

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Golf View Corporate Tower - B
Sector- 42, Sector Road
Gurgaon 122 002, Haryana, India

Brahmayya & Co.
Chartered Accountants
10/2, Khivraj Mansion
Kasturba Road
Bengaluru 560 001. India

Report on Review of Interim Financial Information

To
The Board of Directors of Delhi International Airport Private Limited

Introduction

1. We have reviewed the accompanying standalone unaudited condensed interim balance sheet of Delhi International Airport Private Limited ('the Company') as at June 30, 2015, the related standalone unaudited condensed interim statement of profit and loss and the cash flow statement for the three months period then ended along with explanatory notes thereon ('Standalone Unaudited Condensed Interim Financial Statements'). Management is responsible for the preparation and presentation of these Unaudited Condensed Interim Financial Statements in accordance with recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' [applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014] and other recognized accounting practices and policies generally accepted in India and has been approved by the Board of Directors/ Committee of Board of Directors. Our responsibility is to express a conclusion on these Standalone Unaudited Condensed Interim Financial Statements based on our review.

Scope of review

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in audit. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that these Standalone Unaudited Condensed Interim Financial Statements have not been prepared in all material respects in accordance with recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' [applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014] and other recognized accounting practices and policies generally accepted in India.

Other Matters

4. The accompanying Standalone Unaudited Condensed Interim Financial Statements have been prepared solely in connection with the requirement of the Company to submit Standalone Unaudited Condensed Interim Financial Statements to the trustees and bond holders of 6.125% Senior Secured Notes. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W
Chartered Accountants

s/d
per **Yogesh Midha**
Partner
Membership No.: 094941

Place: New Delhi
Date : July 23, 2015

CERTIFIED TRUE COPY

For **Delhi International Airport Pvt. Ltd.**

Sankash Jain

Company Secretary

For **Brahmayya & Co.**,
Firm registration number: 000515S
Chartered Accountants

s/d
per **G Srinivas**
Partner
Membership No.: 86761

Place: New Delhi
Date : July 23, 2015



Delhi International Airport Private Limited
CIN. U63033DL2006PTC146936
Standalone Unaudited Condensed Interim Balance Sheet as at June 30, 2015
(All amounts in Rupees Crores, except otherwise stated)

	June 30, 2015 (Reviewed)	March 31, 2015 (Audited)
Equity and liabilities		
Shareholders' funds	2,450.00	2,450.00
Share capital		
Reserves and surplus:	(587.15)	(741.95)
Deficit in statement of profit and loss	1,862.85	1,708.05
Non-current liabilities		
Long-term borrowings (Secured)	5,338.83	5,436.94
Other long-term liabilities	1,969.74	1,998.95
Long-term provisions	48.04	52.50
	7,356.61	7,488.39
Current liabilities		
Trade Payables	409.05	425.64
Other current liabilities	1,736.17	1,456.63
Short-term provisions	68.26	42.44
	2,213.48	1,924.71
TOTAL	11,432.94	11,121.15
Assets		
Non-current assets		
Fixed assets	8,267.82	8,355.69
Tangible assets	431.07	433.50
Intangible assets	53.55	50.65
Capital work-in-progress	138.01	138.01
Non-current investments	126.89	89.53
Loans and advances	61.22	170.01
Other non-current assets	9,078.56	9,237.39
Current assets		
Current investments	587.30	287.27
Inventories	8.92	8.65
Trade receivables	606.57	652.22
Cash and bank balances	387.40	320.27
Loans and advances	81.38	64.28
Other current assets	682.81	551.07
	2,354.38	1,883.76
TOTAL	11,432.94	11,121.15

Explanatory notes annexed

The explanatory notes form an integral part of these Unaudited Condensed Interim Financial Statements.

