Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

1. Corporate Information

SpiceJet Limited ('SpiceJet' or the 'Company') was incorporated on February 9, 1984 as a limited Company under the Companies Act, 1956 and is listed on the Bombay Stock Exchange Limited ('BSE'). The Company is principally engaged in the business of providing air transport services for the carriage of passengers and cargo. The Company is a low cost carrier ('LCC') operating under the brand name of 'SpiceJet' in India since May 23, 2005. The Company operates a fleet of 78 aircraft including 2 aircraft taken on wet lease across various routes in India and abroad as at March 31, 2019. The registered office of the Company is located at Indira Gandhi International Airport, Terminal 1D, New Delhi – 110037.

The financial statements were approved for issue by the board of directors on May 28, 2019.

2.A Summary of significant accounting policies

a) Basis of preparation of financial statements

i. Compliance with Ind-AS

The standalone financial statements of the Company for the year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015, read with Companies (Indian Accounting Standards) as amended.

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

ii. Historical Cost convention

The standalone financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments)

iii. Going concern assumption

The Company has been consistently profitable for the previous three financial years, as a result of which the negative net worth of ₹14,852 million as at March 31, 2015 has reduced to ₹3,506.88 million as at March 31, 2019. The earlier position of negative net worth and consequent net current liabilities was the result of historical factors. Further, the loss of ₹3,160.83 million in the current year is largely a result of adverse foreign exchange rates and fuel prices, during the second quarter of the financial year.

As a result of various operational, commercial and financial measures implemented over the last four years, the Company has significantly improved its liquidity position, and generated operating cash flows during that period. Further, macroeconomic factors are expected to improve having regard to industry outlook in the markets in which the Company operates. Based on business plans and cash flow projections, which consider various recurring and other events including aircraft maintenance costs based on contractual obligations and current maintenance conditions, management is of the view that the Company will be able to maintain profitable operations and raise funds as necessary, in order to meet its liabilities as they fall due. Accordingly, these financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future.

b) Current versus non-current classification

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

- Expected to be realised or consumed in normal operating cycle
- Held primarily for the purpose of trading

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Property, plant and equipment

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

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

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

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

The Company has opted to avail the exemption under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in financial statements for period ended immediately before beginning of first Ind AS financial reporting period as per Indian GAAP (i.e. till March 31, 2016). Consequent to which:

- Exchange differences arising on long-term foreign currency monetary items related to acquisition of certain Bombardier Q400 aircraft are capitalized and depreciated over the remaining useful life of the asset.
- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

Depreciation

The Company, based on technical assessment made by experts and management estimates, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

Asset Description	Useful life estimated by the management (years)
Office Equipment	5
Computers	3 – 6
Furniture and Fixtures	10
Motor Vehicles	8
Plant and Machinery	15
Aircraft, engines and landing gear (excluding cost of major inspection)	8 - 17.86
Rotable and Tools	17.86

The Company has elected to continue with the carrying value for all its Property, plant and equipment as recognised in its Indian GAAP financials as deemed cost as at the transition date (viz. April 01, 2015).

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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

e) Impairment of non-financial assets

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the services, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

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

f) Borrowing Costs

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

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

g) Revenue from contracts with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer. The revenue is recognized net of Goods and Service Tax (if any).

<u>Rendering of services</u>

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

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

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

Revenue from wet lease of aircraft is recognised as follows:

a) The fixed rentals under the agreements are recognised on a straight line basis over the lease period.

b) The variable rentals in excess of the minimum guarantee hours are recognised based on actual utilisation of the aircraft during the period.

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

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

The Company has applied the practical expedient and recognised the costs of selling airline travel tickets as an expense when it is incurred.

<u>Contract assets</u>

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

Sale of food and beverages

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

Training Income

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

Interest

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

h) Employee benefits

i. Short-term benefits

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

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

ii. Other long-term employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/ losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

iii. Post-employment benefits

The Company operates the following post-employment schemes:

a. Gratuity

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

b. Retirement benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

i) Taxes

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are generally recognised for all taxable temporary differences, except:

a. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

b. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as a deferred tax asset.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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

j) Earnings Per Share ("EPS")

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

For the purpose of calculating Diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

<u>Where the Company is a lessee</u>

A lease is classified at the inception date as a finance lease or an operating lease. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.f). Contingent rentals are recognised as expenses in the periods in which they are incurred.

<u>Sale and lease back arrangements</u>

Profit or loss on sale and lease back arrangements resulting in operating leases is recognized immediately in case the transaction is established at fair value. If the sale price is below fair value, any profit or loss is recognised immediately except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.

The sale and lease back arrangements entered in by the Company which result in operating lease wherever applicable are as per the standard commercial terms prevalent in the industry. The Company does not have an option to buy back the engine/ aircraft, nor does it have an option to renew or extend the lease after the expiry of the lease.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

l) Cash and cash equivalents

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

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

m) Foreign currencies

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

Initial Recognition

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

Conversion

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

Exchange Differences

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

n) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

Involvement of external valuers is decided upon annually by the Company. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Other fair value related disclosures are given in the relevant notes (Refer Note 48).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (Refer Note 49).

o) Provisions

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

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

p) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

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

a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Company does not have any debt instrument as at FVTOCI.

Debt instrument at FVTPL

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Company does not have any debt instrument at FVTPL.

Equity investments

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Company has classified its investments in mutual funds as Investments at FVTPL.

Derecognition

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

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

Impairment of financial assets

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expenses in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

Subsequent measurement

All financial liabilities except derivatives are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition

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

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure foreign currency risks.

Derivatives/ forward contracts are initially recognised at fair value at the date the derivative/ forward contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

Equity investment in Subsidiaries

Investment in subsidiaries are carried at cost in the separate financial statements as permitted under Ind-AS 27.

q) Inventories

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

r) Manufacturers' incentives

Cash Incentives

The Company receives incentives from Original equipment manufacturers ('OEM's') of aircraft components in connection with acquisition of aircraft under operating lease. These incentives are recognized as income coinciding with delivery of the related aircraft.

Non-cash Incentives

Non cash incentives relating to aircraft taken on finance lease are recorded as and when due to the Company by setting up a deferred asset and a corresponding incentive. These incentives are recognized under the head other operating revenue in the statement of profit and loss on a straight line basis over the remaining life of the aircraft. The deferred asset explained above is reduced on the basis of utilization against purchase of goods and services.

s) Commission to agents

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

t) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. On forfeiture of stock options, amounts accumulated in share-based payment reserves are transferred to general reserve.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

u) Segment reporting

Based on internal reporting provided to the chief operating decision maker, air transport service is the only operating segment for the Company.

v) Contingent liabilities

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

w) Measurement of Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

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

B. Changes in accounting policies and disclosures

New and amended standards

The Company has applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 *Revenue from Contracts with Customers*

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 01, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at April 01, 2018.

The application of the standard did not have any impact on the retained earnings as at April 1, 2018. Cargo revenue has been netted off with the amount collected on behalf of agents. Consequently, the accumulated amount netted off with revenue amounts to ₹112.43 million (March 31, 2018 - ₹68.04 million) which were earlier disclosed on gross basis respectively under cargo revenue and other expenses.

Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in

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for the year ended March 31, 2019

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arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the standalone financial statements as the Company continues to present grant relating to asset by setting up the grant as deferred income.

Amendment to Ind AS 38 Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Company's standalone financial statements.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's standalone financial statements.

Amendments to Ind AS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's standalone financial statements.

Amendments to Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, then it may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Company's standalone financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Company, as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

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for the year ended March 31, 2019

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3. Property Plant & Equipment (PPE)

Particulars	Plant & Equipment	Rotable & Tools	Office Equipment	Computers	Furniture & Fixtures	Motor Vehicles	Leasehold Improvements	Aircraft ^	Land	Total
Cost or valuation										
As at April 01, 2017	507.42	2,271.56	67.27	124.36	20.60	401.10	33.72	16,479.04	-	19,905.07
Additions #	224.13	613.98	32.38	77.11	5.39	89.76	10.92	875.20	171.37	2,100.24
Disposals	5.30	75.99	1.06	0.07	-	1.25	-	-	-	83.67
Exchange Differences *	-	-	-	-	-	-	-	20.76	-	20.76
As at March 31, 2018	**726.25**	**2,809.55**	**98.59**	**201.40**	**25.99**	**489.61**	**44.64**	**17,375.00**	**171.37**	**21,942.40**
Additions #	212.37	383.99	43.56	74.39	5.60	124.49	12.60	1,142.76	-	1,999.76
Disposals	1.64	25.68	0.98	-	0.01	11.13	-	-	-	39.44
Exchange Differences *	-	-	-	-	-	-	-	500.81	-	500.81
As at March 31, 2019	**936.98**	**3,167.86**	**141.17**	**275.79**	**31.58**	**602.97**	**57.24**	**19,018.57**	**171.37**	**24,403.53**
Depreciation and impairment										
At April 1, 2017	74.52	207.17	34.60	42.79	7.67	116.96	17.83	3,214.78	-	3,716.32
Charge for the Year	50.01	160.86	17.55	39.40	5.44	76.18	8.20	1,785.75	-	2,143.39
Disposals	1.89	9.19	1.00	0.02	-	0.68	-	-	-	12.78
Exchange Differences *	-	-	-	-	-	-	-	158.83	-	158.83
As at March 31, 2018	**122.64**	**358.84**	**51.15**	**82.17**	**13.11**	**192.46**	**26.03**	**5,159.36**	**-**	**6,005.76**
Charge for the Year	66.17	210.26	21.63	62.06	6.65	82.04	12.17	1,831.39	-	2,292.37
Disposals	0.70	5.59	0.93	-	0.01	8.73	-	-	-	15.96
Exchange Differences *	-	-	-	-	-	-	-	212.43	-	212.43
As at March 31, 2019	**188.11**	**563.51**	**71.85**	**144.23**	**19.75**	**265.77**	**38.20**	**7,203.18**	**-**	**8,494.60**
Net Block										
As at March 31, 2018	**603.61**	**2,450.71**	**47.44**	**119.23**	**12.88**	**297.15**	**18.61**	**12,215.64**	**171.37**	**15,936.64**
As at March 31, 2019	**748.87**	**2,604.35**	**69.32**	**131.56**	**11.83**	**337.20**	**19.04**	**11,815.39**	**171.37**	**15,908.93**

