer under Takeover Regulations, except as otherwise provided in these Articles.
- 1.17 RG Group and the Persons Acting in Concert with it on the one hand, and the IGE Group and the Persons Acting in Concert with it, on the other hand, will be entitled to acquire their respective pro rata Equity Shares, voting rights and/or Securities, based on the RG Group’s and IGE Group’s respective shareholding in the Company, of the permissible creeping acquisition limits under the Takeover Regulations as applicable at the relevant time. If such pro rata share as aforesaid are not purchased until 45 (forty-five) Business Days prior to the end of any financial year, the RG Group or the IGE Group, as the case may be, will be entitled to acquire the pro rata share of the other Party for such financial year by way of purchase from the market with prior intimation to the other party.
- 1.18 Should either RG Group or IGE Group request, from the other or from the Company, information on the shareholding in the Company held by and acquired by the other along with its respective Persons Acting in Concert, the same shall be provided forthwith and in any event no later than 7 (seven) Business Days from receipt of such request.
- 1.19 If either the RG Group or IGE Group, as applicable, (“**Defaulting Group**”) acquires or agrees to acquire any Equity Shares or voting rights or Securities in excess of the limits specified above as a result of which the other Group (“**Non-Defaulting Group**”), suffers any Loss or any financial outgo including under the Takeover Regulations, the Defaulting Group shall indemnify and hold harmless the Non-Defaulting Group for all Losses or any financial outgo which it may suffer on account of the actions of the Defaulting Group.
- 1.20 Notwithstanding the provisions of Article 1.19, if as a result of any acquisition of Equity Shares or voting rights or other Securities by the RG Group or the IGE Group (the acquiring Group being the “**Acquiring Entity**” and the other Group being the “**Non-Acquiring Entity**”), the Public Shareholding in the Company falls below the minimum public shareholding thresholds required for continued listing under applicable law, the Acquiring Entity shall sell its Equity Shares or voting rights or other Securities in the Company, as applicable, to ensure that the Company, as applicable, meets the minimum public shareholding thresholds for continued listing under applicable law. Further the indemnity provision of Article 1.19 shall apply mutatis mutandis in respect of any Loss or any financial outgo suffered or incurred by the Non-Acquiring Entity hereunder.

## 2. FURTHER ISSUE OF SHARES

#### Securities

- 2.1 Where at any time, the Company proposes to increase the subscribed capital of the Company by issue of further shares either out of the unissued capital or out of the increased share capital, such shares shall be offered:
- (a) To the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date, subject to the following conditions:
- (i) Such offer shall be made by a notice specifying the number of shares offered and

limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

- (ii) The aforesaid offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any one of them in favour of any other person and the notice referred to in sub clause (i) hereof shall contain a statement of this right.

PROVIDED THAT the Board may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

- (iii) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the shareholders of the Company.

- (b) To employees under a scheme of employees' stock option, subject to a special resolution passed by the Company and subject to the conditions in the Companies Act and other applicable laws.
- (c) To any persons, if authorized by a special resolution of the shareholders, whether or not those persons include the persons referred to in sub-clause (a) or sub-clause (b) hereof, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, and subject to any conditions as may be prescribed in the Companies Act.

2.2 Nothing contained in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company;

PROVIDED THAT the terms of issue of such debentures or the terms of such loans containing an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in the general meeting.

## **6. CALLS**

### **Calls**

6.1 The Board may from time to time, subject to the terms on which any shares, may have been issued make such calls as it thinks fit upon the members in respect of all monies unpaid on the shares held by them respectively, and not by the conditions of allotment thereto made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. A call may be made payable by installments.

### **When call deemed to have been made**

6.2 That the option or right to call of shares shall not be given to any person except by the discretion of the Board.

### **Notice to call**

6.3 Not less than 30 (thirty) days' notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

### **Amount payable**

- 6.4 That if the terms of issue of any share or otherwise, the whole or part of the amount of issue price thereof is made payable at any fixed time or by installments at fixed times, every such amount of issue price or installment thereof shall be payable as if it was a call duly made by the Board and of which due notice had been given and all the provisions herein contained in respect of calls shall apply to such amount of issue price or installments accordingly.

#### Interest to be charged on non-payment of calls

- 6.5 If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof the holder for the time being of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest for the same at the rate of 10 (ten) per cent per annum, from the day appointed for the payment thereof to the actual payment or at such other rate as the Board may determine but they shall have the power to waive the payment thereof wholly or in part.

#### Evidence in actions by Company against shareholders

- 6.6 On the trial, at hearing of any action or suit brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was when the claim arose, on the register of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the minute book and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Directors who made any call or that a quorum of Directors was present at the meeting at which any call was made or that such meeting was duly convened or constituted, or any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debts.

#### Payment of calls in advance

- 6.7 The Board may, if it thinks fit, subject to the provisions of Section 50 of the Companies Act, agree to and receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of calls then made, upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12 (Twelve) percent per annum on the member paying such sum as advance and the Board agrees upon money so paid in excess of amount of call shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving such member notice in writing.

The members shall not be entitled to any voting rights in respect of the money so paid by them until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

## **7. FORFEITURE AND LIEN**

#### Notice may be given for calls or installment not paid

- 7.1 If a member fails to pay any call, or installment on or before the day appointed for the payment of the same, the Board may at any time thereafter, during such time as the call or installment remain unpaid, serve notice on such member requiring him to pay the same together with any interest that may have accrued and expenses that may have been incurred by the Company by reasons of such non-payment.