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

s/d
per Yogesh Midha
Partner

Membership no: 94941
 Place of Signature : New Delhi
 Date : July 23, 2015

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

s/d
per G. Srinivas
Partner

Membership no: 86761
 Place of Signature : New Delhi
 Date : July 23, 2015

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

s/d
Srinivas Bommidala
Managing Director
DIN-00061464

s/d
K. Narayana Rao
Whole Time Director
DIN-00016262

s/d
Radhakrishnababu G.
Chief Financial Officer

s/d
Saurabh Jain
Company Secretary

Place : New Delhi
 Date : July 23, 2015



	For the Period ended June 30, 2015 (Reviewed)	For the Period ended June 30, 2014 (Audited)
Particulars		
Income		
Revenue from operations :	1,127.75	971.63
Sale of services	25.79	24.49
Other operating income	17.54	9.33
Other income	1,171.08	1,005.45
Total revenue (i)		
Expenses		
Annual fee to Airports Authority of India (AAI)	538.58	462.41
Employee benefits expense	29.08	31.41
Other expenses	169.36	161.86
Total Expenses (ii)	737.02	655.68
Earnings before interest, tax, depreciation and amortization (EBITDA) [(i) - (ii)]	434.06	349.77
Depreciation of tangible assets	153.18	152.15
Amortization of intangible assets	2.42	3.97
Finance costs	123.66	131.40
Profit before tax	154.80	62.25
Tax expenses		
Current tax	27.15	-
MAT credit entitlement	(27.15)	-
Total tax expense	154.80	62.25
Profit for the period		
Earning per equity share [nominal value of share Rs. 10 (June 30, 2014: Rs. 10)]	0.63	0.25
Basic and Diluted (In Rupees)		
Computed on basis of total profit for the period		

Explanatory notes annexed

The explanatory notes form an integral part of these Unaudited Condensed Interim Financial Statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm Registration No. : 101049W

Chartered Accountants

s/d
per Yogesh Midha
Partner

Membership no: 94941

Place of Signature : New Delhi

Date : July 23, 2015

As per our report of even date

For Brahmayya & Co.

ICAI Firm Registration No. : 000515S

Chartered Accountants

s/d
per G. Srinivas
Partner

Membership no: 86761

Place of Signature : New Delhi

Date : July 23, 2015

For and on behalf of the Board of Directors of
Delhi International Airport Private Limiteds/d
Srinivas Bommidala
Managing Director
DIN-00061464s/d
K. Narayana Rao
Whole Time Director
DIN-00016262s/d
Radhakrishnababu G. Saurabh Jain
Chief Financial Officer Company SecretaryPlace : New Delhi
Date : July 23, 2015

	For the Period ended June 30, 2015 (Reviewed)	For the Period ended June 30, 2014 (Reviewed)
Cash flow from operating activities	154.80	62.25
Profit before tax		
Adjustment to reconcile profit before tax to net cash flows	155.60	156.12
Depreciation and amortization expenses	(0.46)	1.41
Provision for Bad debts / Bad Debts Written off	(4.42)	(2.06)
Interest income on deposits	(0.17)	-
Exchange differences (net)	(9.23)	(3.23)
Income from current investments	-	(3.99)
Dividend income on long term investments	3.37	2.99
Other borrowing costs including amortisation	-	1.35
Provision for diminution in value of assets	119.56	127.86
Interest on Borrowings	419.06	342.70
Operating profit before working capital changes		
Movements in working capital :	(16.42)	(8.33)
Decrease in trade payables	(28.18)	(7.02)
Decrease in other long term liabilities	248.50	158.02
Increase in other current liabilities	45.65	58.17
Decrease in trade receivables	(0.27)	1.08
(Increase) / Decrease in inventories	(130.92)	(136.20)
Increase in other current assets	0.36	(0.44)
Decrease / (Increase) in long term loans and advances	(17.10)	3.51
(Increase) / Decrease in short term loans and advances	(1.18)	1.33
Increase in short-term provisions	519.50	412.82
Cash generated from operations	(3.69)	(3.26)
Direct taxes (paid) / refund received (net)	515.81	409.56
Net cash flow from operating activities (A)		
Cash flows from investing activities	(38.33)	(90.17)
Purchase of fixed assets, including CWIP and capital advances	106.37	132.55
Development fee (DF) realised	-	(2.60)
Purchase of Non-current investments	(2,710.36)	(1,159.81)
Purchase of current investments	2,419.56	1,056.93
Proceeds from sale/maturity of current investments	-	3.99
Dividend income	3.86	2.08
Interest received	(0.57)	(0.02)
Increase in margin money deposit	(47.35)	-
Investments in bank deposits (having original maturity of more than three months)		
Net cash flow used in investing activities (B)	(266.82)	(57.05)
Cash flows from financing activities	(132.37)	(140.64)
Repayment of long-term borrowings	-	(122.55)
Repayment of short-term borrowings	(1.21)	(1.17)
Other borrowing costs paid	14.37	24.80
Collection of interest on DF loans from airlines	(110.58)	(125.05)
Interest paid	(229.79)	(364.61)
Net cash flow used in financing activities (C)		
Net increase/(decrease) in cash and cash equivalents (A + B + C)	19.20	(12.10)
Cash and cash equivalents at the beginning of the period	119.70	61.22
Cash and cash equivalents at the end of the period	138.90	49.12
Components of cash and cash equivalents	0.20	0.30
Cash on hand	6.92	8.17
Cheques/ drafts on hand		
With banks	124.40	35.65
- on current account	7.38	5.00
- on deposit account	138.90	49.12
Total cash and cash equivalents		

