

Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)
CIN. U63033DL2006PLC146936
Standalone Unaudited Condensed Interim Balance Sheet as at June 30, 2017
(All amounts in Rupees Crore, except otherwise stated)

	June 30, 2017 (Reviewed)	March 31, 2017 (Audited)
ASSETS		
(1) Non-current assets		
Property, plant and equipment	7,229.86	7,381.27
Capital work in progress	173.74	123.94
Intangible Assets	401.75	404.07
Investment in subsidiaries & joint ventures	181.04	181.04
Financial Assets		
(i) Investments	0.01	0.01
(ii) Loans	0.88	1.25
Other non-current assets	94.26	91.29
	8,081.54	8,182.87
(2) Current assets		
Inventories	9.13	7.42
Financial Assets		
(i) Investments	2,449.86	2,184.38
(ii) Trade Receivables	997.90	898.88
(iii) Cash and cash equivalents	505.36	554.12
(iv) Bank balance other than cash and cash equivalents	185.84	46.22
(v) Loans	2.53	2.16
(vi) Other Financial assets	70.74	53.96
Other current assets	38.16	36.99
	4,259.52	3,784.13
Total Assets	12,341.06	11,967.00
EQUITY AND LIABILITIES		
(1) Equity		
Equity Share Capital	2,450.00	2,450.00
Other Equity		
(i) Retained earnings	697.77	575.49
(ii) Cash flow hedge reserve	(18.43)	(16.84)
	3,129.34	3,008.65
(2) Non-current liabilities		
Financial Liabilities		
(i) Borrowings	5,251.81	5,261.97
(ii) Other financial liabilities	306.83	298.31
Deferred revenue	1,784.80	1,781.31
Deferred tax liabilities (net)	387.74	292.04
Other non-current liabilities	96.35	112.95
	7,827.53	7,746.58
(3) Current liabilities		
Financial Liabilities		
(i) Trade Payables		
-Total outstanding dues of micro, small and medium enterprises	2.00	1.19
-Total outstanding dues of creditors other than micro small and medium enterprises	321.50	430.21
(ii) Other financial liabilities	393.62	381.38
Deferred revenue	283.39	86.18
Other current liabilities	299.60	226.29
Provisions	18.48	19.34
Liabilities for current tax (net)	65.60	67.18
	1,384.19	1,211.77
Total Liabilities	9,211.72	8,958.35
Total Equity and Liabilities	12,341.06	11,967.00

Explanatory notes annexed

The accompanying notes are an integral part of these Standalone Unaudited Condensed Interim Financials Statements and have been taken on record by the board of directors vide their meeting dated July 20, 2017.

As per our report of even date
For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration No. : 101049W/E300004
Chartered Accountants

As per our report of even date
For **Brahmayya & Co.**
ICAI Firm Registration No. : 000515S
Chartered Accountants

For and on behalf of the Board of Directors of
Delhi International Airport Limited

per **Yogesh Midha**
Partner
Membership no: 94941
Place: New Delhi
Date : July 20, 2017

per **G. Srinivas**
Partner
Membership no: 86761
Place: New Delhi
Date : July 20, 2017

Srinivas Bommidala
Managing Director
DIN-00061464

K. Narayana Rao
Whole Time Director
DIN-00016262

Radhakrishna Babu G.
Chief Financial Officer

Place: New Delhi
Date : July 20, 2017

Saurabh Jain
Company Secretary

Place: New Delhi
Date : July 20, 2017



Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)
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Standalone Unaudited Condensed Interim Statement of Profit and Loss for the three months period ended June 30, 2017
(All amounts in Rupees Crore, except otherwise stated)

Particulars	For the year ended June 30, 2017 (Reviewed)	For the year ended June 30, 2016 (Reviewed)
I REVENUE		
Revenue from operations:		
- Sale of services	1,440.27	1,308.79
- Other operating income	47.04	40.67
Other Income	57.84	39.52
Total Income (I)	1,545.15	1,388.98
II EXPENSES		
Annual fee to Airports Authority of India (AAI) [refer note 12(h)]	689.82	625.29
Employee Benefits Expense	36.04	29.65
Other Expenses	245.82	292.97
Total expenses (II)	971.68	947.91
III Earnings before interest, tax, depreciation and amortisation (EBIDTA) [I-II]	573.47	441.07
Depreciation on property, plant and equipment	159.05	155.50
Amortization of intangible assets	2.34	5.33
Finance Costs	131.91	131.14
IV Profit before tax	280.17	149.10
Tax expense:		
- Current Tax	61.52	34.21
- Deferred Tax charge / (credit)	96.48	(26.64)
V Total Tax expense	158.00	7.57
VI Profit for the year (IV-V)	122.17	141.53
Other Comprehensive Income		
A Items that will not be reclassified to profit or loss in subsequent periods		
Re-measurement gains on defined benefit plans	0.17	0.23
Income tax effect	(0.06)	(0.08)
B Items that will be reclassified to profit or loss in subsequent periods		
Net movement of cash flow hedges	(2.44)	-
Income tax effect	0.85	-
VII Total Other Comprehensive Income for the period (net of tax)	(1.48)	0.15
VIII Total Comprehensive Income for the period (net of tax) (VI+VII)	120.69	141.68
IX Earnings per equity share: [nominal value of share Rs. 10 (June 30, 2016: Rs. 10)]		
(1) Basic	0.50	0.58
(2) Diluted	0.50	0.58
Explanatory notes annexed		

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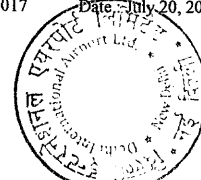
Srinivas Bommidala
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K. Narayana Rao
Whole Time Director
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Radhakrishnababu G.
Chief Financial Officer

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Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)

CIN. U63033DL2006PLC146936

Standalone Unaudited Condensed Interim Statement of Change in Equity as on June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

	Equity share capital	Reserves and Surplus	Items of OCI	Total	Total equity
		Retained earnings	Cash flow hedge reserve		
Balance as at April 1, 2016	2,450.00	(9.74)	-	(9.74)	2,440.26
Profit for the period	-	585.96	-	585.96	585.96
Other comprehensive income (net of tax)	-	(0.73)	(16.84)	(17.57)	(17.57)
Balance as at March 31, 2017	2,450.00	575.49	(16.84)	558.65	3,008.65
Profit for the period	-	122.17	-	122.17	122.17
Other comprehensive income (net of tax)	-	0.11	(1.59)	(1.48)	(1.48)
Balance as at June 30, 2017	2,450.00	697.77	(18.43)	679.34	3,129.34

The accompanying notes are an integral part of these Standalone Unaudited Condensed Interim Financials Statements and have been taken on record by the board of directors vide their meeting dated July 20, 2017.

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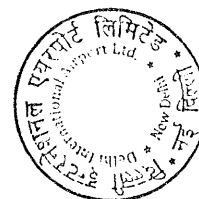
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Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)
CIN. U63033DL2006PLC146936
Standalone Unaudited Condensed Interim Cash Flow Statement for the three months period ended June 30, 2017
(All amounts in Rupees Crore, except otherwise stated)

	For the Period ended June 30, 2017 (Reviewed)	For the Period ended June 30, 2016 (Reviewed)
Cash flow from operating activities		
Profit before tax	280.17	149.10
<i>Adjustment to reconcile profit before tax to net cash flows</i>		
Depreciation and amortization expenses	161.39	160.83
Provision for Bad debts / Bad Debts Written off	(1.12)	-
Interest income on deposits/current investment	(12.25)	(9.85)
Exchange differences unrealised (net)	(11.74)	56.40
Net gain on sale of current investments-Mutual fund	(29.50)	(27.35)
Reversal of finance charges on Cancellation of finance lease (refer note 5.1)	-	(7.01)
Interest on Borrowings	86.61	124.02
Call spread option premium	36.59	-
Other borrowing costs	0.58	2.17
Deferred income on financial liabilities carried at amortized cost	(18.84)	(16.98)
Interest expenses on financial liability carried at amortised cost	8.12	11.26
Rent expenses on financial assets carried at amortised cost	0.11	0.09
Fair valuation gain on Investments	(4.79)	6.28
Fair value gain on financial instruments (IRS) at fair value through profit or loss	-	(1.94)
	<u>495.33</u>	<u>447.03</u>
Working capital adjustment:		
Decrease in trade payables	(108.33)	(12.14)
Decrease in other non current liabilities	(16.59)	(11.44)
Increase in other current liabilities	73.31	280.06
Increase in non current deferred revenue	22.33	(25.00)
Increase / (Decrease) in current deferred revenue	197.21	(9.83)
Increase / (Decrease) in non current financial liabilities	13.26	(6.13)
(Decrease) / Increase in current financial liabilities	(4.12)	28.01
(Increase) / Decrease in trade receivables	(97.90)	62.79
Decrease in inventories	(1.71)	(0.35)
(Decrease) / Increase in other non current assets	(0.01)	0.19
Increase in other current assets	(1.17)	(5.76)
Decrease in other current financial assets	(14.61)	(212.83)
Decrease / (Increase) in non current loans	0.37	(0.04)
Increase in current loans	0.02	1.83
Decrease in current provisions	(0.86)	0.40
Cash generated from operations	<u>556.53</u>	<u>536.79</u>
Direct taxes paid (net)	(67.60)	(14.64)
Net cash flow from operating activities (A)	<u>488.93</u>	<u>522.15</u>
Cash flows from investing activities		
Purchase of property plant and equipments, including CWIP and capital advances	(34.73)	(34.09)
Development fee (DF) realised	-	83.99
Purchase of current investments	(4,172.10)	(3,049.27)
Sale of current investments	3,940.91	2,736.10
Interest received	9.58	8.63
Investment of Margin Money Deposit	(0.01)	(1.12)
Deposits with original maturity of more than three months	(139.61)	(3.20)
Net cash flow used in investing activities (B)	<u>(395.96)</u>	<u>(258.96)</u>
Cash flows from financing activities		
Proceeds from borrowings	2.01	-
Repayment of borrowings	-	(116.16)
Option premium paid	(35.41)	-
Other borrowing costs paid	(0.58)	(2.17)
Collection of interest on DF loans from airlines	-	0.87
Interest paid	(107.76)	(102.77)
Net cash flow used in financing activities (C)	<u>(141.74)</u>	<u>(220.23)</u>
Net increase in cash and cash equivalents (A + B + C)	<u>(48.77)</u>	<u>42.96</u>
Cash and cash equivalents at the beginning of the period	<u>554.12</u>	<u>407.67</u>
Cash and cash equivalents at the end of the period	<u>505.35</u>	<u>450.63</u>
Components of cash and cash equivalents		
Cash on hand	0.05	0.09
Cheques/ drafts on hand	3.20	3.48
With banks		
- on current account	97.10	67.06
- on deposit account	405.00	380.00
Total cash and cash equivalents	<u>505.35</u>	<u>450.63</u>

Explanatory notes annexed

- The above cash flow statement has been compiled from and is based on the Standalone Unaudited Condensed Interim Balance Sheet as at June 30, 2017 and the related Standalone Unaudited Condensed Interim Statement of Profit and Loss for the three months period ended on that date.
- Cash and cash equivalents include Rs. 2.67 Crore pertaining to Marketing Fund, to be used for sales promotional activities.
- The accompanying notes are an integral part of these Standalone Unaudited Condensed Interim Financials Statements and have been taken on record by the board of directors vide their meeting dated July 20, 2017

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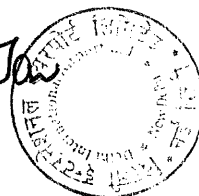
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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

1. Corporate information

Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited) ('DIAL' or 'the Company') is a Public Limited Company domiciled in India. It was incorporated as a Private Limited Company on March 1, 2006 under the provisions of the erstwhile Companies Act, 1956, (replaced with Companies Act 2013 with effect from April 1, 2014) and was converted into a Public Limited Company w.e.f. April 10, 2017. DIAL is into the business of managing the operations and modernization of the Indira Gandhi International Airport ('Delhi Airport'). GMR Airports Limited ('GAL') a subsidiary of GMR Infrastructure Limited ('GIL'), holds majority shareholding in the Company. DIAL had entered into Operation, Management and Development Agreement ('OMDA') with Airports Authority of India ('AAI'), which gives DIAL an exclusive right to operate, maintain, develop, modernize and manage the Delhi Airport on a revenue sharing model for an initial term of 30 years, which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of the OMDA.