* Represents foreign exchange loss capitalised during the year and depreciation thereon. Also refer note 2(A)(c).

^ Under the agreement with the lender, the title to the aircrafts vest with the lessor, and the Company shall take title to aircrafts at the end of the lease period upon payment of all dues under the lease agreements. Also refer note 18 (a).

Additions to Aircraft comprise ₹1,142.77 million for the year March 31, 2019 and ₹875.20 million for the March 31, 2018 pertaining to overhaul costs capitalised on aircraft.

Rotables and tools, Ground support equipment and Motor Vehicles with a carrying amount of ₹289.67 million (March 31, 2018 ₹363.00 million), are subject to a first charge to secure the facilities provided by Allahabad Bank.

Refer Note. 42 for contractual commitments for the acquisition of PPE

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

4. Intangible Assets

Particulars	Software	Total
Cost or valuation		
As at April 01, 2017	37.07	37.07
Additions	41.13	41.13
Disposals	-	-
As at March 31, 2018	**78.20**	**78.20**
Additions	145.80	145.80
Disposals	-	-
As at March 31, 2019	**224.00**	**224.00**
Accumulated Amortization		
As at April 01, 2017	28.04	28.04
Charge for the year	9.78	9.78
Disposals	-	-
As at March 31, 2018	37.82	37.82
Charge for the year	57.45	57.45
Disposals	-	-
As at March 31, 2019	**95.27**	**95.27**
Net Block		
As at March 31, 2018	**40.38**	**40.38**
As at March 31, 2019	**128.73**	**128.73**

5. Non-Current Investments (fully paid up)

a. Unquoted equity investments in subsidiaries, at cost

Particulars	As at March 31, 2019	As at March 31, 2018
10,000 (March 31, 2018:10,000) equity shares of SpiceJet Merchandise Private Limited	**0.10**	0.10
10,000 (March 31, 2018:10,000) equity shares of SpiceJet Technic Private Limited	**0.10**	0.10
10,000 (March 31, 2018:Nil) equity shares of Canvin Realestate Private Limited	**0.10**	0.10
Total Investments in subsidiaries	**0.30**	**0.30**

b. Unquoted equity investments, at fair value

1270 (March 31, 2018: 1,270) equity shares of Aeronautical Radio of Thailand Limited	0.24	0.24
Aggregate amount of unquoted investments	**0.54**	**0.54**

6. Long-Term Loans

(Unsecured, considered good unless stated otherwise)

Loan to subsidiary		
Unsecured, credit impaired	**210.00**	-
Unsecured, considered good	**332.54**	497.62
	542.54	**497.62**
Impairment Allowance		-
Unsecured, credit impaired	**(210.00)**	
Unsecured, considered good		
	(210.00)	**-**
	332.54	**497.62**

Loan to subsidiary is repayable 3 years from the date of borrowing and carries an interest of 12.75%.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

7. Other Non-Current Financial Assets

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits (at amortised cost)	3,485.10	2,264.94
Non-current bank balances (also refer note 13)	7,859.13	6,527.41
Interest accrued but not due	-	40.29
	11,344.23	**8,832.64**

8. Non-Current Tax Assets

Advance income-tax and tax deducted at source (net of provision for taxation)	343.18	290.63
	343.18	**290.63**

9. Other Non-Current Assets

(Unsecured, considered good unless stated otherwise)

Accrued overhaul obligation on finance lease aircraft	766.47	1,084.82
Deposit with Delhi High Court (also refer note 44)	2,609.04	2,500.00
Tax paid under protest	1,460.34	561.47
Capital advances		
Unsecured, credit impaired	109.32	109.32
Unsecured, considered good	1,434.97	1,347.65
	6,380.14	5,603.26
Impairment Allowance		
Unsecured, credit impaired	(109.32)	(109.32)
Unsecured, considered good	-	-
	(109.32)	(109.32)
	6,270.82	**5,493.94**

10. Inventories

Engineering stores and spares	1,303.24	1,158.29
Inventories held in trade	-	16.71
Other stores	70.00	68.68
Total	**1,373.24**	**1,243.68**

11. Investments at Fair Value Through Profit or Loss (FVTPL)

Quoted investment in mutual funds	3.63	1,012.62
Aggregate amount of quoted investments and market value thereof	**3.63**	**1,012.62**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

12. a. Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables		
Trade receivables	1,353.37	851.87
Total Trade receivables	**1,353.37**	**851.87**
Break-up for security details:		
Trade receivables		
Unsecured, credit impaired	28.99	13.59
Unsecured, considered good	1,375.07	861.38
	1,404.06	**874.97**
Impairment Allowance (Allowance for bad and doubtful debts)		
Unsecured, credit impaired	(28.99)	(13.59)
Unsecured, considered good	(21.70)	(9.51)
	(50.69)	**(23.10)**
Total	**1,353.37**	**851.87**

Trade receivables also includes receivables from credit card companies which are realisable within a period of 2 to 28 working days. In respect of revenue from cargo operations, the Company offers credit to its customers which is in the range of 30 to 90 days.

For terms and conditions relating to related parties, refer Note 47.

12. b. Other Receivables

(Unsecured, considered good unless stated otherwise)

Maintenance recoverable	1,581.50	467.59
Insurance recoverable	205.23	243.77
Other receivables	4,004.27	-
Total Other receivables	**5,791.00**	**711.36**
Break-up for security details:		
Other receivables		
Unsecured, credit impaired	-	-
Unsecured, considered good	5,791.00	711.36
	5,791.00	**711.36**
Impairment Allowance		
Unsecured, credit impaired	-	-
Unsecured, considered good	-	-
	-	-
Total	**5,791.00**	**711.36**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

13. Cash and Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
– On current accounts	592.25	1,109.61
– On deposit accounts	15.88	55.63
Cash on hand	41.34	21.47
	649.47	1,186.71
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	50.88	208.00
Deposits with original maturity more than 12 months	78.62	63.00
Margin money/ Security against fund and non-fund based facilities*	7,859.13	6,527.41
	7,988.63	6,798.41
Less: Amount disclosed under other non-current asset (Refer note 7)	(7,859.13)	(6,527.41)
	129.50	271.00
	778.97	1,457.71

At March 31, 2019, the Company had available INR 2,820.83 million (March 31, 2018: INR 925.62 million,) of undrawn committed borrowing facilities.

*Margin money deposit have been placed with banks for non-fund based facilities sanctioned to the Company.