Explanatory notes annexed

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statements notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014).
- The above cash flow statement has been compiled from and is based on the Standalone Condensed Interim Balance Sheet as at June 30, 2015 and the related Standalone Condensed Interim Statement of Profit and Loss for the three months period ended on that date.
- Cash and cash equivalents include Rs. 9.37 Crores (June 30, 2014: Rs. 21.16 Crores), pertaining to Marketing Fund, to be used for sales promotional activities.
- Previous period figures have been regrouped and reclassified to confirm to those of the current period.

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

s/d
per Yogesh Midha
Partner
Membership no: 94941
Place of Signature : New Delhi
Date : July 23, 2015

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

s/d
per G. Srinivas
Partner
Membership no: 86761
Place of Signature : New Delhi
Date : July 23, 2015

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

s/d s/d
Srinivas Bommidala K. Narayana Rao
Managing Director Whole Time Director
DIN-00061464 DIN-00016262

s/d
Radhakrishnababu G.
Chief Financial Officer



Place : New Delhi
Date : July 23, 2015

Delhi International Airport Private Limited

CIN. U63033DL2006PTC146936

Notes to the Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2015

(All amounts in Rupees Crores, except otherwise stated)

1. Corporate Information

Delhi International Airport Private Limited ('DIAL' or 'the Company') is a private limited Company domiciled in India and was incorporated on March 1, 2006 for managing the operations and modernization of the Indira Gandhi International Airport ('Delhi Airport'). GMR Airports Limited, a subsidiary of GMR Infrastructure Limited, 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.

2. Basis of preparation

The Unaudited Condensed Interim Financial Statements of Delhi International Airport Private Limited ('the Company' or 'DIAL') for the three months period ended June 30, 2015 have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 25 'Interim Financial Reporting' notified under section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules 2014, issued by the Ministry of Corporate Affairs 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 Company has followed the same accounting policies in preparation of Unaudited Condensed Interim Financial Statements as those followed in preparation of the annual financial statements as at the year ended March 31, 2015, except that the Company has implemented component accounting as per Schedule II to the Companies Act, 2013 w.e.f. from April 01, 2015.

As per Schedule II to the Companies Act, 2013, the component accounting of fixed assets is applicable w.e.f. April 01, 2015 in respect of those assets where the cost of a part/ sub assembly of any asset is significant to total cost of those asset and useful life of their part/ sub assembly is different from the useful life of remaining asset then the said part/ sub assembly shall be recognized independently.

In view of above, the Company, based on technical review, has assessed the components except in case of Runways, Taxiways and Apron which is pending issuance of final notification by Airport Economic Regulatory Authority (AERA). The net impact of componentization based on the preliminary review has resulted in additional depreciation and accordingly an amount of Rs. 3.15 crores has been provided for in the books during the quarter ended June 30, 2015.

3. Explanatory Notes

3.1 Going concern

- a) The Company's accumulated losses as at June 30, 2015 of Rs. 587.15 crores (As at March 31, 2015: Rs. 741.95 crores) have resulted in part erosion in net worth of the Company as at June 30, 2015. However, the Company has earned a net profit of Rs. 154.80 crores during the three months period ended June 30, 2015 (June 30, 2014: Rs. 62.25 crores) and has also met all its obligations as on June 30, 2015.



Delhi International Airport Private Limited

CIN. U63033DL2006PTC146936

Notes to the Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2015

(All amounts in Rupees Crores, except otherwise stated)

- b) 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 five year control period (i.e. 2009 - 2014). The first five year control period referred to above ended on March 31, 2014. Pending determination of the final Aeronautical tariff (s) for the second control period i.e. from 2014 to 2019, AERA vide its order 13/2014-15 dated October 14, 2014, had extended the operation of tariff order issued on April 24, 2012 up to January 31, 2015 or until the final determination of the tariff for the second control period (i.e. 2014 - 2019), whichever is earlier.