#### Form of notice

- 7.2 The notice shall name a further day (not being earlier than the expiry of 14 (Fourteen) days from the date of service of the notice) and a place or place on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time, and at the place or places appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

#### If notice not complied with shares may be forfeited

- 7.3 If the requirement of any such notice as aforesaid to be not complied with, any shares in respect of which such notice has been given may, at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares not actually paid before the forfeiture. Subject to Section 123 of the Companies Act, neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such share as herein provided.

#### Notice after forfeiture

- 7.4 When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the register but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

#### Forfeited shares to become property of the Company

- 7.5 Any share so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same in such manner as they think fit.

#### Power to annul forfeiture

- 7.6 The Board may, at any time before any share so forfeited shall be sold, re-allotted or otherwise disposed of annul the forfeiture thereof upon such conditions as they think fit.

#### Arrears to be paid notwithstanding forfeiture

- 7.7 A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys, which, at the date of the forfeiture, were presently payable by him to the Company in respect of the shares. The liability of such person shall cease if and when the Company receives payment in full of all such monies in respect of the shares.

#### Effect of forfeiture

- 7.8 The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

#### Evidence of forfeiture

- 7.9 A duly verified declaration in writing that the declarant is a Director, the manager or the Secretary of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof, shall constitute a written title to such share.

#### Company lien on shares and debentures

- 7.10 The Company shall have a first and paramount lien upon all the shares/debentures registered in the name of such member (whether solely or jointly) with others and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any shares shall be created except on the footing and condition that this Article will have full effect. That fully paid shares/debentures shall be free from all lien and that in the case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien, if any, on such shares/debentures. The Board may at any time declare any shares/debentures wholly or in part to be exempt from the provision of the clause.

#### Intention as to enforcing lien by sale, Application of proceeds of sale

- 7.11 For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served on such member, his committee, *curator bonis* or other person recognized by the Company as entitled to represent such member and default shall have been made by him or them in the payment of the sum payable as aforesaid for 30 (Thirty) days after such notice. The net proceeds of any such sale shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable by such member and the residue (if any) be paid to such member, his executors, administrator, or other representatives or persons so recognized as aforesaid.

#### Validity of shares

- 7.12 Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers by these presents given the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and after his name has been entered in the register in respect of such shares his title to such shares shall not be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition, nor impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### Power to issue new certificate

- 7.13 Where any shares under the powers in that behalf herein contained are sold by the Board and the certificate thereof has not been delivered to the Company by the former holders of the said shares the Board may issue new certificate in lieu of certificate not so delivered up in the manner prescribed under the Companies Act.

### **8. TRANSFER AND TRANSMISSION OF SHARES**

#### Execution of transfer etc.

- 8.1 Subject to the provisions of the Companies Act and these Articles, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or transferee has been delivered to the Company within a period of 60 (Sixty) days from the date of the execution together with the certificate or certificates of the shares or if no such certificate is in existence along with the letter of allotment of shares. The instrument of transfer of any shares shall be signed both by or on behalf of the transferor and by or on behalf of the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect thereof.

#### Application for transfer

- 8.2 Application for the registration of the transfer of a share may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee in the manner prescribed by the Companies Act, and subject to the provisions of Articles hereof, the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

#### Notice of transfer to registered holder

- 8.3 Before registering any transfer tender for registration, the Company, may if it so thinks fit give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the Office of the Company within two weeks from the posting of such notice to him he shall be deemed to have admitted the validity of the said transfer.

#### Register of transfers

- 8.4 The Company shall keep a 'Register of Transfer' and therein shall be fairly and distinctly entered particulars of every transfer of any share.

#### In what case to decline to register transfer of shares

- 8.5 Subject to the provisions of these Articles and Section 58 of the Companies Act and Section 22A of the Securities Contracts (Regulation) Act, 1956 as amended, the Board at their own absolute and uncontrolled discretion and by giving reason for such refusal, may refuse to register or acknowledge any transfer of a share whether fully paid up or not and where the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases Board shall within 30 (Thirty) days from the date on which the instrument of transfer was lodged with the Company send to the transferor and transferee notice of the refusal to register such transfer, provided that registration of a transfer of shares shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to Company on any account whatsoever except when the Company has a lien on the shares. However, no transfer of shares/debentures shall be refused on the ground of them not being held in marketable lots.

#### When instrument of transfer to be retained

- 8.6 All instruments of transfer duly approved shall be retained by the Company and in case of refusal, instruments of transfer shall be returned to the person who lodged the transfer deeds.

#### Notice of refusal to register transfer

- 8.7 If the Board refuses to register the transfer of any share, the Company shall within 30 (Thirty) days from the date on which the instrument of transfer was lodged with the Company or intimation given, send to the transferor and the transferee or the person giving intimation of such transfer, notice of such refusal.

#### Power to close transfer book & register

- 8.8 Subject to the provisions of the Companies Act, the Register of Members may be closed for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least seven days (or such lesser period as may be specified by Securities and Exchange Board of India for listed Companies or the Companies which intend to get their securities listed).

#### Transmission of registered shares

- 8.9 On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- 8.10 Nothing in Article 8.9 shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 8.11 Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either:
- (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- 8.12 The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- 8.13 The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
- 8.14 If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- 8.15 If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- 8.16 All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
- 8.17 A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
- 8.18 The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

#### Transfer of shares deceased or insolvent members

- 8.19 Any person becoming entitled to transfer shares in consequence of the death or insolvency of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title as the Board think sufficient, may with the consent of the Board (which they shall not be under any obligation to give), be registered as a member in respect of such shares may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. This Article is hereinafter referred to as 'The Transmission Article'. Subject to any other provisions of these Articles if the person so becoming entitled to shares under this or the last preceding Article shall elect to be registered as a member in respect of the share himself he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to transfer to some other person he shall execute an instrument of transfer in accordance with the provisions of these Articles relating to transfer of shares. All the limitations, restrictions and provisions of these Articles relating to the rights to transfer and the registration of transfers of shares shall be applicable to any such notice of transfer as aforesaid.