Changes in liabilities arising from financing activities

Particulars	April 01, 2018	Cash Flow	Foreign Exchange Impact	Others	March 31, 2019
Current borrowings	3,574.38	642.90	(37.84)	-	4,179.44
Finance Cost	55.00	(1,335.76)	-	1,312.84	32.08
Non-current borrowings	6,509.53	(1,356.03)	412.78	-	5,566.28
Total liabilities from financing activities	10,138.91	(2,048.89)	374.94	1,312.84	9,777.80
Particulars	**April 01, 2017**	**Cash Flow**	**Foreign Exchange Impact**	**Others**	**March 31, 2018**
Current borrowings	2,522.45	1,051.93	-	-	3,574.38
Finance Cost	31.62	(898.52)	-	921.90	55.00
Non-current borrowings	7,759.84	(1,274.87)	24.56	-	6,509.53
Total liabilities from financing activities	10,313.91	(1,121.46)	24.56	921.90	10,138.91

14. Other Current Financial Assets

(Unsecured, considered good unless stated otherwise)

Security deposits	314.07	541.49
Employee advances	133.72	96.22
Interest accrued		
- on fixed deposits	295.32	281.35
Contract asset	288.81	240.83
	1,031.92	1,159.89

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

15. Other Current Assets

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	2,608.15	1,734.59
Balance with Government authorities	-	175.44
Advances to suppliers		
Unsecured, credit impaired	-	-
Unsecured, considered good	681.45	796.36
Others	-	80.00
	3,289.61	2,786.39
Impairment Allowance		
Unsecured, credit impaired	-	-
Unsecured, considered good	-	-
	-	-
Total	**3,289.61**	**2,786.39**

16. Share Capital

Authorised Capital		
(1,500,000,000 equity shares of ₹10/- each)		
As at April 01, 2017	15,000.00	15,000.00
Increase during the year	-	-
As at March 31, 2018	15,000.00	15,000.00
Increase during the year	-	-
As at March 31, 2019	15,000.00	15,000.00
Issued, Subscribed and Paid-up Capital		
Equity shares of ₹10/- each issued, subscribed and fully paid		
As at April 01, 2017	5,994.50	5,994.50
Increase during the year	-	-
As at March 31, 2018	5,994.50	5,994.50
Increase during the year	2.68	-
As at March 31, 2019	5,997.18	5,994.50

A. Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period

Particulars	As at Mar 31, 2019		As at March 31, 2018	
	Number	Value (₹)	Number	Value (₹)
Shares outstanding at the beginning of the period	599,450,183	5,994,501,830	599,450,183	5,994,501,830
Issued during the year	268,173	2,681,730	-	-
Shares outstanding at the end of the period	599,718,356	5,997,183,560	599,450,183	5,994,501,830

B. Term/ Rights attached to Equity Shares

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

Notes to the Standalone Financial Statements

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

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

C. Details of Shareholders holding more than 5 percent in the Company:

Name of Shareholder	As at 31-Mar-2019		As at 31-Mar-2018	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Mr. Ajay Singh	357,405,288	59.60%	357,405,288	59.62%
Total	**357,405,288**	**59.60%**	**357,405,288**	**59.62%**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

D. Aggregate number of bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding the reporting date:

The Company has issued total 268,173 shares (March 31, 2018 - Nil) during the period of five years immediately preceeding the reporting date on exercise of options granted under the employee stock option ('ESOP') plan wherein part consideration was received in form of employee services.

E. Shares reserved for issue under options

For details of shares reserved for issue under ESOP, refer Note 39

17. Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
Reserves and Surplus		
Securities Premium Account	9,901.12	9,864.92
Retained Earnings	(19,537.94)	(16,362.66)
Total	**(9,636.82)**	**(6,497.74)**
Other reserves		
General Reserve	49.09	49.09
Share-based payment reserves	62.33	13.01
Foreign Currency Monetary Item Translation Difference Account	21.39	11.47
Total other equity	**132.81**	**73.57**

a. Securities Premium

Balance at the beginning of the year	**9,864.92**	**9,864.92**
Additions during the year	36.20	-
Deductions during the year	-	-
Balance at the end of the year	**9,901.12**	**9,864.92**

b. General Reserve

The general reserves is a free reserve, retained from company's profits to meet future obligations.

Balance at the beginning of the year	**49.09**	**49.09**
Transferred from employee stock options outstanding upon lapse of such options	-	-
Deductions during the year	-	-
Balance at the end of the year	**49.09**	**49.09**

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for the year ended March 31, 2019

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

c. Share-based payment reserves

The balance represents reserves created to the extent of vested options based on the Employees Stock Option Scheme, 2017.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**13.01**	-
Options granted during the year	85.52	13.01
Transferred to Securities Premium upon exercise of such options	(36.20)	-
Balance at the end of the year	**62.32**	**13.01**

d. Retained Earnings

Balance at the beginning of the year	**(16,362.66)**	**(22,031.51)**
Profit/ (Loss) for the year	(3,160.83)	5,666.51
Re-measurement Gain/(Loss) on Defined Benefit Obligations	(14.45)	2.34
Balance at the end of the year	**(19,537.94)**	**(16,362.66)**

e. Foreign Currency Monetary Item Translation Difference Account

Represents the exchange differences arising on other long-term foreign currency monetary item amortised to the Statement of Profit and Loss over the remaining life of the concerned monetary item.

Balance at the beginning of the year	**11.47**	**32.06**
Movement during the year in FCMITDA, net	28.47	1.58
Recognised in the Statement of P&L during the year	(18.55)	(22.17)
Balance at the end of the year	**21.39**	**11.47**

18. Long Term Borrowings (Secured)

Term Loans		
From bank	-	1,666.67
Less: Current maturities of long term borrowings (refer note 24)	-	(1,666.67)
	-	-
Other loans		
External commercial borrowing (Unsecured)	**6,918.16**	7,780.75
Vehicle loan from bank	-	5.12
Less: Current maturities of long term borrowings (refer note 24)	**(1,351.88)**	(1,276.34)
	5,566.28	**6,509.53**
	5,566.28	**6,509.53**

a. The External commercial borrowing ("ECB") relates to the acquisition of "Bombardier Q400 Aircraft". The ECB has been approved by the Reserve Bank of India and is granted through a finance lease structure between the Company and the lessor with lending from Export Development Canada. The related aircraft are owned by the lessor until the repayment of all outstanding by the Company under the terms of the respective lease agreements (also refer note 3). As per the terms of these lease agreements with the lessor, the Company may opt for either fixed or a floating rate of interest benchmarked to LIBOR for each drawdown, which coincides with the delivery of each aircraft. The interest on these borrowings ranges from 3.79% to 4.91%. Under each lease agreement the Company is required to make payment of lease rentals over a period of forty-eight quarters to lessor or its nominees.

b. The Company has defaulted in the repayment of the principal on the ECB loans amounting to ₹ 370.95 million. However, the default on the principal amount was remediated as at the reporting date. The Company has remitted penal interest of ₹ 0.82 million pursuant to this default.

19. Non Current Trade Payables

Trade payables	**77.65**	150.69
	77.65	**150.69**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

20. Long Term Provisions

Trade payables are non interest bearing and carry a credit period exceeding 365 days

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for gratuity (also refer note 40)	330.48	258.15
Provision for aircraft redelivery (also refer note 37)	583.78	413.67
Provision for aircraft maintenance (also refer note 37)	3,375.50	1,827.38
	4,289.76	2,499.20

21. Other Non-Current Liabilities

Deferred incentive	559.91	204.17
Less: Current portion of above	(55.49)	(17.10)
	504.42	187.07
Deferred gain on Sale and lease-back	5,390.07	515.05
Less: Current portion of above	(596.14)	(84.96)
	4,793.93	430.09
	5,298.35	617.16

22. Short Term Borrowings (Secured)

Working capital demand loan from bank	997.79	1,000.00
Working capital demand loan from others	-	1,000.00
Buyers' Credit from bank	-	162.61
Pre-shipment credit foreign currency loan	3,181.65	1,411.77
	4,179.44	3,574.38

Working capital demand loan from bank is secured by fixed deposits placed by the erstwhile promoter and is repayable on demand. The loan carries an interest rate of 12.75%.

Pre-shipment credit foreign currency loan from bank is secured by fixed deposits placed by the Company having a carrying value of ₹884.90 million and is repayable within 6 months from each drawdown. The loan carries an interest rate benchmarked to the LIBOR rate at each drawdown. The interest rate on these borrowings ranges between 4.47% to 5.90%.

23. Trade Payables

Trade payables		
- Dues to Micro, Small & Medium Enterprises (See Note below)	188.50	-
- Others	10,324.52	6,882.20
	10,513.02	6,882.20
Dues to Micro, Small & Medium Enterprises ('MSMED')		
Principal amount due to suppliers under MSMED Act	182.28	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	6.22	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	6.22	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	6.22	-

Terms and conditions of the above financial liabilities:

Trade payables are non interest bearing and carry a credit period generally between 30 and 90 days

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

24. Other Current Financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured		
Employee compensation payable	179.69	166.18
Security deposits received	58.21	18.25
Secured		
Current maturities of long-term borrowings (also refer note 18) (includes current maturities of ECB ₹1,351.88 million (March 31, 2018 - ₹1,271.22 million)	1,351.88	2,943.01
Interest accrued and due on borrowings	-	39.03
Interest accrued but not due on borrowings	32.08	15.97
	1,621.86	3,182.44
Break up of financial liabilities carried at amortised cost :		
Borrowings (non-current) (note 18)	5,566.28	6,509.53
Borrowings (current) (note 22)	4,179.44	3,574.38
Current maturity of long term loans (note 24)	1,351.88	2,943.01
Trade payables (non current) (note 19)	77.65	150.69
Trade payables (current) (note 23)	10,324.52	6,882.20
Other Current financial liabilities (note 24)	237.90	184.43
Total financial liabilities carried at amortised cost	**21,737.67**	**20,244.24**