The Standalone Unaudited Condensed Interim Financial Statements ('Financial Statements') are approved by Company's Board of Directors on July 20, 2017.

2. Basis of preparation

These Unaudited Condensed Interim Financial Statements of the Company for the three months period ended June 30, 2016 have been prepared by the Company in accordance with recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 'Interim Financial Reporting', and applicable Indian accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and other recognized accounting practices and policies in India. The Unaudited Condensed Interim Financial Statements have been prepared under the historical cost convention on an accrual basis.

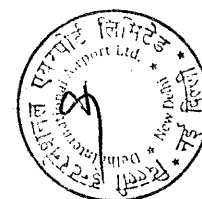
The comparative financial information of the Company for the quarter ended June 30, 2016 under Indian GAAP has been restated as per Companies (Indian Accounting Standards) Rules, 2015, as amended.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company has followed the same accounting judgements, estimates and assumptions in preparation of these Financial Statements as those followed in preparation of the annual financial statements as at the year ended March 31, 2017.

The Financial Statements have been prepared on historical cost convention on an accrual basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative Financial Instruments
- Certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.



3. Significant Accounting Policies

a. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 5. Accounting estimates could change from year to year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The company classifies all other assets as non-current.

A liability is current when:

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

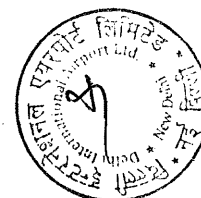
The company classifies all other liabilities as non-current.

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. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.



Income from Services

Revenue from airport operations i.e. Aeronautical and Non Aeronautical operations are recognised on accrual basis, net of service tax, collection charges and applicable discounts when services are rendered. Aeronautical operations include user development fees (UDF), landing and parking of aircraft, fuel farm, operation and maintenance of passenger boarding and other allied services. Non-aeronautical operations include granting rights to use land and space primarily for catering to the needs of passengers, air traffic services and air transport services.

Revenue from commercial property development rights granted to concessionaires is recognized on accrual basis, as per the terms of the agreement entered into with the customers.

Management Fee

Revenue from Management fees for support services rendered is recognized on accrual basis as per the terms of the agreement.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable except the interest income received from customers for delayed payments which is accounted on the basis of reasonable certainty / realisation.

For all financial instruments measured at amortised cost, 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 or to the amortised cost of a financial liability. 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 other income in the statement of profit and loss.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established, which is generally when the shareholders approve the dividend.

Claims

Claims on contractors / concessionaires are accounted on the basis of reasonable certainty / realization.

d. Investments in associates, Joint ventures and subsidiary

The company has accounted for its investments in associates joint ventures and subsidiary at cost.

Investments in subsidiaries, associates and joint ventures held for sale is measured at the lower of its carrying amount and fair value less costs to sell.



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, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' (CGUs) 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 group of assets. When 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.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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.

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

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised 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 recognised. 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, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

f. Property, Plant and Equipment

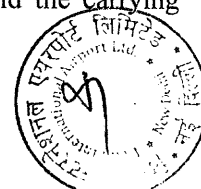
Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes leasehold improvements under development as at the balance sheet date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Further, when each major inspection is performed, its cost is recognised in

the carrying amount of the item of property, plant and equipment if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting period in which they 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. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.



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(All amounts in Rupees Crore, except otherwise stated)

Development fee from any regulatory authority are recognized when there is reasonable assurance that it will be received / utilized and the Company will comply with the conditions attached to them.

Development fee related to an asset, (net of direct amount incurred to earn aforesaid development fee) is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

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.

g. Depreciation on Property, Plant and Equipment

Depreciation on Property, Plant and Equipment is calculated on a straight line basis using the useful lives prescribed under Schedule II to the Companies Act, 2013 except for assets individually costing less than Rs. 5,000/-, which are fully depreciated in the year of acquisition and certain assets class i.e. Internal Approach Roads, Electric Panels and Transformers/Sub-station, the Company, based on a technical evaluation, believes that the useful life of such assets is different from the useful life specified in Schedule II to Companies Act 2013. The following is a comparison of the useful lives of these assets as adopted by the Company and those prescribed under Schedule II to the Companies Act, 2013:

Type of Assets	Useful life as estimated by the Company based on technical evaluation	Useful life as prescribed in Schedule II to the Companies Act, 2013
Internal Approach Roads – Other than RCC	10 years	5 years
Transformers/Power Sub-Stations	15 years	10 years
Electric Panels	15 years	10 years

The useful life of the assets which are not as per schedule II of the Companies Act 2013, have been estimated by the management based on internal technical evaluation.

The Property, plant and equipment acquired under finance lease is depreciated over the asset's useful life; or over the shorter of the asset's useful life and the lease term, if there is no reasonable certainty that the Company will obtain ownership at the end of lease term.

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") has issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, interalia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector. Pursuant to above, the Authority has issued a consultation paper dated June 19, 2017 in the matter of Determination of Useful life of Airport Assets, asking comments from Airport operators on useful life of airport specific assets. The management of the Company is in the process of assessing the impact of proposed useful life of airport assets on the fixed assets of the Company. Based on preliminary assessment, the management is of the view that useful lives considered by the Company for most of the assets are in line with the useful life proposed by AERA in consultation paper dated June 19, 2017. Therefore, no significant impact is expected on Airport specific assets owned by DIAL, on the consultation paper becoming effective. Pending issuance of final notification by AERA of the useful lives of airport specific assets i.e. Runways, Taxiways and Apron, the Company continues to depreciate these assets over their estimated useful



lives of 30 years as determined by the management based on an internal technical evaluation. The impact, if any, based on the useful lives as may be notified by the Authority will be adjusted as and when notified.

Leasehold Improvements are improvements, betterments, or modifications of leased property which will benefit the company for the period of more than one year. The amount of leasehold improvements are capitalised and amortised over the period of lease of five years.

h. Intangible assets

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

Intangible assets include software, upfront fee paid as airport concessionaire rights and other costs (excluding operation support costs) paid to the Airports Authority of India (AAI) pursuant to the terms and conditions of the OMDA.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

i. Amortisation of intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Company amortises, upfront fee paid as airport concession rights and other costs paid to AAI referred to above are recognized and amortized over the initial and extended period of OMDA i.e. 60 years. Other intangible assets are amortised over the useful life of asset or six years whichever is lower.

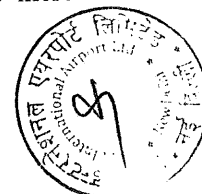
j. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes other directly associated costs in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k. Provisions, Contingent liabilities and Commitments

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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

Provisions for onerous contracts are recognized when the expected benefits to be delivered by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

I. Contingent assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Contingent assets are reviewed at each reporting date. A contingent asset is disclosed where an inflow of economic benefits is probable.

m. 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.

I) 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.

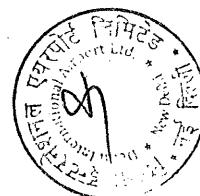
Subsequent measurement

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

- a) Financial assets at amortised cost
- b) Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost: A 'Financial asset' 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.



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 other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at FVTPL: FVTPL is a residual category for financial assets. Any Financial asset, which does not meet the criteria for categorization as at amortized cost or as at Fair Value through OCI (FVTOCI), is classified as at FVTPL.

In addition, the Company may elect to designate a Financial assets, 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'). Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

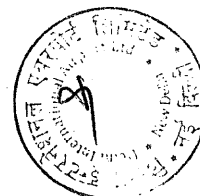
Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i. Financial assets measured at amortised cost e.g., deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue 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.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

II) Financial liabilities

Initial recognition and measurement

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

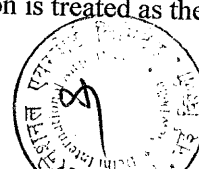
The Company's financial liabilities include trade and other payables, loans and borrowings including and derivative financial instruments.

Subsequent measurement

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 respective carrying amounts is recognised in statement of Profit and Loss.

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.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 as finance costs in the statement of profit and loss.

n. Derivative financial instruments and hedge accounting

Initial Recognition and subsequent measurement

The Company uses derivative financial instruments, such as call spread options and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively.

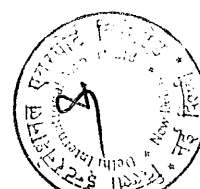
Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- c) Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash



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flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges that meet the strict criteria for hedge accounting are accounted for as described below:

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

o. 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 principal or the most advantageous market must be accessible by the Company.

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.

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 these 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.

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.



The Company determines the policies and procedures for recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuers are involved for valuation of significant assets or liabilities such as derivative instruments.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's 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.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes as mentioned below.

- a) Disclosures for valuation methods, significant estimates and assumptions (note 8)
- b) Quantitative disclosures of fair value measurement hierarchy (note 9)
- c) Financial instruments (including those carried at amortised cost)

p. Taxes

Tax expense comprises current tax and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

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.

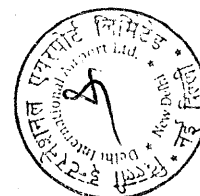
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates 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 provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

- i) 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
- ii) 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 recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of 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.
- ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax 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 items are recognised in correlation to the underlying transaction either in OCI or directly 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.

Minimum Alternate Tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The Company recognises 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 recognises MAT credit as an asset, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT credit entitlement'. The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

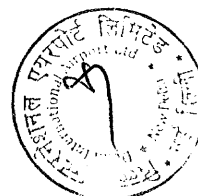
q. Proposed dividend

As per Ind AS -10, 'Events after the Reporting period', the Company disclose the dividend proposed by board of directors after the balance sheet date in the notes to these standalone financial statements. The liability to pay dividend is recognised when the declaration of dividend is approved by the shareholders.

r. Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



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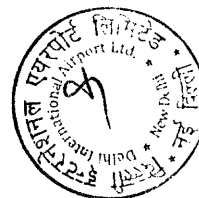
s. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Amendment to Ind AS 7:

During the quarter, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material the effect on the financial statements.

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4. Explanatory Notes:

4.1 Going Concern:

The Airport Economic Regulatory Authority ("AERA") vide its powers conferred by Section 13(1) (a) of the AERA Act, 2008 passed an Aeronautical tariff order Viz. 03/2012-13 issued on April 24, 2012 which determined the Aeronautical tariff to be levied at Delhi Airport for the fourth and fifth year of tariff period of first Control period of 5 years period (i.e. 2009 - 2014). The first control period of five years referred to above ended on March 31, 2014.

DIAL had filed an appeal before AERAAT on certain disputed issues in the Tariff order of First Control period (2009-2014), DIAL filed a writ petition before the Hon'ble Delhi High Court seeking extension of existing tariff as allowed vide AERA order no. 03/2012-13 issued on April 24, 2012 till disposal of DIAL's appeal pending before AERAAT. Subsequently, Hon'ble Delhi High Court vide its final order dated January 22, 2015 ordered that the tariff determined by AERA for the First Control Period vide Tariff Order No.03/2012-13 issued on April 24, 2012, shall continue till the disposal of the appeals pending against the said Tariff Order, by AERAAT.

Subsequently AERA released the tariff order No. 40/2015-16 ('AERA order') dated December 08, 2015 (issued on December 10, 2015) for second control period i.e. 2014 -2019, which as per AERA order would be implemented upon the final outcome of the legal proceedings pending before AERAAT. As per AERA order for second control period, tariff for aeronautical revenue will be reduced by 89.40% of the existing tariff (i.e. tariff as per the first control period).