Rights to executors and trustees.

- 8.20 Subject to any other provisions of these Articles if the Board in its sole direction is satisfied in regard thereof, a person becoming entitled to a share in consequence of the death or insolvency of a member may receive and give a discharge for any dividends or other money payable in respect of the share.

Provisions of articles relating to transfer applicable

- 8.21 The instrument of transfer shall be in writing and all the provisions of Section 56 of the Companies Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and the registration thereof. A common form of transfer shall be used.

## **10. STOCKS**

Stocks

- 10.1 The Company may exercise the power of conversion of its shares into stock.

## **11. ALTERATION OF CAPITAL**

Power to sub-divide and consolidate

- 11.1 The Company may, by ordinary resolution, from time to time, subject to Section 61 of the Companies Act, alter the conditions of Memorandum of Association as follows:
- (a) Increase the share capital by such amount to be divided into shares of such amount as may be specified in the resolution;
  - (b) Consolidate and divide all or any its share capital into shares of larger amount than its existing shares;
  - (c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by Memorandum of Association;
  - (d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the share so cancelled; and
  - (e) Convert all or any one its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

Surrender

- 11.2 Subject to applicable law, the Board may accept from any member the surrender of all or any of his shares on such terms and conditions as shall be agreed.

## **12. MODIFICATION OF RIGHTS**

Power of modify rights

- 12.1 If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of these Articles, relating to general meeting shall apply mutatis mutandis, but so



that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class.

### **13. BORROWING POWERS**

#### Power to borrow

- 13.1 The Board may, from time to time and at its discretion, subject to the applicable provisions of the Companies Act and directions issued by the Reserve Bank of India to raise or borrow, either from the Directors or from elsewhere and secure the payment of any sums or sum of money for the purposes of the Company.

#### Condition on which money may be borrowed

- 13.2 The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, redeemable debenture or debenture-stock, or any mortgage or other security on the undertaking of the whole or part of the property of the Company (both present and future), including its uncalled capital for the time being, provided that debentures with the right to allotment of conversion into shares shall not be issued except with the sanction of the Company in a general meeting and subject to the provisions of the Companies Act.

#### Issue at discount etc. or with special privileges

- 13.3 Subject to the provisions of the Companies Act, any debentures, debenture-stock, bonds or other securities may be issued at a discount or premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any special privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting accorded by a special resolution.

Debentures, debentures-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

#### Instrument of Transfer

- 13.4 Save as provided in Section 56 of the Companies Act, no transfer of debenture shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company together with the certificate or certificates of debentures.
- 13.5 If the Board refuses to register the transfer of any debentures, the Company shall, within 30 (Thirty) days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.

### **14. RESERVES**

#### Reserves

- 14.1 Subject to the provisions of the Companies Act, the Board may in accordance with Section 123 of the Companies Act, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may at its discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company as the Board may from time to time think fit). The Board may also carry forward any profit which it may think prudent not to divide without setting them aside as a reserve.

#### Capitalization

14.2 Any general meeting may resolve that the whole or any part of the undivided profit of the Company (which expression shall include any premiums received on the issue of shares and any profits or other sums which have been set aside as a reserve or reserves or have been carried forward without being divided) be capitalized and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized amount be applied on behalf of such members in paying up in full any un-issued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued share and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalized amount provided that any sum standing to the credit of a Securities Premium Account or a Capital Redemption Reserve Account may, for the purpose of this Article only be applied in the paying up of un-issued shares to be issued to members of the Company as fully-paid bonus shares.

#### Fractional Certificate

14.3 For the purpose of giving effect to any resolution under two last preceding Articles, the Board may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificate.

### 15. GENERAL MEETINGS

#### Extra-ordinary general meeting

15.1 The Board may, whenever they think fit, call an extra ordinary general meeting. If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### Calling of extra-ordinary general meeting on requisition

15.2 The Board of the Company shall on the requisition of such member or members of the Company as is specified in sub section (2) of Section 100 of the Companies Act forthwith proceed to call an extra-ordinary general meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all the other provisions of Section 100 of the Companies Act and of any statutory modification thereof for the time being shall apply.

#### Quorum

15.3 The quorum for a general meeting shall be as provided in Section 103 of the Companies Act.

#### Chairman

15.4 At every general meeting, the 'Chair' shall be taken by the Chairman of the Board. If at any meeting, the Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting or, though present be unwilling to act as chairman, the members present shall choose one of the Directors present to be Chairman or if no Directors shall be present or through present be unwilling to take the Chair then the members present shall choose one of their members being a member, entitled to vote, to be Chairman.

#### Sufficiency of ordinary resolution

15.5 Any act or resolution which, under the provisions of this Article or of the Companies Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Companies Act or the Articles specifically require such act to be done or resolution passed as a special resolution.

#### When Quorum not present, Meeting to be dissolve and when adjourned

15.6 Subject to the provisions of the Companies Act, If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if converted upon a resolution of the shareholders shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at same time and place, unless the same shall be public holiday when the meeting shall stand adjourned to the next day not being a public holiday at the same time and place and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting, those members who are present shall be a quorum and may transact the business for which the meeting was called.