25. Short Term Provisions

Provision for employee benefits		
Provision for gratuity (also refer note 40)	31.55	25.45
Provision for compensated absences	134.41	116.52
Provision for litigation (also refer note 43)	107.20	97.69
Provision for aircraft maintenance (also refer note 37)	2,424.04	1,987.37
Provision for aircraft redelivery (also refer note 37)	89.32	26.75
	2,786.52	2,253.78
Provision for litigation:		
At the beginning of the year	97.69	172.40
Additions during the year	9.51	(74.71)
Utilisation/ reversal during the year	-	-
At the end of the year	107.20	**97.69**
Provision for aircraft maintenance		
At the beginning of the year	3,814.75	3,357.82
Additions during the year	5,400.86	4,164.81
Utilisation during the year	(3,416.07)	(3,707.88)
At the end of the year	5,799.54	**3,814.75**
Provision for aircraft redelivery		
At the beginning of the year	440.42	355.52
Provision made over the lease period	267.58	102.46
Utilisation during the year	(34.90)	(17.56)
At the end of the year	673.10	**440.42**

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for the year ended March 31, 2019

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

26. Other Current Liabilities (Unsecured)

Particulars	As at March 31, 2019	As at March 31, 2018
Current portion of deferred incentives	55.49	17.10
Current portion of deferred gain on sale and lease-back	596.14	84.96
Amount due under order of Delhi High Court (also refer note 44)	6,425.55	5,790.89
Contract liabilities	7,071.85	6,062.50
Advance received from agents	1,672.32	1,967.26
Statutory dues (including interest thereon)	595.37	365.29
Airport Taxes Payable	701.95	785.38
Others	5.99	2.82
	17,124.66	15,076.20

27. Revenue From Contracts With Customers

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of services		
Passenger revenue	85,783.70	74,207.52
Cargo revenue	3,079.12	2,632.56
Other operating revenues		
Incentives received	1,136.34	37.89
Income from training services	289.75	218.11
Others	843.63	460.83
Total revenue from contracts with customers	91,132.54	77,556.91
India	82,378.35	72,685.64
Outside India	8,754.19	4,871.27
Total revenue from contracts with customers	91,132.54	77,556.91

28. Other Income

Net Gain on sale of investments	52.47	148.28
Liabilities/ provision no longer required written back	369.78	489.08
Insurance/ warranty claims received	118.43	122.07
Miscellaneous income	42.22	35.75
	582.90	795.18

29. Finance Income

Interest income on discounting of financial instruments	96.16	64.43
Interest income		
- on bank deposits	768.74	432.79
- on loan to subsidiary	-	33.20
	864.90	530.42

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

30. Operating Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Aviation turbine fuel	34,452.52	24,326.27
Lease charges - aircraft, engines and auxiliary power units (also refer note 41)	12,967.16	10,321.57
Aircraft repairs and maintenance	6,129.34	4,692.91
Supplemental lease charges - aircraft, engines and auxiliary power units	7,834.94	6,330.81
Consumption of stores and spare parts	1,078.34	856.73
Aviation insurance	361.71	227.39
Landing, navigation and other airport charges	7,520.54	6,605.56
Cost of inflight food and beverages	1,066.54	884.34
Aircraft navigation software expenses	596.72	491.94
Aircraft redelivery costs	178.76	97.98
Cargo handling costs	406.93	331.34
Other operating expenses	407.04	283.13
	73,000.54	**55,449.97**

31. Employee Benefits Expenses

Salaries, wages and bonus	9,400.76	7,680.04
Contribution to provident and other funds	329.18	247.25
Employee stock option scheme	85.52	13.01
Gratuity expense (also refer note 40)	88.90	71.41
Recruitment and training cost	393.82	373.09
Staff welfare	271.89	240.87
	10,570.07	**8,625.67**

32. Sales and Marketing Expenses

Commission to agents *	1,060.56	1,099.85
Business promotion and advertisement	1,013.85	790.77
	2,074.41	**1,890.62**

* Includes deposit incentive to agents

33. Other Expenses

Rent	567.24	447.14
Rates and taxes	564.06	464.29
Repairs and maintenance		
- buildings	77.99	44.42
- plant and machinery	34.26	20.68
- others	270.00	237.78

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Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Crew accommodation cost	440.97	368.30
Communication	97.26	94.72
Printing and stationery	146.57	131.07
Travelling and conveyance	1,183.79	939.90
Legal, and professional fees (Refer note below for details of payment to auditor)	344.64	385.64
Power and fuel	109.25	85.78
Provision for doubtful advances	2.04	85.00
Advances/ debts written off	225.35	36.54
Provision for doubtful debts	237.59	18.07
Provision for litigation	9.51	-
Insurance	152.94	48.05
Credit card charges	299.82	286.49
Bank charges	23.23	10.01
Exchange fluctuation loss (net)	746.25	214.89
Net Loss on financial assets measured at FVTPL	12.39	26.85
Loss on sale of assets (net)	20.02	52.16
Miscellaneous expenses	21.23	18.06
	5,586.40	4,015.84
Payment to auditor		
As auditor		
Audit fees	9.29	9.12
Limited review	2.25	2.25
In other capacity		
Other services (certification fees)	0.15	0.03
Reimbursement of expenses	0.54	0.34

34. Finance Costs

Interest		
- on fixed loan from banks	652.07	397.86
- on fixed loan from others	487.48	367.21
Interest cost on discounting of financial instruments	88.35	74.02
Other borrowing cost	84.94	82.81
	1,312.84	921.90

35. Exceptional Items

Interest Cost for Arbitration Order (Refer Note 44)	634.66	-
	634.66	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

36. Earnings Per Share ('EPS')

a. Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

b. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Number of equity shares outstanding at the beginning of the year	599,450,183	599,450,183
Number of equity shares issued	268,173	-
Number of equity shares outstanding at the end of the year	599,718,356	599,450,183
Weighted average number of shares		
a. Basic	599,489,123	599,450,183
Effect of dilution:	-	-
Stock option granted under ESOP	863,872	158,448
b. Diluted	600,352,995	599,608,631
Profit/ (Loss) for the year	(3,160.83)	5,666.51
Earnings per share :		
-- Basic earnings/ (loss) per share (₹)	(5.27)	9.45
-- Diluted earnings/ (loss) per share (₹)	(5.27)	9.45
Nominal value per share (₹)	10.00	10.00

c. In view of the uncertainties prevailing at the relevant time with regard to the proposed allotment of certain securities in the previous periods, it was not possible to determine the effect thereof, if any on Diluted Earnings per share calculation for such periods. Considering the current status of the matter as described further in note 44, no further effect on this matter to the dilutive earnings per share calculations have been considered.

37. Significant accounting judgements, estimates and assumptions

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

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

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

Notes to the Standalone Financial Statements

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Taxation

Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the management to estimate the level of tax that will be payable based upon the Company's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

In respect of other taxes which are in disputes, the management estimates the level of tax that will be payable based upon the Company's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

Defined Benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

Useful life, residual value of property, plant and equipment

The management has estimated the useful life of its property, plant and equipment based on technical assessment. The estimate has been supported by independent assessment by technical experts. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Major inspection costs relating to heavy maintenance visits for overhauls of engines are capitalised. These amounts are depreciated over the average expected life between major overhauls.

Going concern assumption

These financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future. (refer note 2(A)(a)(iii) for management's assessment regarding going concern, including related judgments involved).

Provision for aircraft maintenance

Certain heavy maintenance checks for the aircraft engines need to be performed at specified intervals as enforced by the Director General of Civil Aviation in accordance with the Maintenance Program Document laid down by the aircraft manufacturers. In this regard, the Company estimates the expected costs at the time of such check factoring expected drawdown of supplemental rentals and other contributions receivable from the lessors wherever applicable.

The Company has, having regard to its obligation to maintain engines under aircraft lease agreements, finalized the terms of service contracts and has also entered into revised contracts for maintenance of engines on its Boeing and Q400 aircraft. Based on such finalized contracts/ terms, and factors such as scope and timing of maintenance and repairs of engines including firm fixed costs of maintenance at different intervals, expected drawdown from the supplemental rentals under the relevant lease agreements (wherever applicable), etc, management undertook a comprehensive exercise to re-estimate its liabilities in respect of engine maintenance obligations. During the current year, the Company continues to evaluate for expected shortfalls in the maintenance obligations and on such basis estimates the provisions required to be made in this regard.

Provision for aircraft redelivery

The Company has in its fleet certain aircraft on operating lease. As per the terms of the lease agreements, the aircraft are to be redelivered to the lessors at the end of the lease term in technical condition as stipulated under the lease agreements. Such redelivery conditions include costs for technical inspection, maintenance checks, repainting costs prior to its redelivery and the cost of ferrying the aircraft to the location as stipulated in the lease agreements.

The Company, therefore, provides for such redelivery expenses, as contractually agreed, in proportion to the expired lease period.

38. Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

1. **Ind AS 116 : Leases**

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from April 01, 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The Company plans to adopt Ind AS 116 using the modified approach. Accordingly, the Company will not restate comparative information; instead, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 01, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount net of incentives received as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 01, 2019.