DIAL has also filed an appeal with AERAAT against the AERA order No. 40/2015-16 dated December 08, 2015 (issued on December 10, 2015) for second control period on January 11, 2016. In view of above petitions pending on the implementation of AERA order for Second Control Period, the said order could not be implemented till the disposal of all legal issues associated with the order. The revenue so collected by DIAL during this interim period shall be adjusted from the aggregate revenue requirement.

Earlier, AERA has also filed a Special Leave Petition (SLP) dated April 24, 2015 in Hon'ble Supreme Court of India, seeking interim relief from the final order of Hon'ble Delhi High Court dated January 22, 2015. AERA has also filed an application before Hon'ble Supreme Court seeking directions for the implementation of its tariff order for second control period. The pleadings of the parties are complete and Hon'ble Supreme Court has disposed off SLP on May 12, 2016 with directions to AERAAT to dispose of the Tariff Appeals within three months from receipt of this order.

In February, 2017, Air India filed an SLP with Hon'ble Supreme Court for implementation of tariff order issued by AERA and Hon'ble Supreme Court has given direction to AERAAT to dispose off the Tariff appeals within 2 months i.e. by April 2017. The AERAAT heard the tariff matter at length; however the proceeding could not be concluded due to retirement of one member.

Further, Ministry of Finance vide the notification dated May 26, 2017, Part XIV of Chapter VI of the Finance Act, 2017 directed the merger of Appellate Tribunal under the Airports Economic Regulatory Authority Act, 2008 ("AERA Act") i.e. AERAAT into Telecom Disputes Settlement and Appellate Tribunal (TDSAT).

The Hon'ble Supreme Court of India, on SLP filed by Air India, vide its judgement dated July 03, 2017, has vacated the order of Hon'ble High Court of Delhi and directed TDSAT to dispose of the appeals of DIAL in the next two months.



Accordingly, AERA implemented the Tariff order No. 40/2015-16 dated December 08, 2015 with immediate effect and in this regard DGCA issued order No. AIC 13/2017 dated July 07, 2017 implementing the said tariff order with effect i.e. from July 07, 2017.

Basis the profit earned over the last five financial years and the Company's business plans and cash projections prepared by the management for the next one year considering the appropriate reduction in the existing tariff, the management expects to have cash loss. In view of the fact that the Company has sufficient cash reserves as at June 30, 2017, the management do not foresee any uncertainty in continuing its business / operations and meeting its liabilities for foreseeable future and accordingly, these financial results continue to be prepared on a going concern basis.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

5.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in these Financial Statements.

Discounting rate

The Company has considered incremental borrowing rate of Airport sector as at transition date for measuring deposits, being financial assets and financial liabilities, at amortised cost.

Non applicability of Service Concession Arrangement (SCA)

DIAL had entered into Operation, Management and Development Agreement ('OMDA') with Airports Authority of India ('AAI'), which gives DIAL an exclusive right to operate, maintain, develop, modernize and manage the Delhi Airport on a revenue sharing model for an initial term of 30 years, which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of the OMDA. Under the agreement, AAI has granted exclusive right and authority to undertake some of the functions of the AAI being the functions of operation, maintenance, development, design, construction, upgradation, modernization, finance and management of the Airport and to perform services and activities at the airport constituting 'Aeronautical Services' and 'Non-Aeronautical Services'. For prices, aeronautical services are regulated, while the regulator has no control over determination of prices for Non-Aeronautical Services. The management of the Company conducted detailed analysis to determine applicability of Appendix A of Ind AS 11 and concluded that the same does not apply to DIAL. Company concession arrangement has significant non-regulated revenues, which are apparently not ancillary in nature, as these are important from DIAL, AAI and users/passengers perspective. Further, the regulated and non-regulated services are substantially interdependent and cannot be offered in isolation. The airport premise is being used both for providing regulated services (Aeronautical Services) and for providing non-regulated services (Non-aeronautical Services). Accordingly the management has concluded that SCA does not apply in its entirety to the Company.

Annual Fee to AAI

As per the Concession Agreement (OMDA) entered into with AAI in April 2006, the Company is required to pay to AAI annual fee (AF) each year at 45.99% on its projected revenue and same shall be payable in twelve equal monthly instalments (MAF), to be paid in each calendar month. As per Article 1.1 of Chapter I of OMDA, "Revenue" is defined to mean all pre-tax revenue of DIAL with certain specified exclusions.



Management of the Company is of the view that the certain income / credits arising on adoption of Ind-AS was not in contemplation of parties in April 2006 when this Concession Agreement was signed / entered. Further, these income/credits in Statement of Profit and Loss do not represent actual receipts from business operations, from any external sources and therefore, these incomes/ credits should not be treated as "Revenue" for calculation of MAF to AAI. Accordingly, the Company, basis above and Legal Opinion, has provided the monthly annual fee to AAI based on Revenue as per the Ind AS financial statements after adjusting such incomes/credits. (refer note 12 [h])

Leases: whether an arrangement contains a lease

Company in earlier years, had entered in to an IT service arrangement with a Wipro Airport IT Systems Limited (WAISL) to provide IT services at the Airport on its behalf. As per the agreement, Company pays or receives a variable charge to the WAISL depending upon the actual billing and subsistence level agreed. WAISL cannot offer such services to any other customer and it is not economically feasible for the WAISL to offer the level of services using any other equipment. Accordingly, although the arrangement is not in the legal form of lease, the Company concluded that the arrangement contains a lease of the IT equipment and other assets. The lease was classified as a finance lease at inception of the arrangement and payments were split into lease payments and payments related to the other elements based on their relative fair values. The imputed finance costs on the liability were determined based on incremental borrowing rate of interest.

However, in the financial year 2016-17, there is modification in the terms of arrangement and as per the modified terms; this arrangement no longer contains an embedded lease. Accordingly Company has derecognised the assets and liabilities recognised under finance lease.

Impairment of non-financial assets

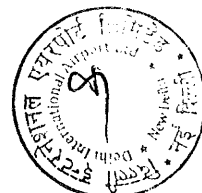
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, 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 discounting cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

5.2 ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Provision for Leave encashment

The present value of leave encashment is 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 discount rate, future salary increases, and withdrawal rates. Due to complexities involved in the valuation and its long term nature, provision for leave encashment is sensitive to changes in these assumptions. All assumptions are reviewed at each balance sheet date.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Fair value measurement of financial instruments

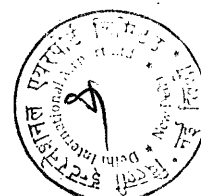
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

6. Commitments and Contingencies

I. Leases

Operating lease: Company as lessee

The Company has taken office and residential space, information technology equipment under operating lease arrangements. Office premises are obtained on operating lease for terms ranging from 0-5 years and are renewable upon agreement of both the Company and the lessor. There are no sub leases. Future minimum rentals payable under non-cancellable operating leases are as follows:



Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)
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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

Particulars	Three months period ended June 30, 2017	Three months period ended June 30, 2016
Minimum Lease payment for the year (excluding taxes)	2.47	2.48
Minimum Lease Payments:		
Within one year	3.65	2.73
After one year but not more than five years	3.50	6.00
More than five years	-	-
Total future payments	7.15	8.73

II. Contingent liabilities not provided for:

	Particulars	As at June 30, 2017	As at March 31, 2017
(i)	In respect of Income tax matters *	67.95	67.95
(ii)	In respect of Indirect tax matters [refer note (e) & (f) below and other matters]*	190.42	190.68
(iii)	Claim against the Company not acknowledged as debt [refer (d) below and other matters]*	41.47	41.47
(iv)	In respect of other matters [refer (a) below]	7.86	7.86

*pertaining to various cases not included below

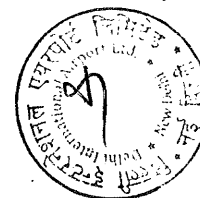
III. The Company has provided guarantee to an unrelated party for the performance in a contract. No liability is expected to arise.

IV. Performance guarantees given by the Company on its own behalf are not considered as contingent liability.

- a) During the year ended March 31, 2017, the Delhi Cantonment Board (DCB) has raised provisional invoice demanding property tax of Rs. 9.01 crore in respect of vacant land at IGI Airport for the Financial Year 2016-17.

The airport area majorly consists of vacant land area which cannot be commercially let out by the Company because of operational safety, aircraft landing & take off and navigational requirements as per standards laid down by International Civil Aviation Organization (ICAO). However, based on same computation method as used for payment of property tax to SDMC, management has made payment of Rs. 1.15 crore towards property tax for financial year 2016-17 and requested DCB to withdraw its demand. The Company has disclosed remaining amount of Rs. 7.86 crore as contingent liability in these Financial Statements. No demand has been received from DCB towards property tax for financial year 2017-18, however the Company has paid Rs.1.15 crores for financial year 2017-18 based on same computation as of previous financial year.

The Company has obtained a legal opinion; wherein it has been opined that liability w.r.t. earlier years cannot be ruled out. As DCB has not raised any demand for earlier years, and the Company's application for adopting the same computation method as considered by SDMC, while arriving at the demand for the FY 2016-17, is pending / under consideration by DCB, the amount of liability for earlier years is unascertainable.



- b) The Ministry of Civil Aviation (MoCA) issued a Circular No. AV 13028/001/2009-AS dated January 8, 2010 giving fresh guidelines regarding the expenditure which could be met out of the PSF (SC) and subsequently clarified by MoCA vide order dated April 16, 2010. Based on the said circular, the Company is not debiting such security expenditure to PSF (SC) escrow account. Further, vide circular No. AV 13024/43/2003-SS (AD) dated May 17, 2012, it was further directed that any such expenditure already debited was required to be credited back to PSF(SC) account. However, security expenditure amounting to Rs. 24.48 crore was already incurred prior to April 16, 2010 and was debited to PSF (SC) account.

The Company had challenged the said circulars issued by MoCA before the Hon'ble Delhi High Court by way of a Writ Petition. The Hon'ble Court, vide its order dated December 21, 2012, had restrained MoCA from taking any coercive measures in the form of initiation of criminal proceedings against the Company and the matter is now listed for hearing on August 10, 2017. Based on an internal assessment and aforesaid order of the Hon'ble High Court, the management is confident that no liability in this regard would be payable and as such no provision has been made in these Financial Statements.

- c) MoCA issued an order no. AV 13024 /03/2011-AS (Pt. I) dated February 18, 2014 requiring the Airport Operators to reverse the expenditure incurred, since inception to till date, towards procurement and maintenance of security systems/equipment and on creation of fixed assets out of PSF (SC) escrow account opened and maintained by DIAL (the Airport Operator) in a fiduciary capacity. The Company had incurred Rs. 297.25 crore towards capital expenditure (excluding related maintenance expense and interest thereon) till June 30, 2017 (March 31, 2017 Rs.297.25 crore) out of PSF (SC) escrow account as per Standard Operating Procedure (SOPs), guidelines and clarification issued by MoCA from time to time on the subject of utilization of PSF (SC) funds.

In the opinion of the management of the Company, the above order is contrary to and inconsistent with SOPs, guidelines and clarification issued by MoCA from time to time in this regard and as such had challenged the said order before Hon'ble Delhi High court. The Hon'ble High Court, vide its order dated March 14, 2014, stayed recovery of amount already utilized by the Company from PSF (SC) Escrow Account till date. The matter is now listed for hearing on September 19, 2017.

Based on an internal assessment, the management of the Company is of the view that no adjustments are required to be made in the books of accounts. Further, as directed by the Hon'ble High Court and pending further orders, the Company has charged Rs. 62.95 crore from April 1, 2014 till June 30, 2017 (March 31, 2017: Rs. 58.41 crore) towards the expenditure incurred on repair and maintenance of security equipment to the Statement of profit and loss which includes Rs. 4.54 crore during the three months period ended June 30, 2017 (June 30, 2016: Rs 6.13 crore).