#### Power to adjourn general meeting

15.7 The Chairman of a general meeting may adjourn the same, from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Save as aforesaid, and as provided in Section 103 of the Companies Act, it shall not be necessary to give notice to the members of such adjournment or of the time, date and place appointed for the holding of the adjourned meeting.

#### Business may proceed notwithstanding demand of poll

15.8 If a poll be demanded, the demand of a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which a poll has been demanded.

### **16. VOTES OF MEMBERS**

#### Votes of Members

16.1 On a show of hands every member present in person and being a holder of equity shares shall have one vote and every person present either as a Proxy on behalf of a holder of equity shares or as a duly authorized representative of a body corporate being a holder of equity shares, if he is not entitled to vote in his own right, shall have one vote.

16.2 On a poll the voting rights of holder of equity shares shall be in proportion to his share in the paid-up equity share capital of the Company. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Companies Act and shall vote only once.

16.3 No Company or body corporate shall vote by Proxy so long as a resolution of the Board under Section 113 of the Companies Act is in force and the representative named in such resolution is present at the general meeting at which the vote by Proxy is tendered.

16.4 A person becoming entitled to a share shall not before being registered as member in respect of the share be entitled to exercise in respect thereof any right conferred by membership in relation to meeting of the Company.

#### Votes in respect of deceased, insolvent and insane members

16.5 If any member be a lunatic or idiot, he may vote whether on a show of hands or at a poll by his committee or other legal curator and such last mentioned persons may give their votes by Proxy provided that at least 24 (Twenty Four) hours before the time of holding the meeting or adjourned meeting as the case may be, at which any such person proposes to vote he shall satisfy the Board of his rights under this Articles unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

#### Joint holders

16.6 Where there are joint holders of any share any one of such persons may vote at any meeting either personally or by Proxy in respect of such shares as if he were solely entitled thereto and if more than one such jointholders be present at any meeting either personally or Proxy then that one of the said persons so present whose name stands prior in order on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators

of deceased member in whose name any share stands shall for the purpose of this Article be deemed joint-holders thereof.

Instrument appointing Proxy to be made in writing and deposited at the Office

- 16.87 The instrument appointing a Proxy shall be in writing under the hands of the appointer or of his attorney duly authorized in writing or if such appointer is a corporation under its Seal or the hands of its attorney.
- 16.8 The instrument appointing a Proxy and the power-of-attorney or other authority (if any), under which it is signed or a notarized copy of that power of authority shall be deposited at the Office not less than 48 (Forty Eight) hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of Proxy shall not be treated as valid.

When vote by Proxy valid though authority revoked

- 16.9 A vote given in accordance with the terms of an instrument appointing a Proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of transfer of the share in respect of which the vote is given. Provided that no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received at the Office or by the Chairman of the meeting before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidences as he may in his discretion think fit of the due execution of an instrument of Proxy and that the same has not been revoked.

Form of instrument appointing Proxy

- 16.10 Every instrument appointing a Proxy shall as nearly as the circumstances will admit, be in the form set out in the Companies Act.

Validity of vote

- 16.11 No objection shall be taken to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote not disallowed at such meeting or poll and whether given personally or by Proxy or otherwise shall be deemed valid for all purposes.
- 16.12 Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by Proxy and fulfilling the requirements as laid down in Section 107 of the Companies Act, for the time being in force.

Restriction on voting

- 16.13 No member shall be entitled to exercise any voting rights either personally or by Proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right or lien.
- 16.14 On and with effect from the completion of the IPO, neither the Company nor the Shareholders nor the Board shall take, approve or otherwise ratify any of the actions, deeds, matters or things described below without the prior written consent of the RG Group Director and the IGE Group Director:
- (i) Memorandum and Articles of Association  
Any amendment or restatement of the Memorandum or Articles of Association.
  - (ii) Rights issue by the Company
  - (iii) Related Party Transactions

Enter into any transactions between the Company or any of its Subsidiaries with any Shareholder of the Company or any of their respective Affiliates other than on arms' length terms.

(iv) Subsidiaries

The incorporation or acquisition of a new Subsidiary or Affiliate of the Company.

(iv) Dividends

Any declaration, distribution or payment of any dividend or other distributions on any Equity Shares.

(v) Directors

Any change in the number of directors on the Board.

16.15 If there is no RG Group Director and/or IGE Group Director then the prior written consent may be given by the RG Group or the IGE Group, as the case maybe.

16.16 Each Group shall at all times exercise their voting rights at the meetings of the Shareholders, and shall cause their nominees on the Board to vote, in order to ensure the implementation of the terms of these Articles.

## 17. DIRECTORS GENERAL PROVISIONS

### Number of Directors

17.1 On and with effect from the completion of the IPO:

(a) Subject to the provisions of the Act and until determined by a special resolution at a General Meeting of the Company, the number of Directors shall be 6 (six) which shall be constituted in the following manner:

(i) IGE Group shall collectively have the right exercisable by it directly or through its nominee to (i) nominate 3 (three) of the non-independent Directors, 1 (one) of whom shall be a non-retiring Director, and (ii) to remove from office such Directors and to appoint any other Director to fill the vacancy caused due to removal, resignation, death or for any other reason. The Chairman of the Board shall be appointed on the nomination of the IGE Group which nomination by IGE Group shall not affect RG Group's right in Article 17.1(a)(ii).

(ii) RG Group shall collectively have the right exercisable by it directly or through its nominee, to nominate 1 (one) non-independent Director, who shall be non-retiring, and to remove from office such Director and appoint any other Director to fill the vacancy caused due to removal, resignation, death or for any other reason.