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The Company will elect to apply the standard to contracts that were previously identified as leases applying Ind AS 17. The Company will therefore not apply the standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Company has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low value. A single discount rate to a portfolio of leases with reasonably similar characteristics. Initial direct cost is excluded from the measurement of the ROU asset at the date of initial application. The lease term has been determined with the use of hindsight where the contract contains options to extend the lease.

The nature of expenses presently presented under Lease charges - aircraft, engines and auxiliary power units and Rent as per Ind AS 17 will now be presented as per Ind AS 116 in the form of:

- Amortization charge for the ROU asset
- Finance cost from interest accrued on lease liability

Further, this will increase the Company's foreign exchange volatility arising from revaluation of lease liability that is denominated in currency other than Indian Rupees.

During the current financial year ending March 31, 2019, the Company has performed a detailed impact assessment of Ind AS 116. In summary the impact of Ind AS 116 adoption is expected to be, as follows:

Particulars	Amount
Assets	
Right-of-use (ROU)	61,790.34
Liabilities	
Lease Liability	64,010.13
Redelivery Obligation	803.11
Impact to Equity	(3,022.89)

The Right-of-use (ROU) asset is before netting off the deferred incentive as at transition date amounting to ₹ 4,793.93 million.

The lease liability of approximately ₹ 64,010.13 million , would be recorded, being the present value of the remaining lease payments, using the incremental borrowing rate applicable to the Company at the initial application date. The most significant lease liabilities relate to aircraft taken on operating lease.

Where lease liability is held in any currency other than Indian Rupees, the same needs to be revalued at the end of each reporting period at the then applicable exchange rate. The most significant exposure to the Company, will be to changes in exchange rate as lease liability towards aircraft is a foreign currency driven liability.

The existing aircraft classified as finance lease will continue to be presented on balance sheet. Milestone incentives received against such aircraft will continue to amortise over the expected period of use of leased asset in proportion to the depreciation of the leased asset.

There will be consequent reclassification in the cash flow categories in the statement of cash flows.

2. **Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically

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include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

i) Whether an entity considers uncertain tax treatments separately

ii) The assumptions an entity makes about the examination of tax treatments by taxation authorities

iii) How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

iv) How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after April 01, 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. Since the Company operates in a complex multinational tax environment, applying the Interpretation may affect its standalone financial statements. In addition, the Company may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

3. Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after April 01, 2019. These amendments have no impact on the standalone financial statements of the Company.

4. Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

i) Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

ii) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after April 01, 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

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5. **Amendments to Ind AS 28: Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after April 01, 2019. Since the Company does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its standalone financial statements.

Annual improvement to Ind AS (2018):

These improvements include:

1. **Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation**

The amendments clarify that, when an party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after April 01, 2019. These amendments are currently not applicable to the Company but may apply to future transactions.

2. **Amendments to Ind AS 111: Joint Arrangements**

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after April 01, 2019. These amendments are currently not applicable to the Company but may apply to future transactions.

3. **Amendments to Ind AS 12: Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its standalone financial statements.

4. **Amendments to Ind AS 23: Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its standalone financial statements.

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

39. Employee stock option plans

The following share-based payment arrangements were in existence during the current and prior years :

Employees Stock Option Scheme, 2017

The shareholders at the Annual General Meeting held on November 27, 2017, approved an ESOS which provides for the grant of 10,000,000 options (each option convertible into share) to employees.

The remuneration committee had granted 2,131,538 options to eligible employees subject to certain conditions on February 07, 2018 at an exercise price of ₹10/- per share. Such options were to vest over 3 years in the following manner:

- 25% of the options – one year from the date of grant
- 35% of the options – two years from the date of grant
- 40% of the options – three years from the date of grant

In accordance with the shareholders' approval, options once vested can only be exercised by the employee (subject to him/ her remaining in employment) within a period of 5 years.

The compensation cost for ESOS been recognized based on the fair value at the date of grant in accordance with the Black-Scholes method.

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding, beginning of year	300,289	10.00	-	-
Granted during the year*	420,404	10.00	300,289	10.00
Exercised during the year	268,173	10.00	-	-
Forfeited during the year	-	-	-	-
Outstanding, end of year	452,520	10.00	**300,289**	**10.00**
Outstanding at the year-end comprise:				
Options eligible for exercise at year end	32,116	10.00	-	-
Options not eligible for exercise at year end	420,404	10.00	300,289	10.00

*Includes only options granted to employees who have fulfilled the related conditions in respect of such grant.

The fair value of options provided under the ESOS, 2017 was estimated at the date of grant using the Black-Scholes method with the following assumptions:

Particulars	Vesting dates		
	February 07, 2019	February 07, 2020	December 31, 2020
Market price of share (as at Feb 06, 2018)	129.35	129.35	129.35
Exercise price of option	10	10	10
Number of period to exercise in years	3.50	4.50	5.42
Risk free interest rate	7.53%	7.51%	7.51%
Expected dividend yield	-	-	-
Standard Deviation (annualised)	58.50%	58.11%	57.61%
Fair value per vest	121.72	**122.32**	**122.84**
Fair value of option		122.29	

Notes to the Standalone Financial Statements

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

40. Employee benefits obligation

Defined benefit plan

a. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of ₹2.00 million. The scheme is unfunded and accordingly the disclosures relating to plan assets are not provided.

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Change in defined benefit obligation ('DBO')		
1. Defined benefit obligation at the beginning of the period	283.60	239.56
2. Service cost		
a. Current service cost	66.78	53.80
3. Interest expenses	22.12	17.61
4. Cash flows		
a. Benefits paid	(24.91)	(25.03)
5. Remeasurements		
a. Effect of changes in financial assumption	6.46	(17.14)
b. Effect of experience adjustments	7.99	14.81
6. Defined benefit obligation at the end of the period	362.04	283.60
B. Amounts recognized in Balance Sheet		
1. Defined benefit obligation	362.03	283.60
2. Fair value of plan assets	-	-
3. Funded status	-	-
4. Net defined benefit liability/ (asset)	362.03	283.60
C. Components of defined benefit cost		
1. Service cost		
a. Current service cost	66.78	53.80
2. Net interest cost	-	
a. Interest expense on DBO	22.12	17.61
b. Interest (income) on plan assets	-	-
c. Total net interest cost	22.12	17.61
3. Remeasurements (recognized in OCI)		
a. Effect of changes in Financial assumption	6.46	(17.14)
b. Effect of changes in experience adjustments	7.99	14.81
c. (Return) on plan assets (excluding interest income)	-	-
4. Total defined benefit cost recognized in P&L and OCI	103.35	69.08

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for the year ended March 31, 2019

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Particulars		Year ended March 31, 2019	Year ended March 31, 2018
D.	**Re-measurement**		
a.	Actuarial Loss/ (Gain) on DBO	**14.45**	(2.34)
b.	Returns above interest income	**-**	-
	Total remeasurements (OCI)	**14.45**	(2.34)
E.	**Employer expense (P&L)**		
a.	Current service cost	**66.78**	53.80
b.	Interest cost on net DBO	**22.12**	17.61
c.	Total P&L expenses	**88.90**	71.41
F.	**Net defined benefit liability (asset) reconciliation**		
1.	Net defined benefit liability (asset)	**283.60**	239.56
2.	Defined benefit cost included in P&L	**88.90**	71.41
3.	Total remeasurements included in OCI	**14.45**	(2.34)
4.	Employer contribution	**(24.91)**	(25.03)
5.	Net defined benefit liability (asset) as at end of period	**362.04**	283.60
G.	**Reconciliation on OCI (Re-measurement)**		
1.	Recognized in OCI during the period	**14.45**	(2.34)
2.	Recognized in OCI at the end of the period	**14.45**	(2.34)
H.	**Sensitivity analysis- DBO end of period**		
1.	Discount rate + 50 Basis points	**(9.16)**	(17.72)
2.	Discount rate - 50 Basis points	**10.18**	19.60
3.	Salary increase rate + 0.5%	**10.35**	19.95
4.	Salary increase rate - 0.5%	**(9.38)**	(18.17)
I.	**Significant actuarial assumption**		
1.	Discount rate current year	**7.80%**	7.35%
2.	Salary increase rate	**5.50%**	5.50%
3.	Pre-retirement mortality	**3% (Up to 30 years) 2% (Age 31-44) 1% (above age 44)**	3% (Up to 30 years) 2% (Age 31-44) 1% (above age 44)
4.	Retirement age	**58**	58
J.	**Data**		
1.	No. of employee's	**11,399**	8,447
2.	Average age (years)	**29.96**	30.05
3.	Average past service	**2.89**	3.12
4.	Average monthly salary	**1,881.70**	1,472.23
5.	Future service (years)	**28.30**	27.95
6.	Weighted average duration of DBO	**20.57**	20.47
K.	**Expected total benefit payments**		
1.	Within the next 12 months (next annual reporting period)	**31.55**	25.45
2.	Between 2 and 5 years	**25.74**	25.05
3.	Beyond 5 years	**304.74**	233.10

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for the year ended March 31, 2019

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Particulars	Year ended March 31, 2019	Year ended March 31, 2018
L. Defined benefit obligation at the end of the year		
1. Current obligation	**31.55**	25.45
2. Non-current obligation	**330.48**	258.15
Summary		
1. Defined benefit obligation at end of the period	**362.04**	283.60
2. Fair value plan assets at end of the period	**-**	-
3. Net defined benefit liability/ (asset)	**362.03**	283.60
4. Defined benefit cost included in P&L	**88.90**	69.66
5. Total remeasurement included in OCI	**14.45**	(2.34)
6. Total defined benefit cost recognized in P&L and OCI	**103.35**	67.32

b. Short term compensated absences

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

1.	Discount rate	**7.80%**	7.80%
2.	Future salary increase	**5.50%**	5.50%

c. Contributions to defined contribution plan:

During the year, the company recognized ₹278.26 Million (Previous year- ₹209.59 Million) to Provident Fund under defined contribution plan and ₹50.92 Million (Previous year - ₹37.66 Million) for contributions to Employee State Insurance scheme in the Statement of profit & loss.