In addition, DIAL had also filed a writ petition before the Hon'ble High Court of Delhi seeking extension of existing tariff as allowed vide AERA order 03/2012-13 issued on April 24, 2012 following the extension granted by AERA vide its order 04/2014-15 dated May 2, 2014 till disposal of DIAL's appeal pending with AERAAT. Subsequently, Hon'ble High Court of Delhi 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 dated April 20, 2012 issued on April 24, 2012 shall continue till the disposal of the appeals pending against the said Tariff Order, by AERAAT.

Further, AERA had issued the consultation paper on January 28, 2015 for determination of Aeronautical tariff in respect of IGI Airport, Delhi for the second control period (i.e. 2014 - 2019). The consultation paper suggests that tariff for aeronautical revenue to be reduced by 78.24% of the existing tariff (i.e. tariff as compared to the first control period). The Company had filed its reply to AERA w.r.t. the consultation paper on April 10, 2015.

However, in view of Hon'ble High Court of Delhi judgment dated January 22, 2015, AERA vide its public notice no. 16/2014-15 dated January 29, 2015 extended the tariff till the disposal of the appeals pending against the First Control period tariff order, by AERAAT. The revenue so collected by DIAL during this interim period shall be adjusted from the aggregate revenue requirement for the Second control period w.e.f. April 1, 2014.

Further, AERA has 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 High Court of Delhi dated January 22, 2015. The matter was heard by bench of Hon'ble Supreme Court of India on July 20, 2015. The Hon'ble Court then issued notice to all and directed the matter to be placed before it in three weeks.

Based on the above, the profit earned over the last three financial years, Company's business plans and cash projections prepared by the management for the next one year, the management expects to earn sufficient Cash profits; and do not foresee any difficulty in continuing its business / operations and meeting its financial obligations and accordingly, these Unaudited Condensed Interim Financial Statements continue to be prepared on a going concern basis.

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3.2 Depreciation

- a) Depreciation 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

- b) 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, inter alia, 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, for such assets 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. The Authority has initiated the process to enable it to issue a notification as appropriate, pursuant to the provisions of Part B of Schedule II of the Companies Act, 2013 for this purpose. Pending issuance of final notification by AERA of the useful lives of airport specific assets i.e. Runways, Taxiways and Apron, the Company, in the absence of any specific mention of useful lives of these assets in Schedule II to the Companies Act, 2013, 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.

- 3.3 The Company has a receivable (including unbilled revenue) of Rs. 442.57 crores as at June 30, 2015 (March 31, 2015: Rs. 405.57 crores) 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, the Company considers its dues from Air India as good and fully recoverable.



Delhi International Airport Private Limited

CIN. U63033DL2006PTC146936

Notes to the Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2015

(All amounts in Rupees Crores, except otherwise stated)

3.4 Contingent liabilities not provided for:

		(Rs. in crores)	
	Particulars	As at June 30, 2015	As at March 31, 2015
(i)	In respect of Income tax matters*	91.47	91.47
(ii)	In respect of Indirect tax matters	3.98	3.98
(iii)	Claim against the Company not acknowledged as debt [Refer (e) below]	41.47	41.47

*Includes Income Tax demand of Rs. 27.18 crores u/s 143(3) pursuant to notice issued under section 153A of the Income Tax Act, 1961.

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

- a) 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 crores 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. 16.98 crores (in addition to Rs.13.68 crores earlier paid under protest against these demands). 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 crores and also levied interest of Rs. 24.99 crores for assessment years 2006-07 to 2012-13.

The Company had provided Rs 60.96 crores till June 30, 2015 (March 31, 2015: Rs. 60.96 crores) [including Rs. 57.75 crores provided till March 31, 2014]. Further, interest of Rs 24.99 crores has also been provided till June 30, 2015 (March 31, 2015: Rs. 24.99 crores), making the total provision of Rs 81.87 crores (March 31, 2015: Rs. 81.87 crores) [net of self-assessment tax paid of Rs. 4.08 crores in earlier years]. The Company is still contesting on the tax and interest demand. The matter is pending with the Hon'ble High Court of Delhi and is now listed for hearing on September 17, 2015.