17.2 For the avoidance of doubt, in the event any Group does not at any time exercise its right to so nominate a non-independent Director, such Group may exercise such right at any time in the future.

### Nominee Director

17.3 Each Group shall ensure that its nominee Directors cause the appointment of Directors and the alternate Directors to be made in accordance with the provisions of these Articles and it and its nominee Director/s shall vote at the General Meetings and the Board meetings, as the case may be, to ensure such appointments. The appointment of Directors shall take place as the first item of business at the Board meeting immediately following the receipt by the Company of such nomination.

17.4 The IGE Group shall be entitled to nominate and appoint the managing director, the Chief Executive Officer, and the President of the Company.

#### Power of Directors to add its numbers

- 17.5 Subject to these Articles, the Board shall have power, at any time and from time to time, to appoint any person as additional Directors as an addition to the Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles. Any Director so appointed shall hold office only until the next annual general meeting of the Company and shall be eligible for re - election.

#### Share qualification of the Directors

- 17.6 A Director shall not be required to hold any qualification share.

#### Remuneration of Directors

- 17.7 The Company may exercise the powers of paying the commission to Directors within the limits and subject to the conditions as prescribed in the Companies Act and such commission shall be divided among the Directors in such proportion and manner as may be determined by the Board. The Board may allow and pay to any Director who for the time being is resident out to that place at which meeting of the Board may be held and who shall come to that place for the purpose of attending such meeting such sum as the Board may consider fair and reasonable for his expenses in connection with his attending at the meeting in addition to his remuneration as above specified. If any Director being willing is appointed to an executive office either whole time or part time to be called upon to perform extra services or to make any special exertions for any of the purposes of the Company then, subject to the provisions of the Companies Act, the Board may remunerate such Director by a fixed sum and/ or by a percentage of profits and/or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.
- 17.8 The sitting fees payable to a Director for attending a meeting of the Board or a committee of the Board or a general meeting shall be decided by the Board from time to time, within the maximum limits of such fees prescribed under provisions of Section 197 of the Companies Act.

#### Continuing Directors may act

- 17.9 The continuing Directors may act notwithstanding any vacancy in the Board but so that if the number falls below the minimum number fixed above, the Directors shall not except for the purpose of filling vacancies or of summoning a general meeting act so long as the number is below the minimum.

#### Director may contract with Company

- 17.10 Except as provided under the Companies Act, the directors (including Managing Director shall not be disqualified by reason of his or their office as such, from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lesser or otherwise nor shall any such contract or any contract or arrangement entered in to by or on behalf of the Company with a Relative or such Directors of the Managing Director or with any firm in which any Director or a Relative shall be a partner or with any other partner or with a private Company in which such Director is a member or Director interested be avoided, nor shall any Director or otherwise so contracting or being such members or so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.

#### Directors' confidentiality

- 17.11 Without prejudice to the customary fiduciary duties of Directors in discharge of their duties, if so required by the Board, each Director shall sign a declaration pledging himself to observe strict secrecy in respect of and keep confidential all information of the Company disclosed to him or to which he becomes privy and shall by such declaration pledge himself not to reveal the same to

any person except when required to do so by any court of law or arbitral forum or as permitted under the provisions of these Articles.

## **18. APPOINTMENT OF DIRECTORS**

### Appointments of Directors

- 18.1 The Company in a general meeting may, subject to the provision of these Articles and the Companies Act, at any time elect any person to be a Director and may, from time to time, increase or reduce the number of Directors.
- 18.2 Any member of the Company shall be competent to propose the name of any person who is otherwise not disqualified as being a director of a Company for the office of Director in the Company and shall accordingly give a notice of at least 14 (Fourteen) days in writing along with a deposit of Rs. 100,000 (Rupees One Lakh only) or such sum as may for the time being be prescribed by the Companies Act which shall be refunded only after the person proposed to be appointed as Director is elected.

### Board may fill up casual vacancies

- 18.3 If any Director appointed by the Company in general meeting vacates office as a Director before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Section 169 of the Companies Act.

### Alternate Director

- 18.5 The Board may appoint an alternate Director to act for a Director ("**Original Director**") during his absence for a period of not less than three months from India in accordance with the provision of Section 161 of the Companies Act. An alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India any provision for the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

## **19. ROTATION OF DIRECTORS**

### Rotation of Directors

- 19.1 Not less than two-thirds of the total number of Directors (other than the Independent Directors) shall be persons whose period of office is liable to determination by retirement of Directors by rotation.
- 19.2 At each annual general meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.
- 19.3 The Director to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
- 19.4 Subject to the foregoing provisions as between Directors appointed under any of the Articles referred to above, the Director or Directors who shall not be liable to retire by rotation shall be determined by and in accordance with their respective seniorities as may be determined by the Board.

## Retiring Directors eligible for re-election

19.5 A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.

19.6 Subject to any resolution for reducing the number of Directors, if at any meeting at which an election of Directors ought to take place, the place of the retiring Directors not filled up, the meeting shall stand adjourned till the same day in the next week which is not a public holiday at the same time and place and if at the adjourned meeting, the place of the retiring Directors are not filled up, the retiring Directors or such of them as have not had their places filled up shall (it will to continue in office) be deemed to have been re-elected at the adjourned meeting.

## **22. MANAGING DIRECTORS**

### Power to appoint managing director

22.1 Subject to the provision of the Companies Act, the Board may, from time to time, appoint one or more Directors to be managing director or managing directors of the Company and may, from time to time, (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places.