41. Leases

Operating lease: Company as a lessee

The Company has taken on lease aircraft, aircraft spares, engines and premises from third parties. Lease charges for aircraft and engines for the year ended March 31, 2019 amount to ₹12,967.16 million (Previous year ₹10,321.57 million), supplemental lease charges amount to ₹7,834.94 million (Previous year ₹6,330.81 million) and rental expense on premises for the year ended March 31, 2019 amount to ₹567.24 million (Previous year ₹447.24 million).

The Company has taken aircraft through dry operating lease from lessors. Under the aircraft lease agreements, the Company pays monthly rentals in the form of base and supplementary rental. Base rental payments are either based on floating or fixed interest rates. Supplemental rentals are based on aircraft utilisation and are calculated with reference to the number of hours flown or number of cycles operated during each month. Both base and supplemental lease rentals have been charged to the statement of profit and loss. The lease terms vary between 4 and 12 years and can be further extended based on mutual agreement with the lessors. There are no significant restrictions imposed by lease arrangements.

The Company has also taken aircraft on wet lease. In a wet lease arrangement, the lessor provides an aircraft, complete crew, maintenance, and insurance (ACMI) to the lessee. The Company pays monthly lease rentals containing fixed and variable consideration. The lease period for a wet lease are generally between 3 to 6 months.

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The future minimum lease rentals payable under non-cancellable leases (except supplementary rental which are based on aircraft utilisation and calculated on number of hours flown or cycle operated) are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Aircraft		
Not later than one year	**17,106.73**	9,169.92
Later than one year but not later than five years	**41,254.35**	37,879.13
Later than five years	**29,960.56**	29,541.81
Aircraft engines & APU		
Not later than one year	**721.41**	376.27
Later than one year but not later than five years	**1,767.96**	993.78
Later than five years	**787.18**	278.24
Wet Lease aircraft		
Not later than one year	**-**	68.42
Later than one year but not later than five years	**-**	-
Later than five years	**-**	-
Building Space rentals		
Not later than one year	**194.91**	99.08
Later than one year but not later than five years	**707.71**	326.91
Later than five years	**578.33**	256.31

42. Capital and other commitments

a. At March 31, 2019, the Company has commitments of ₹538,189.48 million (March 31, 2018 - ₹529,519.00 million) relating to the acquisition of aircraft.

b. The Company has commitments in the nature of non-cancellable operating leases. The future minimum lease payments expected to be incurred over the remaining lease term are detailed in Note 41.

c. Under certain long-term maintenance contracts for the management, maintenance, repair and overhaul of aircraft components and spares, the Company incurs an agreed power-by-the-hour cost based on aircraft/ component utilization. In addition, some contracts provide for compensation upon pre-mature termination, as applicable.

43. Litigations and claims

a) Summary

i) Matters wherein management has concluded the Company's liability to be probable have accordingly been provided for in the books. Also refer note 25.

ii) Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed under Note 43(b) Contingent liabilities below.

iii) Matters wherein management is confident of succeeding in these litigations and have concluded the Company's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

b) Contingent liabilities

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Liability arising out of legal cases filed against the Company in various Courts/ Consumer Redressal Forums, Consumer Courts, disputed by the Company.	133.47	148.96
Liability arising out of Arbitration proceedings on account of cancellation of leased premises. Refer note (iii) below	-	33.32
Demand in respect of provident fund dues for international workers as explained in note (ii) below.	142.37	142.37
Demand in respect of service tax (including interest and penalty) as explained in note (iv) below.	170.70	170.70
Liability arising out of other legal cases filed against the Company.	11.83	60.61
Show cause notice received in respect of service tax as explained in note (v) below	4,005.72	4,005.72
Liability arising out of Integrated Goods and Services Tax ('IGST'), on overseas repairs and replacement of various aircraft equipment as explained in note (viii) below	1,460.30	561.47
The Company has various demands arising from Income-Tax assessments pertaining to Assessment year 2006-07 to 2014-15. The litigations are currently pending at various forums and such sum contested after adjusting the brought forward losses and depreciation was computed to be Nil. Consequently, without prejudice to its legal defence on these matters, the Company have not disclosed the same as a contingent liability.		

i. A vendor has fited an arbitration claim against the Company for ₹ 33.32 million including an interest of ₹ 10.58 million for termination of a lease agreement for accommodation of the Company's crew. The agreement was terminated by the Company citing poor quality of services. The arbitration proceedings in the matter have been completed and the suit has been dismissed in favour of the Company. The vendor had subsequently, challenged the said award by preferring an application under Section 34 of the Arbitration and Conciliation Act, 1996. The said petition was allowed by the HonTle High Court. The Company had challenged the said order by filing an appeal against the same. The said appeal was allowed in favour of the Company.

ii. The Company has received a demand notice from the Regional Provident Fund Commissioner, Gurgaon for ₹79.91 million in respect of provident fund ("PF") dues for international workers vide Notifications GSR 706(E) dated 1st October 2008 and GSR 148 dated 3rd September 2010, for the period from November 2008 to February 2011. The Company has responded to the notice disputing the demand and, without admitting any liability towards the same, has deposited an amount of ₹1.96 million towards the PF contributions in respect of international workers for the period from November 2008 to July 2011 under the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 ('PF Act'). Since August 2011, the Company has been making provident fund contributions in respect of international workers under the provisions of the PF Act. During the year ended March 31, 2012, the Company has filed a writ petition with the Hon'ble Delhi High Court contending that the above notifications relating to international workers are unreasonable and ultra vires the PF Act. The Court has directed that this matter be put up in the regular list and the interim order in favour of the Company has been made absolute till disposal of the petition. In addition, a report has been filed by the Department's Representatives before the Regional Provident Fund Commissioner on March 22, 2017 pursuant to which there is an additional claim against the Company aggregating ₹64.42 million for the period from March 2011 till January 2012. The aggregate demand on account of this matter from the period November 2008 to January 2012 is ₹144.43 million. Pending disposal of the petition, the Company has not accrued for any additional liability in respect of provident fund contributions to international workers.

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iii. The Company has received a demand order for a sum of ₹77.28 million, and applicable interest, as well as penalty of ₹77.28 million from the service tax department for non-remittance of service tax on reverse charge mechanism on certain payments made during the period April 18, 2006 to March 31, 2012. The Company is contesting the order on the grounds that the services obtained by the Company were not liable to service tax under the categories determined by the authorities and are hence not taxable services. Effective July 2012, pursuant to the enactment of the negative list of taxable services, the Company has been paying service tax on these services received on reverse charge basis under the relevant provisions of the Finance Act, 1994. Based on advice by its tax consultants and internal evaluation, the Company has provided an amount of ₹67.09 million (including a portion of applicable interest) on a conservative basis (also refer note 26). However, the Company continues to contest the entire demand and has filed an appeal against the adverse order with the CESTAT and is confident of its success. The balance amount of the matter under litigation, (including interest and penalty) of ₹170.70 million, has not been accrued pending final outcome of this matter and has been disclosed as a contingent liability.

iv. The Company has received certain show cause notices from the service tax authorities, citing various defaults, including failure/delay in remitting service tax collected, over past financial years as well as alleged failure in remittance of service tax on certain other items. Based on their assessment of the contentions of the service tax authorities, management has submitted a detailed reply to the notice, and based on legal advice obtained, believes that the likelihood of this liability devolving on the Company is low, and accordingly has made no adjustments to the financial statements.

v. The Company has received certain orders from the customs authorities, levying IGST, on overseas repairs and replacement of various aircraft equipment, which in the opinion of management and based on expert advise obtained, is not subject to such levy. Accordingly no further adjustments have been made in this regard as at March 31, 2019.