- d) The Company was entitled to custom duty credit scrip under Served from India Scheme (SFIS) of Foreign Trade Policy issued by Government of India. Under the terms of SFIS, service providers are entitled to custom duty credit scrip as a percentage of foreign exchange earned by the Company that can be utilized for payment of import duty. Till March 31, 2014, the Company had cumulatively utilized custom duty credit scrip amounting to Rs. 89.60 crore in lieu of payment of import duty in respect of import of fixed assets (including capital work in progress) and thus, recorded fixed assets (including capital work in progress) imported, at net amount (after excluding the amount of custom duty paid by using these scrips).

The Expert Advisory Committee ('EAC') of the Institute of Chartered Accountants of India, pursuant to a specific application by the Company in this regard, has clarified vide its opinion viz. TD/EAC/1484/13 dated November 19, 2013 that such scrips should be recognised and accounted as grant related to revenue under erstwhile Accounting Standard 12 – Accounting for Government Grants.

Accordingly, as allowed under para 15 of erstwhile Accounting Standard 12, the Company had adjusted (netted off) Rs. 80.39 crore, [being the difference between the value of duty credit scrips amounting to Rs. 89.60 crore and the depreciation amounting to Rs. 9.21 crore that ought to have been charged on such



assets] against certain expenditure, which in its view are related to obtaining such custom duty credit scrip entitlements and had disclosed the same as prior period items (net) in the financial statements for the year ended March 31, 2014.

However, Airport Authority of India ('AAI') has expressed different view on this and argued that amount utilized under SFIS should be treated as revenue and accordingly revenue share on amount of Rs 89.60 crore is payable to AAI. Enforcing their view, AAI has written letter to ICICI bank on July 06, 2015 instructing bank to remit Rs. 41.21 crore from Receivable Escrow Account of the Company as revenue share to AAI's bank account as per terms of the escrow agreement.

Company had filed a writ petition against the AAI's letter in Hon'ble Delhi High Court on July 10, 2015 disputing the demand and the letter unilaterally issued by AAI and prayed for quashing of demand by AAI. Court has granted the interim relief and disposed with a direction to Company to seek remedy under the provisions of Arbitration law. Accordingly Company filed a petition under section 9 of the Arbitration and Conciliation Act seeking interim restraint to AAI from enforcing its demand which was granted by the court in favour of Company. Both the parties have appointed their arbitrators.

DIAL has already filed statement of claim before the tribunal and statement of defence on behalf of AAI is awaited. The next effective date of hearing before the tribunal is on October 5, 2017.

Besides, based on an opinion obtained from consultant, DIAL has filed an application to EAC of ICAI on November 23, 2015 seeking clarification that the SFIS utilized for capital goods, should be treated as capital grant.

- e) The Director General of Central Excise Intelligence, New Delhi has issued a Show Cause Notice F. NO. 574/CE/41/2014/Inv./PT.II/11327 dated October 10, 2014 on the Company, proposing a demand of service tax of Rs. 59.91 crore (excluding interest and penalty) considering Advance Development Costs ('ADC') collected by Company from the Commercial Property Developers under the service tax category 'Renting of Immovable Property'.

The Company has replied to the show cause notice referred to above with appropriate authority on April 17, 2015.

Subsequently, Additional Director General (Adjudication), DGCEI has passed Order No. 10/2016-ST dated May 02, 2016 confirming demand of service tax of Rs. 54.31 crore and imposed equivalent penalty in respect of this matter.

However, based on an internal assessment and legal opinions obtained by the Company in this regard, the Management is of the view that service tax is not leviable on ADC, as these are collected for development of certain infrastructure facilities for the common use and not for the exclusive use of any developer. Service tax liability on ADC, if any arises, shall be adjusted from Advance Development Costs collected by Company from the Commercial Property Developers.

The Company has filed appeal before CESTAT, New Delhi on August 02, 2016 against the order dated May 02, 2016; and has disclosed the amount of penalty of Rs. 54.31 crore as contingent liability.

Further, the management of the Company is of the view that no adjustments are required to be made to these Financial Statements.

- f) The Commissioner of Service Tax, New Delhi had issued three Show Cause Notices (SCN) and one addendum to SCN on the Company, proposing a demand of service tax aggregating to Rs. 275.53 crore (excluding interest and penalty) on the collection of Development Fee ("DF") from passengers in airport for the period from March, 2009 to September, 2013. Out of total demand of service tax of Rs 275.53 crore, service tax amounting to Rs 130.17 crore has already been paid by Company under protest.



The Company replied to the show cause notice referred to above with appropriate authority and the issue was heard on merits on February 17, 2016. Subsequently, the Commissioner of Service Tax, has passed Order No. C.No D III/ST/IV/16/Hqrs/Adjn/DIAL/153/2015/1862-ST dated July 12, 2016 confirming the demand of service tax of Rs. 262.06 crore (after giving cum duty effect) and out of the said demand has appropriated amount of Rs 130.17 crore already deposited by Company under protest towards service tax, and further imposed a penalty of Rs 131.89 crore in respect of this matter.

However, based on an internal assessment and legal views obtained by Company in this regard, the management is of the view that service tax is not leviable on DF, as the DF is a statutory levy and is meant to bridge financing gap funding for the airport project. The collection of DF from passengers is not in lieu of provision of any service to them. Further, there is no service provider and service recipient relationship between the Company and the passengers paying DF. Service tax liability, if any arises on DF, shall be decided by AERA, keeping in view the final pronouncement of the matter.

The Company has filed appeal against the order before CESTAT, New Delhi on October 10, 2016 and; has disclosed the amount of penalty of Rs. 131.89 crore as contingent liability.

Further, the management of the Company is of the view that no adjustments are required to be made to these Financial Statements.

V. Financial guarantees- The Company has not provided any financial guarantee other than performance guarantee on its own behalf, to any party.

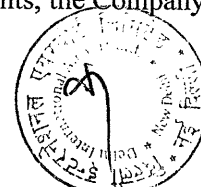
VI. Capital and Other Commitments:

(a) Capital Commitments:

At June 30, 2017, the Company has estimated amount of contracts remaining to be executed on capital account not provided for [net of advances of Rs. 2.85 crore (March 31, 2017: Rs. 4.96 crore)] Rs. 128.95 crore (March 31, 2017: Rs. 138.92 crore).

(b) Other Commitments:

- i. As per the terms of OMDA, the Company is required to pay annual fees to AAI at 45.99% of the revenue (as defined in OMDA) of the Company for an initial term of 30 years starting from May 2006 and which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of OMDA.
- ii. As per the terms of Airport Operator Agreement, the Company is required to pay every year 3% of previous year's gross revenue as operator fee to Fraport AG Frankfurt Airport Services Worldwide.
- iii. In respect of its equity investment in East Delhi Waste Processing Company Private Limited, the Company along with SELCO International Limited has to maintain minimum 51% shareholding for a period of 2 years from the commissioning of the project and thereafter minimum 26% shareholding for next 10 years. The project has been commissioned with effect from April 1, 2017.
- iv. During previous year, the Company had entered into "Call spread Option" with various banks for hedging the repayment of 6.125% Senior secured notes (2026) of USD 522.60 mn, which is repayable in October 2026. Under this option, the Company has purchased a call option for USD 522.60 mn at a strike price of Rs. 66.85/USD and written a call option for USD 522.60 mn at a strike price of Rs. 101.86/USD at October 31, 2026. As per terms of the agreements, the Company



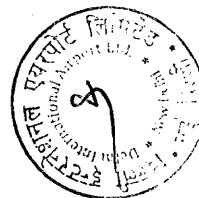
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)

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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

- is required to pay premium of Rs. 1,241.30 crore (starting from January 2017 to October 2026), which is payable on quarterly basis. The Company has paid Rs. 46.31 crore towards premium till June 30, 2017 and remaining balance of Rs. 1,194.99 crore is payable as at June 30, 2017 (March 31, 2017:Rs. 1,226.34 crore).
- v. During previous year, the Company had entered into "Call spread Option" with various banks for hedging the repayment of part of 6.125% Senior secured notes (2022) of USD 288.75 million, which is repayable in February 2022. Under this option, the Company has purchased a call option for USD 80.00 mn at a strike price of Rs. 68.00/USD and written a call option for USD 80 mn at a strike price of Rs.85.00/USD at February, 2022. As per terms of the agreements, the Company is required to pay premium of Rs. 94.33 crore (starting from April 2017 to January 2022), payable on quarterly basis. The Company has paid Rs. 4.06 crore towards premium till June 30, 2017 and remaining balance of Rs. 90.27 crore is payable as at June 30, 2017 (March 31, 2017: Rs. 94.33 crore).



With respect to Subsidiary, Joint ventures and associates:

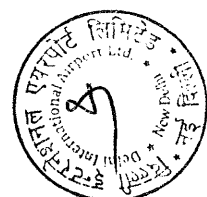
- vi. DIAL entered into a tripartite Master Service Agreement (MSA) with Wipro Airport IT Services Limited (WAISL) and WIPRO Limited by which DIAL is committed to pay annually, premium fees to WAISL or receive from WAISL a premium income, determined and mutually agreed on the basis of estimated receivable and subsistence level (as defined in the said MSA further amended vide addendum number 14, dated January 20, 2017). During three months ended June 30, 2017, the Company accounted for Rs. 4.77 crore towards such premium income from WAISL and this is included in revenue from operations (June 30, 2016: Rs. 0.30 crore as premium fee and was included in other expenses during quarter ended June 30, 2016).

Also in case of delay in payment of dues from customers to WAISL, the Company would fund the deficit on a temporary basis till the time WAISL collects the dues from such customers. Till June 30, 2017, the Company has funded Rs. 9.65 Crore (March 31, 2017: Rs. 11.09 crore) towards shortfall in collection from customers.

- vii. In respect of its equity investment in WAISL, the Company has to maintain minimum 26% of equity shareholding directly or indirectly until the expiry of next 5 years from January 2010 and thereafter minimum 20% of equity shareholding directly or indirectly until the expiry of next 5 years.
- viii. The Company has committed to provide financial support to Travel Food Services (Delhi Terminal 3) Private Limited (Jointly Controlled Entity) in proportion to its shareholding to meet the liabilities of Travel Food Services (Delhi Terminal 3) Private Limited, as and when required.
- ix. The Company has committed to provide financial support to Delhi Aerotropolis Private Limited (Subsidiary Company) in proportion to its shareholding to meet the liabilities of Delhi Aerotropolis Private Limited (Subsidiary Company), as and when required.
- x. The following investments have been pledged by the Company towards borrowings by these companies:

Company Name	As at June 30, 2017		As at March 31, 2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Delhi Duty Free Services Private Limited	11,976,000	119,760,000	11,976,000	119,760,000
Delhi Airport Parking Services Private Limited	18,853,703	188,537,030	18,853,703	188,537,030
Travel Food Services (Delhi Terminal 3) Private Limited	1,680,000	16,800,000	1,680,000	16,800,000

- xi. In respect of the Company's investment in Joint Venture ('JV') entities and Associate Companies, other JV/ associate partners have the first right of refusal in case, any of the JV/ associate partners intend to sell its stake subject to other terms and conditions of respective JV/ associate agreements.