- b) The Airports Authority of India(AAI) had claimed service tax on the monthly annual fee (MAF) payable to them considering the same as rental from immovable property w.e.f. June 1, 2007. The Company has disputed the grounds of the levy under relevant provisions of the OMDA and based on a legal opinion obtained in this regard, is of the view that transaction between AAI and DIAL is neither a franchisee agreement nor a Renting of Immovable Property, which are specified taxable services under Section 65(105) of Service Tax Act. The Company has filed a writ petition with Hon'ble High Court of Delhi and is listed for hearing on August 13, 2015. Based on an internal assessment and legal opinion obtained, the management is of the view that no adjustments are required to be made to these Unaudited Condensed Interim Financial Statements.



- c) 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 crores 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 26, 2015. 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 Unaudited Condensed Interim Financial Statements.

- d) 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. 296.90 crores towards capital expenditure (excluding related maintenance expense and interest thereon) till March 31, 2014 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 August 26, 2015.

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 expenditure incurred on repair and maintenance of security equipment amounting to Rs. 1.09 crores during the three months ended June 30, 2015 (June 30, 2014 : Rs. 4.22 crores) to these the Statement of Profit and Loss.

- e) 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. As at March 31, 2014, the Company had cumulatively utilized custom duty credit scrip amounting to Rs. 89.60 crores in lieu of payment of import duty in respect of import of fixed assets (including capital work in progress).



Delhi International Airport Private Limited

CIN. U63033DL2006PTC146936

Notes to the Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2015

(All amounts in Rupees Crores, except otherwise stated)

The Company was of the view that such credit entitlements constitute capital grant and thus, was recording fixed assets (including capital work in progress) imported, at net amount (after excluding the amount of custom duty paid by using these scrips. However, the Expert Advisory Committee 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 Accounting Standard 12 – Accounting for Government Grants.

Accordingly as allowed under para 15 of Accounting Standard, the Company has adjusted (netted off) Rs. 80.39 crores, [being the difference between the value of duty credit scrips amounting to Rs. 89.60 crores and the depreciation amounting to Rs. 9.21 crores 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 has disclosed the same as prior period items (net) in the financial statements for the year ended March 31, 2014.

However, 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 crores 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 crores from Receivable Escrow Account of the Company as revenue share to AAI's bank account as per terms of the escrow agreement. The company has disputed the contention of AAI and accordingly written to ICICI Bank not to remit the amount as per the provisions of the escrow agreement.

Further, the Company has also filed a writ petition against the AAI's letter in Hon'ble High Court of Delhi on July 10, 2015 disputing the demand and the letter unilaterally issued by AAI and prayed for quashing of demand by AAI. The matter was heard on July 20, 2015 and AAI has agreed in Hon'ble Court that it will not take any coercive action against the Company till the matter is adjudicated by the Court. The matter is now listed for hearing on July 27, 2015.

- f) 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 crores (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'. However, based on an internal assessment and legal opinions obtained by 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.

Further, the management of the Company has replied to the show cause notice referred to above with appropriate authority on April 17, 2015 and is of the view that no adjustments are required to be made to these Unaudited Condensed Interim Financial Statements.



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3.5 Capital and Other Commitments

Capital Commitments:

At June 30, 2015, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) Rs. 62.59 crores (March 31, 2015: Rs. 77.29 crores).

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. The Company has taken (Interest Rate Swap) IRS of USD 90.23 million, fixing LIBOR at 1.94% p.a. (on notional amount payable semiannually and receive USD 6 months LIBOR, semi-annually), which are effective from June 30, 2015 and maturity date is June 29, 2018.

With respect to Jointly controlled entities:

- iv. 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 to WAISL if the receivable of WAISL falls short of subsistence level (as defined in the said MSA). During the three months ended June 30, 2015, the Company accounted for Rs. 7.62 crores (June 30, 2014: Rs. 13.21 crores) towards such short fall of subsistence level over receivables of WAISL and are included in "Other Expenses".

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. The Company has funded Rs. 10.21 crores till June 30, 2015 (March 31, 2015: Rs. 9.62 crores) towards shortfall in collection from customers.

- v. In respect of its equity investment in Delhi Aviation Fuel Facility Private Limited, the Company cannot transfer/dispose off its shares for an initial period of 5 years starting from July 2010.
- vi. 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.
- vii. 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.



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

With respect to Associate Company:

- ix. In respect of its equity investment in East Delhi Waste Processing Company 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 is not yet commissioned.