Further to the above,

vi. In another case, M/s Hindustan Development Corporation Limited ("HDCL") (now renamed as Mallanpur Steels Limited) who had lent ₹50 million by way of inter-corporate deposit to the Company, has filed an appeal before the division bench of the Hon'ble Delhi High Court against the Scheme of Settlement passed by the Hon'ble Delhi High Court wherein the Company's liability was fixed at ₹35 million. The Company had made a deposit of ₹35 million to the Official Administrator of the Scheme in accordance with approved Scheme. Pending disposition of the review petition, the likelihood of the balance amount of ₹15 million devolving on the Company is not probable. Also, the interest (if any) on the same is not ascertainable.

vii. The Competition Commission of India ("CCI") passed an order dated November 17, 2015 against, inter alia, the Company, which included a demand of ₹424.80 million on the Company. The Company's appeal against this order with Competition Appellate Tribunal ("COMPAT") was disposed of by the COMPAT, which set aside the impugned order on technical grounds and has referred the matter back to the CCI for fresh adjudication based on the COMPAT's directions. Subsequent thereto, the matter was reconsidered by CCI and a revised order dated March 7, 2018 imposing fine of ₹51 million was imposed on the Company. The Company has filed an appeal before COMPAT and based on legal advice received, management is confident of a favourable outcome in this matter and accordingly no adjustments are considered necessary in the financial statements.

viii. The Assistant Commissioner of Income-Tax ("ACIT") has filed a complaint against the Company and its erstwhile Chairman and Managing Director in their individual capacity, over delayed payment of tax deducted at source in contravention of section 276B of the IT Act, 1961 for financial years 2013-14 and 2014-15. The matter is sub-judice as on date and based on professional advice, the management is confident of a favourable outcome in this matter in so far as it relates to the Company. Accordingly, no adjustments are considered necessary in the financial statements.

ix. There are numerous interpretative issues relating to the Hon'ble Supreme Court judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from

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the date of the Hon'ble Supreme Court order. The Company will update its provision, on receiving further clarity on the subject.

c) Based on the legal advice obtained by the management, no provision is required to be made for the above contingent liabilities.

44. Status of advance money received against securities proposed to be issued

The Company had, in earlier financial years, received amounts aggregating ₹5,790.9 Million from Mr. Kalanithi Maran and M/s KAL Airways Private Limited together, ("Erstwhile Promoters") as advance money towards proposed allotment of certain securities (189,091,378 share warrants and 3,750,000 non-convertible cumulative redeemable preference shares, issuable based on approvals to be obtained), to be adjusted at the time those securities were to be issued. Pursuant to the legal proceedings in this regard before the Hon'ble High Court of Delhi ("Court") between the Erstwhile Promoters, the present promoter and the Company, the Company was required to secure an amount of ₹3,290.9 Million through a bank guarantee in favour of the Registrar General of the Court ("Registrar") and to deposit the balance amount of ₹2,500.0 Million with the Registrar. The Company has complied with these requirements as at March 31, 2018.

The parties to the aforementioned litigation concurrently initiated arbitration proceedings before a three-member arbitral tribunal (the "Tribunal"), which pronounced its award on July 20, 2018 (the "Award"). In terms of the Award, the Company was required to (a) refund an amount of approximately ₹3,082.2 million to the counterparty, (b) explore the possibility of allotting preference shares in respect of approximately ₹2,708.7 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be ₹924.7 million (being interest on the amount stated under (a) above, in terms of the Award). The amounts referred to under (a), (b) and (c) above, aggregating ₹6,425.6 million are carried as current liabilities without prejudice to the rights of the Company under law. Further, the Company was entitled to receive from the counterparty, under the said Award, an amount of ₹290.0 million of past interest/servicing charges. During the current year, the Court has ordered release of ₹2,500 million, out of the amount deposited by the Company, to the counterparty, subject to certain conditions as enumerated by the Court in its order.

The Company, its present promoter and the counterparties have challenged various aspects of the Award, including the above-mentioned interest obligations and rights, petitions for which have been admitted by the Court and notices issued, as a result of which the matter is currently sub-judice. In view of the foregoing, and pending outcome of the aforesaid challenges at the Court, management is of the view that it is not possible to determine the effects of any such obligations and rights (including and additional consequential obligations and rights). Further, the effects of the above matter may attract the consequent provisions (including penal provisions) of applicable provisions of law, including deeming provisions, relating to acceptance of deposits. Based on their assessment and legal advice obtained, management is of the view that any possible consequential effects, (including penal consequences and any compounding thereof), of past events and actions in relation to the foregoing, are not likely to have a material impact on the financial statements of the Company. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

45. Segment reporting

Based on internal reporting provided to the chief operating decision maker, air transport service is the only reportable segment for the Company.

Revenue from external customers

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
India	82,378.35	72,685.64
Outside India	8,754.19	4,871.27
Total revenue as per statement of profit or loss	**91,132.54**	**77,556.91**

The revenue information above is based on the locations of the customers.

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Non-current operating assets

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
India	22,308.48	21,470.96
Outside India	-	-
Total	**22,308.48**	**21,470.97**

Non-current assets for this purpose consist of property, plant and equipment, intangible assets and other non-current assets.

There are no sales to external customers more than 10% of total revenue.

46. Income Tax Expense

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

Profit or loss section

Current Tax:		
Current income tax charge	-	-
Deferred Tax:		
Relating to the origination and reversal of temporary differences	-	-
Income Tax expense reported in the statement of profit and loss	-	-

Other Comprehensive Income(OCI) section

Deferred tax related to items recognised in OCI during in the year:

Net loss/(gain) on remeasurement of defined benefit plan	14.45	(2.34)
Income Tax charged to OCI	**14.45**	**(2.34)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018 :

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (34.944%) as follows:

Accounting Profit before income tax	**(3,160.83)**	**5,666.51**
Profit before income tax multiplied by standard rate of corporate tax in India of 34.944% (2018: 34.608%)	(1,104.52)	1,961.07
Effects of:		
Income exempted from tax	(33.60)	(22.48)
Non-deductible expenses for tax purposes	344.85	263.79
Set-off of brought forward losses	793.27	(2,202.38)
Net effective income tax	-	-

Deferred Tax

The Company has recognized deferred tax assets arising on account of carried forward tax losses and unabsorbed depreciation to the extent of the deferred tax liability arising on account of the temporary difference on depreciation

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of ₹4,185.33 million as at March 31, 2019 (₹4,276.32 million as at March 31, 2018) since it is not probable that future taxable profit will be available against which the complete unused tax losses and unused tax credits will be utilised.

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax liability	(4,185.33)	(4,276.32)
Deferred Tax asset	4,185.33	4,276.32
Net Deferred Tax asset/ (liability)	-	-

Year ended March 2019	Opening	Recognised in profit or loss	Recognised in OCI	Closing Balance
Property, plant & equipment	(4,276.32)	90.99	-	(4,185.33)
Tax losses	4,276.32	(90.99)	-	4,185.33
Total	-	-	-	-
Year ended March 2018	**Opening**	**Recognised in profit or loss**	**Recognised in OCI**	**Closing Balance**
Property, plant & equipment	(4,470.24)	193.92	-	(4,276.32)
Tax losses	4,470.24	(193.92)	-	4,276.32
Total	-	-	-	-

Unused tax losses and unused tax credits

Unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

Particulars	As at March 31, 2019	As at March 31, 2018
Unused Tax losses *	3,649.86	2,356.57
Unabsorbed Tax depreciation #	13,081.97	12,013.40
Net Deferred Tax asset/ (liability)	16,731.83	14,369.97

 # Unabsorbed depreciation does not have any expiry period under the Income Tax Act, 1961

*The following table details the expiry of the unused tax losses

< 4 years	2,356.57	2,356.57
< 8 years	1,293.29	-
Total	3,649.86	2,356.57

The unused tax losses and unabsorbed depreciation considered above are based in the tax records and returns of the Company and does not consider the potential effect of matters under dispute/litigation with the tax authorities which are currently sub-judice at various levels. Also refer note 43.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

47. Related party transactions

Relationship	Name of the party
Party exercising control	Mr. Ajay Singh
Enterprises over which parties above or their relatives have control/ significant influence ('Affiliates')	Crosslink Finlease Private Limited
	Greenline Transit System Private Limited
	Intel Constructions Private Limited
	One City, Promoters Private Limited
	Indiverse Broadband Private Limited
	Starbus Services Private Limited
	Argentum Electric Vehicles Private Limited
	i2n Technologies Private Limited
	Greenline Communication Private Limited
	Pan India Motors Private Limited
	Spice Fresh Private Limited
	Spice Wecare Private Limited
	SpiceJet Innovate Private Limited
	Multipurpose Trading and Agencies Limited
Investment in equity shares of subsidiaries	SpiceJet Merchandise Private Limited
	SpiceJet Technic Private Limited
	Canvin Real Estate Private Limited
Key management personnel	Mr. Ajay Singh, Chairman and Managing Director
	Mrs. Shiwani Singh, Non-Executive Promoter Director
	Mr. Kiran Koteshwar, Chief Financial Officer
	Mr. Chandan Sand, Company Secretary
	Mr. HarshaVardhana Singh, Independent Director
	Mr. Anurag Bhargava, Independent Director
	Mr. R. Sasiprabhu, Independent Director (up to May 9, 2018)
	Mr Ajay Chhotelal Aggarwal, Independent Director (from February 11, 2019)