### Remuneration of the Managing Director

22.2 Subject to the provisions of Section 197 and Schedule V of the Companies Act, a managing director in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remunerations as may, from time to time, be sanctioned by the Company.

### Powers of Managing Directors

22.3 Subject to the provision of the Companies Act, in particular to the prohibitions and restrictions contained in Sections 179 and 180 thereof, the Board may, from time to time, entrust to and confer upon a managing director for the time being such of the powers exercisable under these presents by the Board as it may think fit and may confer such powers for such time, and be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any such powers.

## **25. DIVIDEND**

25.1 The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

### **Interim dividends**

25.2 Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

### **Dividend out of profits only**

25.3 The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.



- 25.4 The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 25.5 Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- 25.6 No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
- 25.7 All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 25.8 The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- 25.9 The Board may retain dividends payable upon shares in respect of which any person is, under the transmission clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
- 25.10 Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- 25.11 Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 25.12 Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
- 25.13 Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- 25.14 No dividend shall bear interest against the Company.
- 25.15 The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

## **28 CONTROLLED FOREIGN CORPORATION STATUS**

The Company or any direct or indirect subsidiary is classified as a “controlled foreign corporation” (“**CFC**”) for the purposes of the United States Internal Revenue Code of 1986 as amended (“**Code**”), the Company shall: (A) promptly distribute a cash dividend to the Shareholders in a sufficient amount such that the RG Group and its Affiliates receive cash equal to at least 40% of any subpart F income from any such CFC that is taxed to them under the Code including income arising from any investment in U.S. property pursuant to section 956 of the Code except to the extent such distribution is prohibited by applicable law; (B) afford RG Group's advisors reasonable access to the Company's books, records and financial personnel so as to enable RG Group to comply with United States tax reporting requirements applicable to CFCs; and (C) reimburse RG Group for its reasonable costs (not to exceed 10,000 United States dollars per year) incurred to satisfy United States tax reporting requirements applicable to the Company and any direct or indirect subsidiary that is a CFC. Principles similar to those in sub-clauses (A) and (C) shall apply in the event that the

Company were to be taxed under Indian tax law on undistributed income of the Company in a fashion similar to the United States subpart F income tax rules, it being understood that all dividends paid under this Article 28 shall be in proportion to each Shareholder's ownership of Equity Shares.

## **29. RECONSTRUCTION**

On any sale of the undertaking of the Company, the Board or the liquidators on a winding up may, if authorised by a special resolution, accept fully paid or partly paid-up shares, debentures or securities of any other company whether incorporated in India or not, other than existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (if the profits of the Company permit) or the liquidators (in a winding-up) may distribute such shares and securities or any other property of the Company amongst the members without realisation or vest the same in trustees for them, and any special resolution may provide for the distribution or appropriation of the case, share or other securities, benefit or property or otherwise than in accordance with the strict the legal rights of the members or contributories of the Company any for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case of the Company is proposed to be or in the course of being wound up such statutory rights if any under applicable law, as are incapable of being varied or excluded by these presents.

## **30. SECRECY**

Every Director, Member, manager, auditor, treasurer, trustee, member of any committee, officer, servant, agent, accountant or other person employed in the business of the Company or having access to the information of the Company shall, if so required by the Directors, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company and the state of the accounts with any person and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge except when required so to do by the Directors or by law and except so far as may be necessary in order to comply with any of the provisions in these Articles.

## **31. WINDING UP**

31.1 Subject to the applicable provisions of the Act and the rules made thereunder:

31.1.1 If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

31.1.2 For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

31.1.3 The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## **32. INDEMNITY AND RESPONSIBILITY**

32.1 Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

32.2 Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any

proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

- 32.3 The Company shall take and maintain an insurance policy on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

#### **Individual responsibility of Directors or Officers**

- 32.4 Subject to the provision of the Act and so far as such provisions permit, no director or other officer of the Company shall be liable for acts, receipts, neglects or defaults of any other director or officer or for joining in any receipt or act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency or the title to any property acquired by order of the director for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss occasioned by any error of judgment, omission default or oversight on his part, or for any loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

#### **33. BUY BACK OF SHARES**

- 33.1 The Company shall have power, subject to and in accordance with applicable provisions of the Companies Act or any statutory modification, re-enactment thereof and of any other law, rules, regulations, or guidelines as may be applicable in this behalf to purchase its own fully or partly paid up shares, whether equity or preference or of any other kind as per law in force from time to time, whether or not they are redeemable and may make payments out of capital in respect of such purchase or through any other authorised mode.
- 33.2 The Company may give loans to its employees (other than its directors and key managerial personnel) with a view to enable them to purchase or subscribe for fully paid up shares in the Company to be held by themselves by way of beneficial ownership subject to the limits laid down by Section 67 of the Companies Act in this respect.

## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These Contracts, copies of which will be attached to the copy of the Red Herring Prospectus, will be delivered to the RoC for registration, and the documents for inspection referred to hereunder may be inspected at the Registered Office of our Company from 10 a.m. to 5 p.m. on Working Days (Monday to Friday) from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

#### *Material Contracts to the Issue*

1. Agreement dated June 27, 2015 between our Company, the Selling Shareholders and the Registrar to the Issue.
2. Tripartite Agreement dated November 19, 2010 between CDSL, our Company and the Registrar to the Issue.
3. Tripartite Agreement dated November 16, 2010 between NSDL, our Company and the Registrar to the Issue.
4. Issue Agreement between our Company, the Selling Shareholders, and the GCBRLMs and the BRLMs dated June 30, 2015.
5. Escrow Agreement dated [●] between our Company, the Selling Shareholders, the GCBRLMs and the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), and the Registrar to the Issue.
6. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the GCBRLMs and the BRLMs, and the Syndicate Members.
7. Underwriting Agreement dated [●] between our Company, the Selling Shareholders, the GCBRLMs and the BRLMs, and the Syndicate Members.