3.6 Leases:**Assets taken on operating Lease**

(Rs. in crores)

Particulars	Three months period ended June 30, 2015	Three months period ended June 30, 2014
Lease payment for the three months period (excluding taxes)	2.22	1.68
	2.22	1.68
	As at June 30, 2015	As at March 31, 2015
Minimum Lease Payments:		
Not later than one year	4.83	5.28
Later than one year but not later than five years	7.28	8.41
Later than five years	-	-
Total	12.11	13.69

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 1-5 years and are renewable upon agreement of both the Company and the lessor. There are no sub leases.

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Notes to the Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2015

(All amounts in Rupees Crores, except otherwise stated)

3.7 Related party transactions:

a) Names of related parties and description of relationship:

Sl. No.	Description of relationship	Name of the related parties
I	Ultimate holding company	GMR Holdings Private Limited
	Intermediate holding company	GMR Infrastructure Limited
	Holding company	GMR Airports Limited
II	Subsidiary company	Delhi Aerotropolis Private Limited
III	Associate company	East Delhi Waste Processing Company Limited
IV	Fellow subsidiaries (including subsidiary companies of the ultimate/intermediate holding company) (where transactions have taken place)	GMR Energy Limited
		GMR Badrinath Hydro Power Generation Private Limited
		GMR Hyderabad International Airport Limited
		GMR Male International Airport Private Limited
		GMR Airport Developers Limited
		GMR Krishnagiri SEZ Limited
		GMR Aviation Private Limited
		Raxa Security Services Limited
		GMR Chhattisgarh Energy Limited
		GMR Kamalanga Energy Limited
		Kakinada SEZ Private Limited
		EMCO Energy Limited
		GMR Power Corporation Limited
		GMR Kishangarh Udaipur Ahmedabad Expressways Limited
		GMR Consulting Services Private Limited
		GMR Aerospace Engineering Limited
		GMR Infrastructure (Singapore) Pte Limited (GISPL)
V	Jointly controlled entities (where transactions have taken place)	Delhi Aviation Services Private Limited
		Delhi Aviation Fuel Facility Private Limited
		Wipro Airport IT Services Limited
		Delhi Airport Parking Services Private Limited
		Travel Food Services (Delhi Terminal 3) Private Limited
		Delhi Duty Free Services Private Limited
		Devyani Food Street Private Limited ¹
		Celebi Delhi Cargo Terminal Management India Private Limited
		Delhi Cargo Service Center Private Limited ²
		TIM Delhi Airport Advertising Private Limited



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Notes to the Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2015

(All amounts in Rupees Crores, except otherwise stated)

VI	Enterprises in respect of which the company is a joint venture	Airports Authority of India
		Fraport AG Frankfurt Airport Services Worldwide
VIII	Key Management personnel	Mr. Srinivas Bommidala - Managing Director
		Mr. Grandhi Kiran Kumar - Executive Director
		Mr. K. Narayana Rao - Whole Time Director

1. W.e.f. February 10, 2015, Devyani Food Street Private Limited ceased to be a jointly controlled entity pursuant to sale of its stake by the Company.
2. W.e.f. March 16, 2015, Delhi Cargo Service Center Private Limited ceased to be a jointly controlled entity pursuant to sale of its stake by the Company.

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Notes to the Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2015

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3.7(b) (i) Summary of balances with the above related parties is as follows:

Balances on date	As At June 30, 2015	As At March 31, 2015
<u>Non-Current Investments</u>		
<u>Investments in Equity Share</u>		
<u>Subsidiary companies</u>		
Delhi Aerotropolis Private Limited	0.10	0.10
<u>Associate companies</u>		
East Delhi Waste Processing Company Limited	0.01	0.01
<u>Jointly Controlled Entities</u>		
Delhi Aviation Services Private Limited	12.50	12.50
Celebi Delhi Cargo Terminal Management India Private Limited	29.12	29.12
Delhi Aviation Fuel Facility Private Limited	42.64	42.64
Wipro Airport IT Services Limited	1.30	1.30
Delhi Duty Free Services Private Limited	39.92	39.92
Travel Food services (Delhi Terminal 3) Private Limited	3.20	3.20
TIM Delhi Airport Advertising Private Limited	9.22	9.22
<u>Current Investment</u>		
<u>Investments in Equity Share</u>		
<u>Jointly Controlled Entities</u>		
Delhi Airport Parking Services Private Limited	40.64	40.64
<u>Trade Receivables</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	0.04	0.04
<u>Jointly Controlled Entities</u>		
Delhi Duty Free Services Private Limited	-	12.31
TIM Delhi Airport Advertising Private Limited	-	0.04
Delhi Aviation Services Private Limited	-	0.41
Delhi Airport Parking Services Private Limited	-	1.02
Travel Food Services (Delhi Terminal 3) Private Limited	6.70	6.64
Celebi Delhi Cargo Terminal Management India Private Limited	-	9.71
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ intermediate holding company)</u>		
GMR Aviation Private Limited	0.07	0.03
GMR Energy Limited	2.12	1.02
GMR Badrinath Hydro Power Generation Private Limited	-	0.61
<u>Other Current Assets</u>		
<u>Unbilled revenue</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	1.40	0.66