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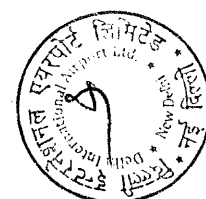
Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

7. Related Party

a) Names of related parties and description of relationship:

Description of relationship	Name of the related parties
Ultimate holding company	GMR Enterprises Private Limited (formerly known as GMR Holdings Private Limited) ¹
Intermediate holding company	GMR Infrastructure Limited
Holding company	GMR Airports Limited
Subsidiary company	Delhi Aerotropolis Private Limited
Associate company	Delhi Airport Parking Services Private Limited
	Travel Food Services (Delhi Terminal 3) Private Limited
	Delhi Duty Free Services Private Limited
	Celebi Delhi Cargo Terminal Management India Private Limited
	TIM Delhi Airport Advertising Private Limited
Fellow subsidiaries (including subsidiary companies of the ultimate/intermediate holding company) (where transactions have taken place)	GMR Energy Limited
	GMR Hyderabad International Airport Limited
	GMR Male International Airport Private Limited
	GMR Airport Developers Limited
	GMR Aviation Private Limited
	Raxa Security Services Limited
	GMR Chhattisgarh Energy Limited
	GMR Kamalanga Energy Limited
	Kakinada SEZ Limited (formerly known as Kakinada SEZ Private Limited)
	GMR Warora Energy Limited
	GMR Pochanpalli Expressways Limited
	GMR Bajoli Holi Hydropower Private Limited
	GMR Tambaram Tindivanam Expressways Limited
	GMR Consulting Services Limited
	GMR Energy Trading Limited
	GMR Vemagiri Power Generation Limited
	GMR Goa International Airport Limited
	GMR Tuni Anakapalli Expressways Limited
Joint ventures (where transactions have taken place)	Delhi Aviation Services Private Limited
	Delhi Aviation Fuel Facility Private Limited
	Wipro Airport IT Services Limited



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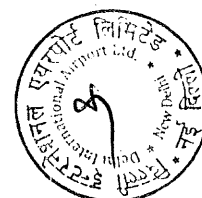
Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

Description of relationship	Name of the related parties
Enterprises in respect of which the company is a joint venture	Airports Authority of India
	Fraport AG Frankfurt Airport Services Worldwide
Joint venture/Associate of member of a Group of which DIAL is a member	GMR Megawide Cebu Airport Corporation
Enterprises where significant influence of Key management Personnel or their relatives exists	GMR Varalaksmi Foundation
Post-employment benefit plan of the entity	DIAL Employee's provident fund trust
Key Management personnel	Mr. Srinivas Bommidala - Managing Director
	Mr. Grandhi Kiran Kumar - Executive Director
	Mr. K. Narayana Rao - Whole Time Director
	Mr. R.S.S.L.N. Bhaskarudu - Non- Executive Director
	Ms.Kameswari Vissa - Non- Executive Director
	Mr. KP Rao - Non- Executive Director
	Mr. NC Sarabeswaran - Non- Executive Director
	Mr. G. Subba Rao - Non - Executive Director
	Mr. Matthias Engler - Non - Executive Director
	Mr. S. Suresh - Non - Executive Director
	Mr. M. Ramachandran - Non - Executive Director
	Ms. Denitza Weizmantel - Non - Executive Director
Key Management personnel of holding company	Mr. G.M. Rao

1. GMR Holdings Private Limited and GMR Projects Private Limited has been amalgamated with GMR Enterprises Private Limited (Transferee Company), pursuant to approval of scheme of amalgamation and arrangements by Hon'ble High Court of Madras vide its order No. 8471/16 dated July 06, 2016 effective from August 10, 2016.
2. Kakinada SEZ Private Limited is converted into a Public Company upon completion of all regulatory compliances. Consequently, the name of the Company has been changed to Kakinada SEZ Limited with effect from October 20, 2016.

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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

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7 (b) Summary of balances with the above related parties are as follows:

Balances as at Date	As At June 30, 2017	As At March 31, 2017
<u>Investments in subsidiary, associates and Joint Ventures</u>		
<u>Investments in Unquoted Equity Share</u>		
<u>Subsidiary Company</u>		
Delhi Aerotropolis Private Limited	0.10	0.10
<u>Associate Companies</u>		
Celebi Delhi Cargo Terminal Management India Private Limited	29.12	29.12
Delhi Duty Free Services Private Limited	39.92	39.92
Travel Food services (Delhi Terminal 3) Private Limited	5.60	5.60
TIM Delhi Airport Advertising Private Limited	9.22	9.22
Delhi Airport Parking Services Private Limited	40.64	40.64
<u>Joint Ventures</u>		
Delhi Aviation Services Private Limited	12.50	12.50
Delhi Aviation Fuel Facility Private Limited	42.64	42.64
Wipro Airport IT Services Limited	1.30	1.30
<u>Trade Receivables (including marketing fund)</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	0.04	0.47
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	0.47	0.04
<u>Associate Companies</u>		
Delhi Duty Free Services Private Limited	16.62	13.17
TIM Delhi Airport Advertising Private Limited	31.04	30.35
Delhi Airport Parking Services Private Limited	2.09	2.30
Travel Food Services (Delhi Terminal 3) Private Limited	-	1.02
Celebi Delhi Cargo Terminal Management India Private Limited	14.41	14.35
<u>Joint Ventures</u>		
Delhi Aviation Services Private Limited	1.30	-
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/Intermediate holding company)</u>		
GMR Aviation Private Limited	0.22	0.18
GMR Consulting Services Limited	1.26	1.26
GMR Chhattisgarh Energy Limited	1.21	1.21
GMR Warora Energy Limited	0.60	0.11
GMR Vemagiri Power Generation Limited	1.39	0.90
GMR Kamalanga Energy Limited	0.82	0.35



Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)
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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

Balances as at Date	As At June 30, 2017	As At March 31, 2017
GMR Bajoli Holi Hydropower Private Limited	0.48	0.30
GMR Tambaram Tindivanam Expressways Limited	0.73	-
<u>Other Financial Assets - Current</u>		
Unbilled revenue including Utility recovery not billed		
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	1.66	1.09
<u>Joint Ventures</u>		
Wipro Airport IT Services Limited	4.80	-
<u>Other Financial Assets - Current</u>		
<u>Reversal of Unbilled Revenue</u>		
<u>Associate Companies</u>		
Travel Food Services (Delhi Terminal 3) Private Limited	-	0.29
Delhi Airport Parking Services Private Limited	-	0.59
<u>Other Financial Assets - Current</u>		
Non- Trade Receivables (including marketing fund)		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	0.03	0.05
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	0.28	0.71
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/Intermediate holding company)</u>		
GMR Consulting Services Limited	0.78	0.78
GMR Chhattisgarh Energy Limited	0.24	0.24
GMR Tambaram Tindivanam Expressways Limited	0.06	0.03
GMR Warora Energy Limited	0.21	0.10
GMR Kamalanga Energy Limited	0.11	0.02
GMR Aviation Private Limited	0.03	0.02
GMR Bajoli Holi Hydropower Private Limited	0.11	0.03
GMR Vemagiri Power Generation Limited	0.27	0.18
<u>Associate Companies</u>		
Travel Food Services (Delhi Terminal 3) Private Limited	0.68	0.37
Celebi Delhi Cargo Terminal Management India Private Limited	0.21	0.58
Delhi Airport Parking Services Private Limited	0.28	0.16
TIM Delhi Airport Advertising Private Limited	0.21	0.23
Delhi Duty Free Services Private Limited	1.31	1.20



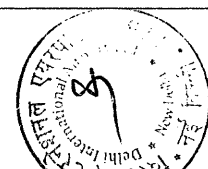
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)

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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

Balances as at Date	As At June 30, 2017	As At March 31, 2017
<u>Joint Ventures</u>		
Delhi Aviation Services Private Limited	1.45	0.74
<u>Loans and Advances- Current</u>		
<u>Subsidiary Company</u>		
Delhi Aerotropolis Private Limited	0.14	0.14
<u>Joint Ventures</u>		
Delhi Aviation Services Private Limited	0.05	0.13
Delhi Aviation Fuel Facility Private Limited	0.15	0.15
Wipro Airport IT Services Limited	6.31	6.27
<u>Associate Companies</u>		
Delhi Airport Parking Services Private Limited	0.04	0.08
Travel Food Services (Delhi Terminal 3) Private Limited	0.17	0.17
Celebi Delhi Cargo Terminal Management India Private Limited	0.21	0.19
Delhi Duty Free Services Private Limited	0.02	0.05
TIM Delhi Airport Advertising Private Limited	0.25	0.32
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	6.80	7.03
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
Kakinada SEZ Limited	0.19	0.17
GMR Hyderabad International Airport Limited	0.24	0.23
GMR Male International Airport Private Limited	1.40	1.40
GMR Energy Limited	-	0.01
GMR Bajoli Holi Hydropower Private Limited	0.02	0.01
GMR GOA International Airport Limited	0.25	0.25
<u>Joint Venture/Associate of member of a Group of which DIAL is a member</u>		
GMR Megawide Cebu Airport Corporation	0.07	0.08
<u>Loans and Advances- Non-Current</u>		
<u>Joint Ventures</u>		
Wipro Airport IT Services Limited	2.82	2.82
<u>Trade payable (including marketing fund)</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	10.45	11.88



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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

Balances as at Date	As At June 30, 2017	As At March 31, 2017
<u>Holding company</u>		
GMR Airports Limited	9.80	8.93
<u>Enterprises in respect of which the company is a joint venture</u>		
Fraport AG Frankfurt Airport Services Worldwide	42.97	79.99
Airports Authority of India	1.33	113.31
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
Raxa Security Services Limited	3.65	2.77
GMR Energy Trading Limited	6.00	2.33
GMR Airport Developer Limited	4.15	-
GMR Aviation Private Limited	0.20	-
<u>Associate Companies</u>		
TIM Delhi Airport Advertising Private Limited	0.16	-
<u>Other Financial Liabilities amortised at cost- Non-current Liability for voluntry retirement scheme</u>		
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	13.05	16.85
<u>Provision for Doubtful Advances</u>		
<u>Joint Ventures</u>		
Wipro Airport IT Services Limited	2.82	2.82
<u>Other Financial Liabilities amortised at cost- Current Liability for voluntry retirement scheme</u>		
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	14.67	14.45
<u>Other Financial Liabilities- Current</u>		
<u>Earnest Money Deposit</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Bajoli Holi Hydropower Private Limited	0.05	0.05
<u>Deferred Revenue</u>		
<u>Unearned Revenue</u>		
<u>Associate Companies</u>		
TIM Delhi Airport Advertising Private Limited	0.10	0.13

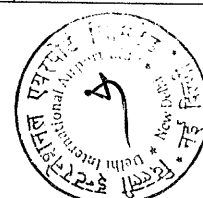


Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)
CIN. U63033DL2006PLC146936

Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

Balances as at Date	As At June 30, 2017	As At March 31, 2017
<u>Associate Companies</u>		
Celebi Delhi Cargo Terminal Management India Private Limited	22.47	-
<u>Joint Ventures</u>		
Delhi Aviation Fuel Facility Private Limited	13.84	-
<u>Other Financial Liabilities- Current</u>		
<u>Security Deposits from trade concessionaires</u>		
<u>Associate Companies</u>		
Delhi Duty Free Services Private Limited	1.10	1.19
Delhi Airport Parking Services Private Limited	0.01	0.01
<u>Joint Ventures</u>		
Delhi Aviation Services Private Limited	0.06	0.06
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aviation Private Limited	0.11	-
<u>Security Deposits from trade concessionaires- Non-Current</u>		
<u>Joint Ventures</u>		
Delhi Aviation Fuel Facility Private Limited	21.17	20.48
Delhi Aviation Services Private Limited	10.54	10.24
<u>Associate Companies</u>		
Celebi Delhi Cargo Terminal Management India Private Limited	19.49	17.91
Delhi Airport Parking Services Private Limited	0.70	0.68
Delhi Duty Free Services Private Limited	92.92	89.73
TIM Delhi Airport Advertising Private Limited	8.32	7.91
Travel Food Services (Delhi Terminal 3) Private Limited	3.05	1.44
<u>Deferred Revenue</u>		
<u>Deferred Income on financial liabilities carried at amortised cost - Current</u>		
<u>Associate Companies</u>		
Delhi Airport Parking Services Private Limited	0.15	0.15
Delhi Duty Free Services Private Limited	12.76	12.70
Celebi Delhi Cargo Terminal Management India Private Limited	5.51	5.12
TIM Delhi Airport Advertising Private Limited	1.60	1.60
Travel Food Services (Delhi Terminal 3) Private Limited	0.47	0.15
<u>Joint Ventures</u>		
Delhi Aviation Fuel Facility Private Limited	6.30	6.30
Delhi Aviation Services Private Limited	1.02	1.02