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Subsidiaries	Year ended March 31, 2019	Year ended March 31, 2018
SpiceJet Merchandise Private Limited		
Transactions during the year		
Loans to subsidiary	-	59.11
Interest on loan	-	30.46
Purchase of goods	15.35	29.86
Reimbursement of expenses	0.58	-
Provision for loan	210.00	-
Write off of interest on loan	30.46	-
Write off of receivables	25.17	-
Balances outstanding as at the period end		
Investment in subsidiary	0.10	0.10
Loans to subsidiary	249.44	249.44
Provision for loan	210.00	-
Reimbursement of expenses	-	25.17
Interest on loan	-	30.46
SpiceJet Technic Private Limited		
Transactions during the year		
Loans to subsidiary	42.20	12.20
Interest on loan	-	0.39
Write off of interest on loan	0.39	-
Aircraft maintenance services	52.90	-
Balances outstanding as at the period end		
Investment in subsidiary	0.10	0.10
Loans to subsidiary	54.40	12.20
Interest on loan	-	0.39
Trade Payables	52.90	-
Canvin Real Estate Private Limited		
Transactions during the year		
Investment in subsidiary	-	0.10
Loans to subsidiary	2.70	236.00
Accrued interest on loan	-	2.35
Write off of Interest on loan	2.35	-
Balances outstanding as at the period end		
Investment in subsidiary	0.10	0.10
Loans to subsidiary	238.70	-
Interest on loan	-	2.35
i2n Technologies Private Limited		
Transactions during the year		
Legal and professional services	7.70	-
Balances outstanding as at the period end		
Advance to suppliers	-	1.25

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for the year ended March 31, 2019

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

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Company has not recorded interest on loans provided to related parties owing to uncertainty in collection of the related dues. Further, the Company has also recorded impairment on the interest owed by related parties till date during the current year as further disclosed above (March 31, 2018: Nil).

Compensation of Key management personnel of the Company

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits	101.74	200.05
Share-based payment transactions (Refer note 39)	62.13	9.45
Provident Fund Contribution	1.48	1.40
Total	**165.35**	**210.90**
Sitting fees		
Mr. Anurag Bhargava	0.50	0.26
Mr. R. Sasiprabhu	-	0.34
Dr. Harsha Vardhana Singh	0.50	0.35
Ms. Shiwani Singh	0.40	0.10
Total	**1.40**	**1.05**
Total compensation paid to key management personnel	**166.75**	**211.95**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

As the liabilities for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel are not included above.

48. Fair Values

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities.

Particulars	Carrying value		Fair value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets				
Investments - Non current	0.24	0.24	0.24	0.24
Investments - Current	3.63	1,012.62	3.63	1,012.62
Loans	332.54	497.62	332.54	497.62
Other financial assets - Non current	11,344.23	8,832.64	11,344.23	8,832.64
Other financial assets - Current	1,031.92	1,159.89	1,031.92	1,159.89

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

Particulars	Carrying value		Fair value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Trade receivables	1,353.37	851.87	1,353.37	851.87
Other receivables	5,791.00	711.36	5,791.00	711.36
Cash and cash equivalents	778.97	1,457.71	778.97	1,457.71
Total	**20,635.90**	**14,523.95**	**20,635.90**	**14,523.95**
Financial Liabilities (Non-current and Current)				
Borrowings - Non current	5,566.28	6,509.53	5,560.93	6,528.14
Borrowings - current	4,179.44	3,574.38	4,179.44	3,574.38
Trade payables - Non current	77.65	150.69	77.65	150.69
Trade Payables - Current	10,513.02	6,882.20	10,513.02	6,882.20
Other current financial liabilities	1,621.86	3,182.44	1,621.86	3,182.44
Total	**21,958.25**	**20,299.24**	**21,952.90**	**20,317.85**

The Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values. The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables, and other current and non-current financial liabilities and financial assets approximate their carrying amounts largely due to the short-term maturities of these financial instruments. The fair value of borrowings is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return, adjusted for the Credit spread considered by the lenders for instruments of the similar maturity.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

49. Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities are measured at fair value in the Balance Sheet.

Particulars	Fair value hierarchy as at March 31, 2019		
	Level 1	Level 2	Level 3
Investments in mutual funds	3.63	-	-
Equity Investments	-	-	0.24
Particulars	**Fair value hierarchy as at March 31, 2018**		
	Level 1	**Level 2**	**Level 3**
Investments in mutual funds	1,012.62	-	-
Equity Investments	-	-	0.24

The fair value of the derivative instruments have been calculated in reference to the intermediate market rate between offer rate and bid rate (both interest rate and exchange rate) or intermediate price between buying price and selling price as on the reporting date.

There have been no transfers between level 1 and level 2 during the period.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

50. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of loans and borrowings, trade and other payables and derivatives. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a treasury team. The treasury team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. Market risk comprises three types of risk: interest rate risk, currency risk and foreign currency risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2019.

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The majority of the Company's investments are in the shares of subsidiaries, which are carried at cost. The investments in other equity instruments as at the reporting date are not material.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because it borrow funds at floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. As at March 31, 2019 approximately 49.32% of the Company's borrowings are at a variable rate of interest (March 31, 2018 - 47.06%)

Interest rate sensitivity

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2019 would decrease/increase by ₹28.44 million (March 31, 2018: decrease/increase by ₹31.17 million).

In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company actively manages its currency rate exposures through its treasury team using derivative instruments such as forward contracts to mitigate the risks from such exposures.

The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

Foreign currency sensitivity

The following demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The sensitivity analysis includes only outstanding unhedged foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

If the foreign currency rates had been 5% higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2019 would decrease/increase by ₹262.99 million (March 31, 2018: decrease/increase by 415.32 million).

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Trade receivables are typically unsecured and are primarily derived from cargo and other revenue streams. Majority of the Company's passenger revenue is are made against deposits made by agents. Trade receivables primarily comprise of domestic customers, which are fragmented and are not concentrated to individual customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored. At March 31, 2019, the Company had 26 customers (March 31, 2018: 11 customers) that owed the Company more than ₹10 million each and accounted for approximately 65% (March 31, 2018: 61%) of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are widely dispersed and operate in largely independent markets. The average credit period ranges between 30 and 90 days.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt markets with a view to maintaining financial flexibility.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Year ended March 2019	On demand	Up to 1 year	1 to 5 years	> 5 years	Total
Financial Liabilities (Non-current and Current)					
Borrowings	997.79	3,181.65	5,202.16	364.12	9,745.72
Trade Payables	4,340.53	5,983.99	77.65	-	10,402.17
Other current financial liabilities	-	1,563.65	58.21	-	1,621.86
Total	5,338.32	10,729.29	5,338.02	364.12	21,769.75

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

Year ended March 2018	On demand	Up to 1 year	1 to 5 years	> 5 years	Total
Financial Liabilities (Non-current and Current)					
Borrowings	2,162.61	1,416.89	5,083.92	1,420.50	10,083.91
Trade Payables	4,169.43	2,712.77	150.69	-	7,032.89
Other current financial liabilities	39.03	3,125.16	18.25	-	3,182.44
Total	**6,371.07**	**7,254.82**	**5,252.86**	**1,420.50**	**20,299.24**

51. Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term fleet expansion plans. The funding requirements are met through internal accruals and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors capital employed using a Debt equity ratio, which is total debt divided by total equity and maturity profile of the overall debt portfolio of the Company.

The Company's policy is to keep the net debt to total equity ratio above (1.00).

Particulars	As at March 31, 2019	As at March 31, 2018
Long term borrowings	**5,566.28**	6,509.53
Short term borrowings	**4,179.44**	3,574.38
Other current liabilities (Current maturities of Long term borrowing)	**1,351.88**	2,943.01
Cash and cash equivalents	**(649.47)**	(1,186.71)
Bank balances other than above	**(129.50)**	(271.00)
Net debt	**10,318.63**	11,569.21
Total equity	**(3,506.83)**	(429.67)
Net debt to total equity ratio	**(2.94)**	**(26.93)**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

52. Details of CSR expenditure

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gross amount required to be spent by the Company during the year	**96.48**	21.55
Amount spent during the year ending on March 31, 2019	**Paid in cash**	**Yet to be paid in cash**
i) Construction/acquisition of any asset	**-**	-
ii) On purposes other than (i) above	**4.65**	91.83

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amount spent during the year ending on March 31, 2018	**Paid in cash**	**Yet to be paid in cash**
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	3.11	18.44

53. Previous year figures

Prior year comparative amounts in these financial statements have been reclassified wherever applicable to conform to current year's presentation.

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

For and on behalf of the Board of Directors

per Aniruddh Sankaran
Partner
Membership No: 211107
Place: Gurgaon
Date: May 28, 2019

Ajay Singh
Chairman & Managing Director
Place: Gurgaon
Date: May 28, 2019

Kiran Koteshwar
Chief Financial Officer
Place: Gurgaon
Date: May 28, 2019

Chandan Sand
Company Secretary
Place: Gurgaon
Date: May 28, 2019