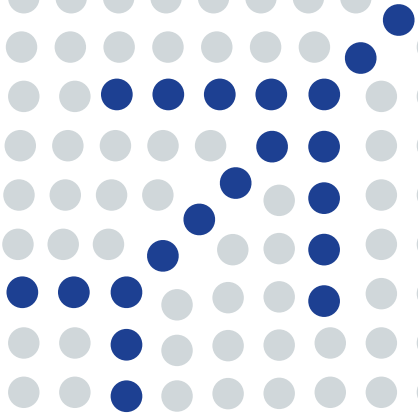
IndiGo

InterGlobe Aviation Limited

Annual Report 2016-17



The IndiGo way



Forward-looking statements

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



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

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

Eleven years and counting!



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

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

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

Our total revenue increased by 16.3%.

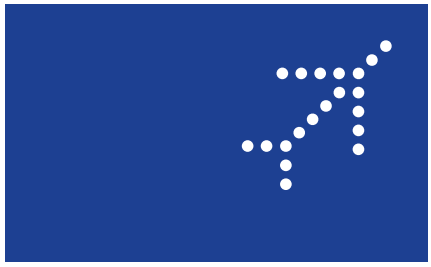
Being a low-cost carrier committed to delivering low fares, it is essential that we keep a watchful eye on our costs. This focus on costs has enabled us to reduce our cost per ASK (CASK) excluding fuel, which reduced by 6.3% last year despite overall inflationary pressures.

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

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

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

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



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

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

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

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

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

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

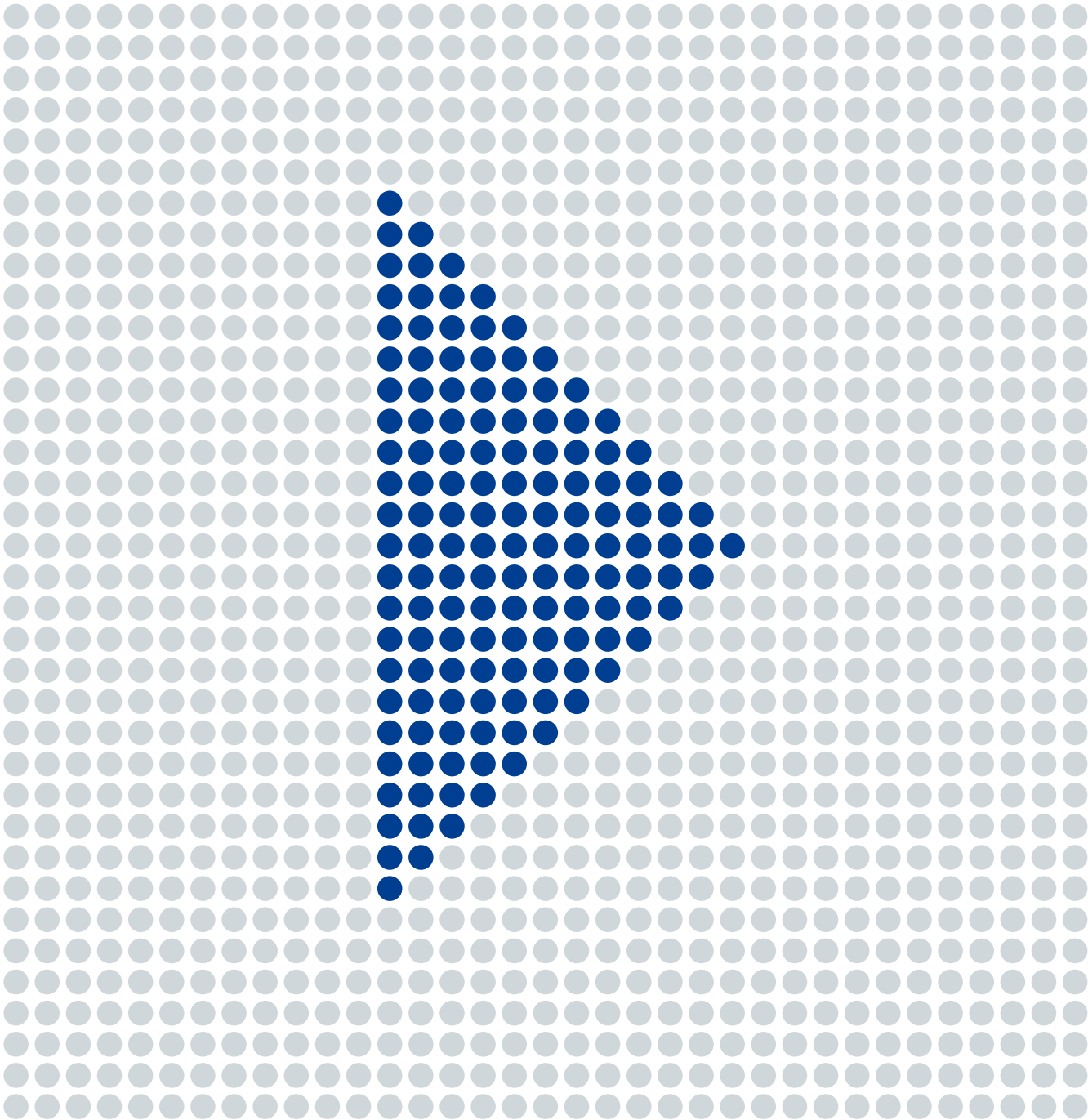
For an airline in India to get named Company of the Year is a big shot in the arm for the entire aviation sector in India. It is also a testimony to the hard work that 15,000 of my colleagues put in literally every day, 24/7, putting their heart and soul behind every turn and pushing out planes every minute somewhere on our network. At the same time, the high expectations from us just have got higher! We will keep trying hard to deliver on the promises we make!

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

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

Aditya Ghosh

On-time; Low fares; courteous and hassle-free



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

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

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

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

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

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

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

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



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



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



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

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

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

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

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

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

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

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

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

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

The customer	The shareholder	The employee