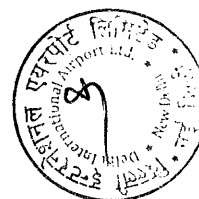
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)

CIN. U63033DL2006PLC146936

Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

Balances as at Date	As At June 30, 2017	As At March 31, 2017
<u>Deferred Income on financial liabilities carried at amortised cost - Non-Current</u>		
<u>Associate Companies</u>		
Delhi Airport Parking Services Private Limited	1.97	2.01
Delhi Duty Free Services Private Limited	90.92	93.99
Celebi Delhi Cargo Terminal Management India Private Limited	91.75	86.60
TIM Delhi Airport Advertising Private Limited	18.94	19.49
Travel Food Services (Delhi Terminal 3) Private Limited	2.84	0.39
<u>Joint Ventures</u>		
Delhi Aviation Fuel Facility Private Limited	108.80	110.62
Delhi Aviation Services Private Limited	2.16	2.41
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aviation Private Limited	-	0.09

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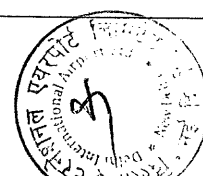
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)
CIN. U63033DL2006PLC146936

Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

7 (c) Summary of transactions with the above related parties is as follows:

Transactions During the period	For the Three month ended June 30, 2017	For the Three month ended June 30, 2016
<u>Security Deposits from trade concessionaires</u>		
<u>Security Deposits Received</u>		
<u>Associate Companies</u>		
Delhi Airport Parking Services Private Limited	-	0.29
Celebi Delhi Cargo Terminal Management India Private Limited	7.94	-
Travel Food Services (Delhi Terminal 3) Private Limited	4.33	-
Delhi Duty Free Services Private Limited	0.79	-
<u>Joint Ventures</u>		
Delhi Aviation Fuel Facility Private Limited	-	10.63
<u>Security Deposits from trade concessionaires</u>		
<u>Deposits Refunded</u>		
<u>Associate Companies</u>		
Delhi Duty Free Services Private Limited	0.12	0.03
<u>Key Managerial Remuneration paid/ payable</u>		
<u>Short-term employee benefits</u>		
Mr. Grandhi Kiran Kumar	1.05	0.68
Mr. Srinivas Bommidala	1.11	0.68
Mr. K. Narayana Rao	0.67	0.20
<u>Post employment benefits</u>		
Mr. Grandhi Kiran Kumar	1.02	0.93
Mr. Srinivas Bommidala	1.08	0.94
Mr. K. Narayana Rao	0.36	0.27
<u>Annual Fee to Airport Authority of India (AAI)</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	689.82	625.29
<u>Interest Income</u>		
<u>Joint Ventures</u>		
Delhi Aviation Services Private Limited	-	0.01



Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)

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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the Three month ended June 30, 2017	For the Three month ended June 30, 2016
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Airport Developers Limited	10.73	9.23
<u>Airport Operator fees</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Fraport AG Frankfurt Airport Services Worldwide	42.97	37.62
<u>Expenses incurred by Company on behalf of related parties</u>		
<u>Intermediate Holding company</u>		
GMR Infrastructure Limited	0.01	-
<u>Holding company</u>		
GMR Airports Limited	0.60	1.08
<u>Joint Ventures</u>		
Delhi Aviation Services Private Limited	0.14	0.08
<u>Associate Companies</u>		
Celebi Delhi Cargo Terminal Management India Private Limited	0.14	0.09
TIM Delhi Airport Advertising Private Limited	0.14	0.13
Delhi Airport Parking Services Private Limited	0.12	0.12
Travel Food Services (Delhi Terminal 3) Private Limited	0.09	0.09
Delhi Duty Free Services Private Limited	0.07	0.07
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Airport Developers Limited	0.01	0.01
GMR Tuni Anakapalli Expressways Limited	-	0.01
GMR Pochanpalli Expressways Limited	0.02	-
Raxa Security Services Limited	0.30	0.26
Kakinada SEZ Limited	0.01	0.01
GMR Bajoli Holi Hydropower Private Limited	0.01	-
GMR Energy Trading Limited	0.05	-
GMR Male International Airport Private Limited	-	0.02
<u>Expenses incurred by related parties on behalf of Company</u>		
<u>Holding company</u>		
GMR Airports Limited	0.06	-
<u>Associate Companies</u>		
Travel Food Services (Delhi Terminal 3) Private Limited	0.03	0.01



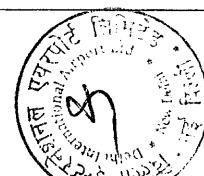
Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)

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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the Three month ended June 30, 2017	For the Three month ended June 30, 2016
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Hyderabad International Airport Limited	-	0.15
<u>Corporate Cost Allocation</u>		
<u>Intermediate Holding company</u>		
GMR Infrastructure Limited	9.16	9.03
<u>Holding company</u>		
GMR Airports Limited	9.73	7.13
<u>Services Received</u>		
<u>Travelling & Conveyance- Chartering Cost</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aviation Private Limited	1.23	1.70
<u>Security related expenses</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
Raxa Security Services Limited	3.06	2.63
<u>Information technology and related expenses</u>		
<u>Joint Ventures</u>		
Wipro Airport IT Services Limited	-	0.30
<u>Repair and Maintenance - IT System</u>		
<u>Joint Ventures</u>		
Wipro Airport IT Services Limited	0.19	0.14
<u>Power</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Energy Trading Limited	12.41	-
<u>Directors' sitting fees</u>		
<u>Key management personnel</u>		
Mr.R.S.S.L.N. Bhaskarudu	0.01	0.02
Ms. Kameswari Vissa	0.01	0.01
Mr. KP Rao	-	0.01
Mr. NC Sarabeswaran	0.01	0.01
Mr. G. Subba Rao	-	0.01
Mr. Matthias Engler	-	0.01
Mr. S. Suresh	-	0.01



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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the Three month ended June 30, 2017	For the Three month ended June 30, 2016
Mr. M. Ramachandran	0.01	-
<u>Electricity charges recovered</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	0.03	0.03
<u>Joint Ventures</u>		
Delhi Aviation Services Private Limited	3.62	3.57
<u>Associate Companies</u>		
Delhi Airport Parking Services Private Limited	0.54	0.44
Celebi Delhi Cargo Terminal Management India Private Limited	2.74	4.15
TIM Delhi Airport Advertising Private Limited	0.70	0.74
Travel Food Services (Delhi Terminal 3) Private Limited	0.42	0.78
Delhi Duty Free Services Private Limited	0.49	0.61
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Chhattisgarh Energy Limited	-	0.09
GMR Warora Energy Limited	0.08	0.10
GMR Tambaram Tindivanam Expressways Limited	0.03	0.03
GMR Consulting Services Limited	-	0.18
GMR Vemagiri Power Generation Limited	0.08	-
GMR Kamalanga Energy Limited	0.08	-
GMR Bajoli Holi Hydropower Private Limited	0.06	-
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	4.55	4.16
<u>Water charges recovered</u>		
<u>Joint Ventures</u>		
Delhi Aviation Services Private Limited	0.03	0.03
<u>Associate Companies</u>		
Delhi Airport Parking Services Private Limited	0.12	0.10
Travel Food Services (Delhi Terminal 3) Private Limited	0.07	0.10
Celebi Delhi Cargo Terminal Management India Private Limited	0.32	0.32
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	-	0.15



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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the Three month ended June 30, 2017	For the Three month ended June 30, 2016
<u>Space Rental & Land Licence fee.</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	0.56	0.52
<u>Joint Ventures</u>		
Delhi Aviation Fuel Facility Private Limited	-	-
Delhi Aviation Services Private Limited	4.60	4.27
	0.04	0.04
<u>Associate Companies</u>		
TIM Delhi Airport Advertising Private Limited	0.40	0.37
Celebi Delhi Cargo Terminal Management India Private Limited	7.46	6.71
Delhi Duty Free Services Private Limited	0.45	0.42
<u>Fellow subsidiaries (including subsidiary companies of the ultimate Holding company)</u>		
GMR Aviation Private Limited	0.01	0.01
GMR Chhattisgarh Energy Limited	-	0.47
GMR Consulting Services Limited	-	0.47
GMR Tambaram Tindivanam Expressways Limited	0.56	0.52
GMR Warora Energy Limited	0.38	0.47
GMR Vemagiri Power Generation Limited	0.38	-
GMR Kamalanga Energy Limited	0.38	-
GMR Bajoli Holi Hydropower Private Limited	0.38	-
<u>Concession fees received</u>		
<u>Joint Ventures</u>		
Delhi Aviation Services Private Limited	2.41	1.93
<u>Associate Companies</u>		
Delhi Airport Parking Services Private Limited	5.47	4.28
TIM Delhi Airport Advertising Private Limited	40.11	27.65
Delhi Duty Free Services Private Limited	84.73	80.53
Celebi Delhi Cargo Terminal Management India Private Limited	36.17	31.44
Travel Food Services (Delhi Terminal 3) Private Limited	4.25	3.48
<u>IT operations</u>		
<u>Jointly Controlled Entities</u>		
Wipro Airport IT Services Limited	4.76	-
<u>Airport Service, Common Area Maintenance, Screening & Other Charges</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	0.09	0.08
<u>Associate Companies</u>		



Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)

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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

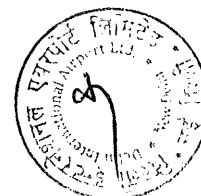
(All amounts in Rupees Crore, except otherwise stated)

Transactions During the period	For the Three month ended June 30, 2017	For the Three month ended June 30, 2016
Travel Food Services (Delhi Terminal 3) Private Limited	0.33	0.47
Celebi Delhi Cargo Terminal Management India Private Limited	2.64	-
TIM Delhi Airport Advertising Private Limited	0.04	0.04
Delhi Duty Free Services Private Limited	1.26	1.18
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Consulting Services Limited	-	0.05
GMR Chhattisgarh Energy Limited	-	0.05
GMR Tambaram Tindivanam Expressways Limited	0.09	0.08
GMR Warora Energy Limited	0.04	0.05
GMR Vemagiri Power Generation Limited	0.04	-
GMR Kamalanga Energy Limited	0.04	-
GMR Bajoli Holi Hydropower Private Limited	0.04	-
<u>Aeronautical Revenue</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aviation Private Limited	0.06	0.06
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	0.03	0.04
<u>Marketing Fund Billed</u>		
<u>Associate Companies</u>		
Delhi Duty Free Services Private Limited	2.66	2.57
Travel Food Services (Delhi Terminal 3) Private Limited	0.19	0.16
<u>Marketing Fund Utilised</u>		
<u>Associate Companies</u>		
Delhi Duty Free Services Private Limited	-	0.74
TIM Delhi Airport Advertising Private Limited	0.11	0.03
<u>CPD Infra Deposit utilization</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Airport Developers Limited	0.82	0.45
Raxa Security Services Limited	-	0.80
<u>Non-Aeronautical- Notional income on security deposits</u>		
<u>Associate Companies</u>		
Delhi Airport Parking Services Private Limited	0.04	0.12
TIM Delhi Airport Advertising Private Limited	0.46	0.41



Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)**CIN. U63033DL2006PLC146936****Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017****(All amounts in Rupees Crore, except otherwise stated)**