#### *Material Documents*

1. Letter agreement between our Company and Mr. Rahul Bhatia for travel benefit entitlement dated April 13, 2011.
2. Letter agreement between our Company and Mr. Rakesh Gangwal for travel benefit entitlement dated June 25, 2015.
3. Letter agreement between our Company and Ms. Rohini Bhatia for travel benefit entitlement dated June 25, 2015.
4. The certificate of incorporation of our Company dated January 13, 2004.
5. The Memorandum and Articles of Association, as amended from time to time.
6. Board resolutions dated June 23, 2015 by our Company authorising the Issue.
7. Shareholders' resolution by our Company dated June 25, 2015 authorizing the Fresh Issue.
8. Resolution June 25, 2015 by the board of directors of InterGlobe Enterprises dated authorising the Offer for Sale of 3,290,419 Equity Shares.
9. Resolution dated June 25, 2015 by the boards of directors of IGT-InterGlobe Technologies Philippines Inc. authorising the Offer for Sale of 4,034,000 Equity Shares.

10. Resolution dated June 28, 2015 by the trustees of The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware) authorising the Offer for Sale of 3,635,727 Equity Shares.
11. Mr. Paul Carl Schorr, IV (nominee of G5 Investments) by way of its consent letter dated June 26, 2015 for the offer of 1,503,000 Equity Shares.
12. Letter dated June 26, 2015 by Mr. Rahul Bhatia approving the Offer for Sale of 3,006,000 Equity Shares.
13. Letter dated June 28, 2015 by Mr. Rakesh Gangwal approving the Offer for Sale of 3,759,638 Equity Shares.
14. Letter dated June 25, 2015 by Mr. Anil Chanana approving the Offer for Sale of 601,200 Equity Shares.
15. Letter dated June 28, 2015 by Dr. Asha Mukherjee approving the Offer for Sale of 149,900 Equity Shares.
16. Letter dated June 25, 2015 by Mr. Kunal Chanana approving the Offer for Sale of 300,600 Equity Shares.
17. Letter dated June 26, 2015 by Mr. Newton Bruce Ashby approving the Offer for Sale of 6,012,000 Equity Shares.
18. Letter dated June 26, 2015 by Mr. Sanjay Kumar approving the Offer for Sale of 100,200 Equity Shares.
19. Letter dated June 26, 2015 by Mr. Shakti Swarup Lumba approving the Offer for Sale of 84,000 Equity Shares.
20. Letter dated June 26, 2015 by Mr. Steven Eugene Harfst approving the Offer for Sale of 1,422,000 Equity Shares.
21. Shareholders resolution dated June 25, 2015 authorizing the InterGlobe Aviation Limited Tenured Employee Stock Option Plan 2015.
22. Shareholders resolution dated June 25, 2015 authorizing the InterGlobe Aviation Limited Employee Stock Option Plan 2015.
23. Statement of Tax Benefits dated June 28, 2015 and report dated June 28, 2015 of the Auditors, B S R & Co. LLP, Chartered Accountants, included in this Draft Red Herring Prospectus.
24. Copies of restated financial statements for Financial Years 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014 and the nine month period ended December 31, 2014 and the examination report thereon.
25. Copies of annual reports of our Company for Financial Years 2009-2010, 2010-2011, 2011-2012, 2012-2013 and 2013-2014.
26. Consent of the Auditors, B S R & Co. LLP, Chartered Accountants, for inclusion of the Auditor's report and Statement of Tax Benefits in the form and context in which they appear in this Draft Red Herring Prospectus.
27. Consents of the Selling Shareholders, Bankers to our Company, GCBRLMs, BRLMs, Registrar to the Issue, the Statutory Auditors, Legal Counsel to the Company, Legal Counsel to the Underwriters, Legal Counsel to the Selling Shareholders, Directors, Chief Financial Officer, Company Secretary and Compliance Officer as referred to, in their respective capacities. Consents of the Syndicate Member(s), Escrow Collection Banks and Refund Bank(s) shall be included at the time of filing the Red Herring Prospectus with RoC.
28. Consent from Centre for Asia Pacific Aviation India Private Limited to include excerpts from the "*CAPA Report*", in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

29. Consent from S-A-P Group LLC to include excerpts from the “*SAP Report*”, in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.
30. Due diligence certificate dated June 30, 2015, issued to SEBI by the GCBRLMs and the BRLMs.
31. In-principle listing approval dated [●] and [●] from BSE and NSE, respectively.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contract (Regulation) Act, 1956, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**Signed by the Directors of our Company**

**Rahul Bhatia**  
*Non-Executive Director*

**Rakesh Gangwal**  
*Non-Executive Director*

**Aditya Ghosh**  
*President and Whole-time Director*

**Dr. Anupam Khanna**  
*Non-Executive Independent Director*

**Devadas Mallya Mangalore**  
*Non-Executive Independent Director*

**Rohini Bhatia**  
*Non-Executive Director*

**AND**

**Pankaj Madan**  
*Chief Financial Officer*

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**DECLARATION BY INTERGLOBE ENTERPRISES LIMITED**

InterGlobe Enterprises Limited hereby certifies that all statements and undertakings made by InterGlobe Enterprises Limited in this Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder and the Equity Shares offered by it in the Offer for Sale, are true and correct. InterGlobe Enterprises Limited assumes no responsibility for any other statements, including any and all the statements made by or relating to the Company or its business, in this Draft Red Herring Prospectus.