Transactions During the period	For the Three month ended June 30, 2017	For the Three month ended June 30, 2016
Delhi Duty Free Services Private Limited	3.23	3.22
Celebi Delhi Cargo Terminal Management India Private Limited	1.36	1.29
Travel Food Services (Delhi Terminal 3) Private Limited	0.05	0.04
<u>Joint Ventures</u>	-	-
Delhi Aviation Fuel Facility Private Limited	1.82	4.12
Delhi Aviation Services Private Limited	0.26	0.26
<u>Finance Cost- Notional expense on security deposits</u>		
<u>Associate Companies</u>		
Delhi Airport Parking Services Private Limited	0.02	0.10
TIM Delhi Airport Advertising Private Limited	0.32	0.21
Delhi Duty Free Services Private Limited	2.65	2.35
Celebi Delhi Cargo Terminal Management India Private Limited	0.54	0.47
Travel Food Services (Delhi Terminal 3) Private Limited	0.05	0.04
<u>Joint Ventures</u>		
Delhi Aviation Fuel Facility Private Limited	0.68	1.17
Delhi Aviation Services Private Limited	0.30	0.27
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	0.81	1.18



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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

7 (d) Interest in significant investment in subsidiaries, joint ventures and associates:

Name of Joint Venture	Relationship	Ownership interest	Date of incorporation	Country of incorporation
Delhi Aerotropolis Private Limited	Subsidiary	100.00%	22-May-07	India
Celebi Delhi Cargo Terminal Management India Private Limited	Associate	26.00%	18-Jun-09	India
Delhi Duty Free Services Private Limited	Associate	49.90%	7-Jul-09	India
Delhi Airport Parking Services Private Limited	Associate	49.90%	11-Feb-10	India
Travel Food Services (Delhi Terminal 3) Private Limited	Associate	40.00%	4-Dec-09	India
TIM Delhi Airport Advertising Private Limited	Associate	49.90%	1-Jun-10	India
Delhi Aviation Fuel Facility Private Limited	Joint Venture	26.00%	11-Aug-09	India
Delhi Aviation Services Private Limited	Joint Venture	50.00%	28-Jun-07	India
Wipro Airport IT Services Limited	Joint Venture	26.00%	22-Oct-09	India

Terms and Condition of transaction with related parties:

Outstanding balances at the reporting date are secured/ unsecured and settlement occurs in cash. For the period ended June 30, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

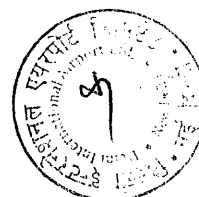
Commitments with related parties:

The commitments in respect of related parties are provided in note 6(VI) above, forming part of these Financial statements.

Transactions with key management personnel

The transaction with key management personnel includes the payment of directors sitting fees and managerial remuneration which are provided in note 7(c) above. There are no other transactions with Key management personnel.

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Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)
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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

8. Fair Values

The carrying amount of all financial assets and liabilities (except for certain other financial assets/liabilities i.e. "Instruments carried at fair value") appearing in the financial statements is reasonable approximation of fair values. Such investments and those financial instruments carried at fair value are disclosed below:

Particulars	Carrying value		Fair value	
	As at June 30, 2017	As at March 31, 2017	As at June 30, 2017	As at March 31, 2017
Financial assets				
Investment in mutual fund	2,358.18	2,184.38	2,358.18	2,184.38
Total	2,358.18	2,184.38	2,358.18	2,184.38
Financial liabilities				
Derivative liability effective hedges	46.20	42.58	46.20	42.58
Total	46.20	42.58	46.20	42.58

Assumption used in estimating the fair values:

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. The following methods and assumption were used to estimate the fair values:

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at June 30, 2017, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

9. Fair Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at June 30, 2017:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Investment in mutual fund	June 30, 2017	2,358.18	2,358.18	-	-
Liabilities measured at fair value					
Mark to market gain/loss on derivatives instruments	June 30, 2017	46.20	-	46.20	-



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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

There have been no transfers between Level 1, Level 2 and Level 3 during the period.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2017:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Financial assets at fair value					
Investment in mutual fund	March 31, 2017	2,184.38	2,184.38	-	-
Liabilities measured at fair value					
Mark to market gain/loss on derivatives instruments	March 31, 2017	42.58	-	42.58	-

There have been no transfers between Level 1, Level 2 and Level 3 during the period.

10. Cash flow hedges

Foreign exchange call spread options measured at fair value through OCI are designated as hedging instruments in cash flow hedges to hedge the USD INR conversion rate volatility with reference to the cash outflows on settlement of its borrowings designated in USD.

The fair value of foreign exchange call spread option varies with the changes in foreign exchange rates and repayment of future premium.

Particulars	June 30, 2017		March 31, 2017	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency call spread options designated as hedging instruments	-	(46.20)	-	(42.58)

As on June 30, 2017, the USD spot rate is below the USD call strike price and hence not covered in hedge relationship. However, prospective testing is done and concluded to be effective. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss.

There is no re-classification to profit or loss during the three months, gains or losses are included in OCI.



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CIN. U63033DL2006PLC146936

Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

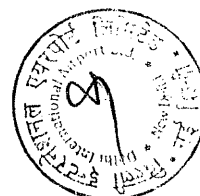
11. Transition to Ind AS

These financial statements, for the three months period ended June 30, 2017 are the first interim financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the three months period ended June 30, 2016, the Company prepared its interim financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared these interim financial statements which comply with Ind AS applicable for period ending on June 30, 2017 together with the comparative period data as at and for the three months period ended June 30, 2016 as described in the summary of significant accounting policies.

The following reconciliation provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101 for Statement of Profit and Loss for the three months period ended June 30, 2016.

	Foot Notes	Indian GAAP	Ind AS adjustments	Ind AS
REVENUE				
Revenue from operations:				
- Sale of services	1	1,298.29	10.50	1,308.79
- Other operating income	1,8	23.73	16.94	40.67
Other income	1, 5	37.60	1.92	39.52
Total Income (I)		1,359.62	29.36	1,388.98
EXPENSES				
Annual fee to Airports Authority of India (AAI)		625.29	-	625.29
Employee benefit expenses	6	29.42	0.23	29.65
Other expenses	5,9,10, 11	180.43	112.54	292.97
Total expenses (II)		835.14	112.77	947.91
Earnings before interest, tax, depreciation and amortisation and exceptional items (EBIDTA) (I-II)		524.48	(83.41)	441.07
Depreciation and amortisation expenses	7, 11	158.50	(3.00)	155.50
Amortization of intangible assets		5.33	-	5.33
Finance costs	1, 3, 8, 9	126.66	4.48	131.14
Profit before tax and exceptional items (III)		233.99	(84.89)	149.10



(1) Current tax	7	49.94	(15.73)	34.21
(2) Deferred tax charge/ (credit)	7	6.79	(33.43)	(26.64)
Total Tax expense (IV)		56.73	(49.16)	7.57
Profit for the period (V) = (III-IV)		177.26	(35.73)	141.53
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss in subsequent periods				
Re-measurement loss (gain) on defined benefit plans	6, 11	-	0.23	0.23
Income tax effect	7	-	(0.08)	(0.08)
Total Other Comprehensive Income for the period, net of tax (VI)		-	0.15	0.15
Total Comprehensive Income for the period (net of tax) (V+VI)		177.26	(35.58)	141.68

Footnotes to the reconciliation of total comprehensive income for the three months period ended June 30, 2016:

1. Security deposit

Under the Indian GAAP, interest free security deposit received from concessionaire and commercial property developer and Interest free security deposit given for lease (that are refundable in cash on completion of its term) are recorded at their transaction value. The Company has fair valued these financial liabilities/assets i.e. security deposits taken/given under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as deferred revenue/ prepaid rent. The corresponding adjustments have been recognised in the profit or loss.

2. Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in statement of profit or loss over the tenure of the borrowings as part of the interest expense by applying the effective interest method. The corresponding adjustments have been recognised in the profit or loss.

Under the previous GAAP, these transactions cost were amortised on a straight line basis over the period of loan. Accordingly, unamortised prepaid upfront cost has been reversed with a corresponding adjustment to borrowings.

3. Fair valuation of investments in mutual fund

Under the previous GAAP, investments in mutual fund are classified as current investment based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in the profit or loss.



4. Capital creditors and liability for voluntary retirement scheme (VRS)

Ind AS 38 and Ind AS 16, requires that if payment for an intangible asset and property, plant and equipment is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognised as interest expense over the period of credit unless such interest is capitalised in accordance with Ind AS 23. Under previous GAAP, the Company recorded liability for voluntary retirement scheme and capital creditor at transaction cost whose payments are based on deferred settlement terms.

Accordingly, the liability for Voluntary retirement scheme and capital creditor has been reduced with a corresponding increase by interest cost charged to the profit or loss.

5. Interest rate swap not designated as hedging instruments

Under the previous GAAP, the Company has considered both the critical terms of the Interest rate swap (IRS) and those of the principal term loan as same. Based on the internal assessment carried out by the management, the net impact of the marked to market valuation of the IRS, net of gain/loss on the underlying loan, is not expected to be material and accordingly no adjustment has been made in the financial statements.

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. Accordingly, the Company has accounted the fair valuation of IRS with an adjustment in the profit or loss.

6. Re-measurements of post-employment benefit plans

Under Ind AS, re-measurements i.e. actuarial gain and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these measurements were forming part of the profit or loss for the three month period ended June 30, 2016.

7. Taxes

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

Accordingly, under Ind AS, there are transitional adjustments leading to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction in statement of Profit and Loss or a separate component of equity depending on the recognition of the instrument.

In the first year of adoption of Ind AS, the company has to prepare Ind AS financial statements for reporting year with a comparative financial statement of immediately preceding year. In such a case, the adjustments made in the opening balances as on April 1, 2015 and adjustments made during the preceding financial year i.e. FY 2015-16 are to be included in the book profit for the purpose of calculation of MAT liability over a period of 5 years (1/5th each year). Accordingly, the Company has included on account of opening Ind AS adjustments during the three month period ended June 30, 2016 in the book profit as per section 115JB of Income tax act for computation of MAT liability.

8. Advance development cost from Commercial property developers

Under Indian GAAP, the advance development cost received from commercial property developers is recorded at transaction value. Further, per management, entire amount received or receivable for development of common infrastructure will be utilised and accordingly, no refund of unutilised advances is expected. Under Ind AS, the advance development cost received from commercial property developers and the related expense is considered as revenue to be recognized as per the terms of agreement and related expenses to be recorded in the books.



9. Marketing fund

Under Indian GAAP, Company was doing fund accounting for the marketing fees collected from concessionaires and maintains separate books of accounts for the fund balance. Under Ind AS, Marketing is considered as a specific service being provided by DIAL and accordingly, all the billing and utilisation forms part of the income and expenses of the Company. On the date of transition, the marketing fund liability existing on such date has been reversed with a corresponding adjustment to retained earnings and subsequently, the Company has recorded the marketing fund billing and utilisation as income and expenses in profit and loss during financial year 2015-16. However, due to revision of marketing fund policy the fund accounting is adopted for Marketing Fund w.e.f from April 1, 2016 accordingly, the Marketing Fund balance as at April 1, 2016 is reclassified in as Marketing fund Liability in books of accounts.

10. Finance Lease

Company in earlier years, had entered in to an IT service arrangement with a Wipro Airport IT Systems Limited (WAISL) to provide IT services at the Airport on its behalf. Under Indian GAAP, as per the terms of the agreement, depending upon the actual billing of WAISL and subsistence level agreed, Company recorded the payments or receipts as an expense or income respectively. Under Ind AS, the Company concluded that the arrangement contains an embedded lease of the IT equipment and other assets (although the arrangement is not in the legal form of lease) and WAISL is providing services on behalf of the Company. The above lease is classified as a finance lease.

Accordingly, adjustments were made for the finance lease assets and corresponding liabilities at inception and the subsequent related adjustments in the profit and loss in FY 2015-16.

However due to change in agreement terms with effect from April 1, 2016, the as per the terms of the agreement, depending upon the actual billing of WAISL and subsistence level agreed, Company recorded the payments or receipts as an income or expense respectively during the three months period ended June 30, 2016.