**Signed by the Selling Shareholder, InterGlobe Enterprises Limited**

**For and on behalf of InterGlobe Enterprises Limited**

**(Authorized Signatory)**

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_



**DECLARATION BY MR. RAKESH GANGWAL**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus specifically in relation to himself as a Selling Shareholder and the Equity Shares offered by him in the Offer for Sale, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, including any and all the statements made by or relating to the Company or its business, in this Draft Red Herring Prospectus.

*Mr. Rakesh Gangwal*

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_

### **DECLARATION BY MR. RAHUL BHATIA**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus specifically in relation to himself as a Selling Shareholder and the Equity Shares offered by him in the Offer for Sale, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, including any and all the statements made by or relating to the Company or its business, in this Draft Red Herring Prospectus.

*Mr. Rahul Bhatia*

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**DECLARATION BY MS. SHOBHA GANGWAL**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus specifically in relation to herself as a Selling Shareholder and the Equity Shares offered by her in the Offer for Sale, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, including any and all the statements made by or relating to the Company or its business, in this Draft Red Herring Prospectus.

*Ms. Shobha Gangwal*

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**DECLARATION BY DR. ASHA MUKHERJEE**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus specifically in relation to herself as a Selling Shareholder and the Equity Shares offered by her in the Offer for Sale, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, including any and all the statements made by or relating to the Company or its business, in this Draft Red Herring Prospectus.

*Dr. Asha Mukherjee*

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**DECLARATION BY THE CHINKERPOO FAMILY TRUST (TRUSTEE: MS. SHOBHA GANGWAL & J. P. MORGAN TRUST COMPANY OF DELAWARE)**

The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware) hereby certifies that all statements and undertakings made by the Chinkerpoo Family Trust in this Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder and the Equity Shares offered by it in the Offer for Sale, are true and correct. The Chinkerpoo Family Trust assumes no responsibility for any other statements, including any and all the statements made by or relating to the Company or its business, in this Draft Red Herring Prospectus.

**Signed by the Selling Shareholder, The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware)**

**For and on behalf of *The Chinkerpoo Family Trust (Trustee: Ms. Shobha Gangwal & J. P. Morgan Trust Company of Delaware)***

**Ms. Shobha Gangwal  
(Authorized Signatory)**

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## DECLARATION BY G5 INVESTMENTS

G5 Investments hereby certifies that all statements and undertakings made by G5 Investments in this Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder and the Equity Shares offered by it in the Offer for Sale, are true and correct. G5 Investments assumes no responsibility for any other statements, including any and all the statements made by or relating to the Company or its business, in this Draft Red Herring Prospectus.

**Signed by the Selling Shareholder, G5 Investments**

**For and on behalf of *G5 Investments***

**(Authorized Signatory)**

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## **DECLARATION BY MR. SANJAY KUMAR**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus specifically in relation to himself as a Selling Shareholder and the Equity Shares offered by him in the Offer for Sale, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, including any and all the statements made by or relating to the Company or its business, in this Draft Red Herring Prospectus.

*Mr. Sanjay Kumar*

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**DECLARATION BY MR. SHAKTI SWARUP LUMBA**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus specifically in relation to himself as a Selling Shareholder and the Equity Shares offered by him in the Offer for Sale, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, including any and all the statements made by or relating to the Company or its business, in this Draft Red Herring Prospectus.

*Mr. Shakti Swarup Lumba*

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_



**DECLARATION BY MR. ANIL CHANANA**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus specifically in relation to himself as a Selling Shareholder and the Equity Shares offered by him in the Offer for Sale, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, including any and all the statements made by or relating to the Company or its business, in this Draft Red Herring Prospectus.

*Mr. Anil Chanana*

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_

### **DECLARATION BY MR. KUNAL CHANANA**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus specifically in relation to himself as a Selling Shareholder and the Equity Shares offered by him in the Offer for Sale, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, including any and all the statements made by or relating to the Company or its business, in this Draft Red Herring Prospectus.

*Mr. Kunal Chanana*

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**DECLARATION BY MR. STEVEN EUGENE HARFST**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus specifically in relation to himself as a Selling Shareholder and the Equity Shares offered by him in the Offer for Sale, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, including any and all the statements made by or relating to the Company or its business, in this Draft Red Herring Prospectus.

*Mr. Steven Eugene Harfst*

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**DECLARATION BY MR. NEWTON BRUCE ASHBY**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus specifically in relation to himself as a Selling Shareholder and the Equity Shares offered by him in the Offer for Sale, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, including any and all the statements made by or relating to the Company or its business, in this Draft Red Herring Prospectus.

*Mr. Newton Bruce Ashby*

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**DECLARATION BY IGT-INTERGLOBE TECHNOLOGIES PHILIPPINES INC.**

IGT-InterGlobe Technologies Philippines Inc. hereby certifies that all statements and undertakings made by IGT-InterGlobe Technologies Philippines Inc. in this Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder and the Equity Shares offered by it in the Offer for Sale, are true and correct. IGT-InterGlobe Technologies Philippines Inc. assumes no responsibility for any other statements, including any and all the statements made by or relating to the Company or its business, in this Draft Red Herring Prospectus.

**Signed by the Selling Shareholder, IGT-InterGlobe Technologies Philippines Inc.**

**For and on behalf of *IGT-InterGlobe Technologies Philippines Inc.***

**(Authorized Signatory)**

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_