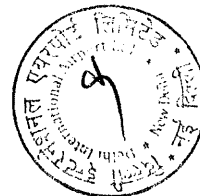
11. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to Ind AS profit or loss. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

12. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

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12. Other Disclosures

a) **AERA DF Order No. 28/2011-12, 30/2012-13 and AERA tariff order No. 03/2012-13 on determination of Aeronautical Tariff; issued on November 14, 2011, December 28, 2012 and April 24, 2012 respectively**

- (i). The Company had accrued Development Fee (DF) amounting to Rs. 350 crore during the year 2012-13, earmarked for construction of Air Traffic Control (ATC) tower; currently work is under progress as at June 30, 2017. DF amounting to Rs. 350 crore (March 31, 2017: Rs. 350 crore) has been adjusted against the expenditure on construction of ATC tower incurred till March 31, 2017.

The total expenditure incurred on construction of ATC tower is Rs. 398.07 crore till June 30, 2017 (March 31, 2017: Rs. 393.07 Crores) which exceeds the earmarked DF of Rs. 350 crore, as the construction got delayed due to security reasons and additional requirements from time to time.

As per the approval in DIAL Board Meeting held on May 11, 2017, the Company has written a letter to AAI for reimbursement of additional expense incurred till March 31, 2017. However, pending acceptance by AAI, additional amount of Rs. 48.07 crore is shown under Capital Work in Progress (CWIP) as at June 30, 2017 (March 31, 2017: Rs. 43.07 crores).

- (ii). While calculating such additional DF amount:

In accordance with the earlier Standard Operating Procedure (SOP) approved and issued by the AAI dated February 19, 2009 read with the MoCA order dated February 9, 2009, the Company was adjusting collection charges against DF receipts. However, AERA vide its subsequent order no. 28/2011-12 issued on November 14, 2011 has observed that in terms of Section 22A of the AAI Act, 1994 (amended from time to time) as well as Section 13(1)(b) of the AERA Act, 2008, the function of AERA is limited only to determining the rate/amount of DF and manner of collection and administration cost incurred thereupon is an issue, which had already been prescribed by way of rules by the Central Government. In view of the fact that DF rules notified by the MoCA dated August 2, 2011 do not prescribe adjustment of collection charges from the DF receipts; the Company has capitalised DF collection charges aggregating to Rs. 28.41 crore till June 30, 2017 (March 31, 2017 : Rs. 28.37 crore).

The Airport Economic Regulatory Authority of India (AERA) had passed an order vide Order No 30/2012-13 dated December 28, 2012 in respect of levy of Development fee at Delhi Airport. As per the said order, the rate of Airport Development Fee (ADF) has been reduced from Rs. 200 to Rs. 100 and from Rs. 1,300 to Rs. 600 per embarking domestic and international passenger respectively. Further, as per the said order, such revised rates have come into force with effect from January 1, 2013 and estimated DF collection period has been extended up to April 2016. Further, AERA has issued order No.47/2015-16 dated January 25, 2016, restricting cutoff date for collection of ADF upto April 30, 2016. As per the order, AERA has granted AAI, six months' time after cutoff date i.e April 30, 2016 to reconcile and close the account, and to arrive at the over recovery / under recovery of ADF. However, the same has not yet been finalized. This over / under recovery will be accounted for on final reconciliation of ADF pending with AAI. However, DIAL has collected the DF receivable in full and settled the DF loan on May 28, 2016.

- b) As at March 31, 2014, the South Delhi Municipal Corporation (SDMC) [earlier known as Municipal Corporation of Delhi (MCD)] had demanded property tax of Rs. 105.18 crore from 2006-07 to 2012-13 on the land and properties at IGI Airport. DIAL filed a writ petition in the Hon'ble High Court of Delhi challenging the applicability of the Delhi Municipal Corporation (Amendment) Act, 1957 on the land and properties at the Indira Gandhi International Airport, New Delhi ('Delhi Airport') and deposited an amount



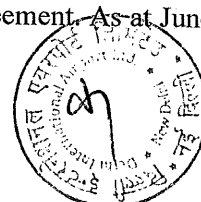
of Rs. 30.66 crore under protest. SDMC has brought the "Airports & Airports properties" within the purview of property tax with effect from the financial year 2013-14. Accordingly, from 2013-14 the Company has started paying property tax and the same has been charged to Statement of profit and loss of respective years/ periods.

The Hon'ble High Court of Delhi vide its order dated September 13, 2013, directed DIAL to make a proposal to the SDMC for settlement of property tax dispute. Consequently, SDMC vide its order dated February 10, 2015, revised its demand of property tax to Rs. 60.96 crore and also levied interest of Rs. 24.99 crore for assessment years 2006-07 to 2012-13. The company had provided the amount of property tax and interest in its books of accounts till March 31, 2017.

The Company has paid the final amount of tax of Rs. 25.14 crores (after considering the amount of Rs. 34.74 crore paid earlier) on February 27, 2017 to SDMC as per demand letter no. Tax/ HQ/SDMC/2016/ D-1886 dated December 2, 2016 issued by SDMC under "Amnesty Scheme 2016-17" introduced by SDMC for waiver of full interest and penalty charges on payment of complete tax dues payable upto March 31, 2017.

The matter was listed before Hon'ble Delhi High Court on July 07, 2017 and the court has been apprised that the Company has made the full and final payment in terms of the 'Amnesty Scheme' and SDMC has also issued a "No Dues Certificate" in favour of the Company providing that no amount remains due and/or unpaid towards property tax for the period from May 03, 2006 till March 31, 2017 with respect to the Land and Building properties at the IGI Airport. In view above, the court was pleased to dismiss the petition as withdrawn and no further order was passed.

- c) The Company has a receivable of Rs. 615.23 crore for the period ended June 30, 2017 (March 31, 2017: Rs. 564.47 crore) (including unbilled revenue) from Air India Limited and its subsidiaries namely Indian Airlines Limited, Airline Allied Services Limited and Air India Charters Limited collectively referred as 'Air India'. In view of continuing "Airport Enhancement and Financing Service Agreement" with the International Air Transport Association for recovery of dues from Air India and considering the fact that Air India being a government enterprise/ undertaking, the Company considers its dues from Air India as good and fully recoverable.
- d) These Financial statements of the Company do not include Accounts for Passenger Service Fee - Security Component [PSF- (SC)] as the same are maintained separately in the fiduciary capacity by the Company on behalf of Government of India and are governed by Standard Operating Procedure issued vide letter number AV/13024/047/2003-SS/AD dated January 19, 2009 issued by Ministry of Civil Aviation, Government of India.
- e) These Financial statements of the Company do not include billing to airlines for DF by the Company. As per the Management, DIAL's responsibility is restricted only to the billing on behalf of Airports Authority of India (AAI) in accordance with provisions of AAI (Major Airports) Development Fee Rules, 2011 and DF SOP.
- f) The Company has received advance development costs of Rs. 660.06 crore (March 31, 2017: Rs. 660.06 crore) from various Developers at Commercial Property District towards facilitating the development of common infrastructure there in. As per the term of the agreement, the Company will facilitate the development of common infrastructure upon receipt of advance towards development cost in accordance with the instructions and specifications in the agreement. Further, the Company has no right to escalate the development cost and in case any portion of the advance development cost is not utilized by the Company towards development of any infrastructure facility, the same shall be returned to the Developers upon earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As at June



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(All amounts in Rupees Crore, except otherwise stated)

30, 2017, the Company has incurred development expenditure of Rs. 484.80 crore (March 31, 2017: Rs. 469.72 crore) which has been adjusted against the aforesaid advance and balance amount of Rs. 175.25 crore (March 31, 2017: Rs. 190.34 crore) is disclosed under other liabilities.

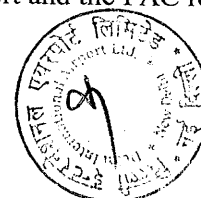
- g) The Company is collecting "Marketing Fund" at a specified percentage from various concessionaires as per the agreement with respective concessionaires and to be utilized towards sales promotional activities as defined in such agreements in accordance with the Marketing Fund policy adopted by the Company. The financial statements of such marketing fund are being audited by one of the Joint Statutory auditors. As at June 30, 2017, the Company has billed Rs. 98.14 crore (March 31, 2017: Rs. 92.48 crore) towards such Marketing Fund and has incurred expenditure amounting to Rs. 40.59 crore (March 31, 2017: Rs. 39.05 crore) (net of income on temporary investments) till June 30, 2017 from the amount so collected. The balance amount of Rs. 57.55 crore pending utilization as at June 30, 2017 (March 31, 2017: Rs. 53.43 crore) against such sales promotion activities is included under "Other current liabilities" as specific fund to be used for the purposes to be approved by the Marketing fund committee constituted for this purpose.
- h) The Company is of the view that certain income/ credits arising on adoption of Ind-AS were not in contemplation of parties in April 2006 when this Concession Agreement was signed / entered. Further, these income/credits in Statement of Profit and Loss do not represent receipts from business operations, from any external sources and therefore, these incomes/credits should not be form part of "Revenue" as defined in OMDA for the purpose of calculating monthly annual fee (MAF) payable to AAI. Accordingly, the Company, based on legal opinion, has provided the MAF to AAI based on Revenue as per the Ind AS financial statements after adjusting such incomes/credits. Detail of such incomes / credits is as under:

Description	Incomes forming part of	For the period ended June 30, 2017
Construction income from Commercial property developers	Other operating income	15.08
Discounting on fair valuation of deposits taken from commercial property developers	Other operating income	6.89
Discounting on fair valuation of deposits taken from concessionaires	Sale of services – Non Aeronautical	11.85
Discounting on fair valuation of deposits given	Other income	0.09
Unrealised foreign exchange difference on borrowings	Other income	11.21

Further, the Company has also provided the "Airport Operator Fees" included in "Other expenses" based on "Gross revenue" after excluding the income/ credits from above transactions for the financial year 2016-17.

- j) The Comptroller and Auditor General of India (CAG) had conducted the performance audit of PPP (Public Private Partnership) project of AAI at Delhi Airport for the period 2006 to 2012. CAG has presented its report before Rajya Sabha on August 17, 2012 wherein they have made certain observations on the Company. The Public Accounts Committee (PAC), constituted by the Parliament of India, has examined the CAG report and submitted its observations and recommendations to Loksabha vide its Ninety fourth report in February 2014.

The Management of the Company is of the view that the observations in the CAG report and the PAC report do not have any financial impact on the Company.



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Notes to the Standalone Unaudited Condensed Interim Financial statements for the three months period ended June 30, 2017

(All amounts in Rupees Crore, except otherwise stated)

- k) The Company has only one business segment, which is operation of airport and providing allied services and operates in a single business segment. Accordingly, the amounts appearing in these Financial Statements relate to the Company's single business segment.
- l) A survey under section 133A of the Income Tax Act, 1961 was carried out at the premises of the Company by the Income Tax authorities on June 22 -23, 2016. The Income Tax department has sought information vide its letter dated July 18, 2016. The management has provided majority of the information and is in the process of providing the rest of the information to the department. The management of the Company believes that it has complied with all the applicable provisions of the Income Tax Act, 1961 and does not expect any additional tax liability on account of survey operations.
- m) Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these Financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

For S.R.Batliboi & Associates LLP
ICAI Firm Reg. No.: 101049W/E300004
Chartered Accountants

For Brahmayya & Co.,
ICAI Firm Reg. No.: 000515S
Chartered Accountants

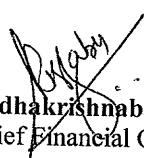
**For and on behalf of the Board of
Directors of Delhi International Airport
Limited**

Per Yogesh Midha
Partner
Membership No. 94941
Place: New Delhi
Date: July 20, 2017

Per G. Srinivas
Partner
Membership No. 86761
Place : New Delhi
Date: July 20, 2017

Srinivas Bommidala
Managing Director
DIN-00061464

K. Narayana Rao
Whole Time Director
DIN-00016262


Radhakrishnababu G
Chief Financial Officer

Place : New Delhi
Date: July 20, 2017


Saurabh Jain
Company Secretary