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(All amounts in Rupees Crores, except otherwise stated)

Balances on date	As At June 30, 2015	As At March 31, 2015
<u>Jointly Controlled Entities</u>		
Delhi Airport Parking Services Private Limited	1.19	0.04
TIM Delhi Airport Advertising Private Limited	14.27	18.18
Delhi Duty Free Services Private Limited	12.21	2.17
Delhi Aviation Services Private Limited	1.45	0.01
Delhi Cargo Service Center Private Limited	-	0.03
Celebi Delhi Cargo Terminal Management India Private Limited	9.99	0.08
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ intermediate holding company)</u>		
GMR Aviation Private Limited	0.01	-
GMR Chhattisgarh Energy Limited	0.21	-
GMR Consulting Services Pvt. Ltd.	0.22	-
EMCO Energy Limited	0.22	-
<u>Other Current Assets</u>		
Reversal of Unbilled revenue		
<u>Jointly Controlled Entities</u>		
Travel Food Services (Delhi Terminal 3) Private Limited	0.15	0.79
<u>Other Current Assets</u>		
Non- Trade Receivables		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	1.13	2.03
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ intermediate holding company)</u>		
GMR Energy Limited	0.90	0.65
<u>Jointly Controlled Entities</u>		
Travel Food Services (Delhi Terminal 3) Private Limited	0.04	0.33
Celebi Delhi Cargo Terminal Management India Private Limited	-	0.98
Delhi Airport Parking Services Private Limited	0.06	0.16
Delhi Aviation Services Private Limited	-	0.47
TIM Delhi Airport Advertising Private Limited	-	2.14
Delhi Duty Free Services Private Limited	-	4.87
<u>Advances recoverable in cash or in kind</u>		
<u>Subsidiary companies</u>		
Delhi Aerotropolis Private Limited	0.07	0.07
<u>Jointly Controlled Entities</u>		
Delhi Aviation Services Private Limited	0.03	0.07
Delhi Airport Parking Services Private Limited	0.04	0.17
Travel Food Services (Delhi Terminal 3) Private Limited	0.06	0.06
Delhi Aviation Fuel Facility Private Limited	0.15	0.15
Celebi Delhi Cargo Terminal Management India Private Limited	0.03	0.06
Delhi Duty Free Services Private Limited	0.02	0.05
TIM Delhi Airport Advertising Private Limited	0.22	0.09
Wipro Airport IT Services Limited	5.62	0.70



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(All amounts in Rupees Crores, except otherwise stated)

Balances on date	As At June 30, 2015	As At March 31, 2015
<u>Enterprises in respect of which the Company is a joint venture</u>	7.80	7.80
Airports Authority of India		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/</u>		
<u>Intermediate holding company)</u>		
GMR Kamalanga Energy Limited	0.04	0.01
Kakinada SEZ Private Limited	0.09	0.07
GMR Male International Airport Private Limited	1.14	1.14
GMR Aerospace Engineering Limited	0.16	0.16
GMR Power Corporation Limited	0.01	0.01
GMR Airport Developers Limited	0.02	-
GMR Infrastructure (Singapore) Pte Limited	-	2.33
<u>Advances recoverable in cash or in kind</u>		
<u>Non-Current</u>		
<u>Jointly Controlled Entities</u>	2.82	2.82
Wipro Airport IT Services Limited		
<u>Trade payable</u>		
<u>Intermediate holding company</u>	8.11	3.98
GMR Infrastructure Limited		
<u>Holding company</u>	4.22	7.20
GMR Airports Limited		
<u>Enterprises in respect of which the Company is a joint venture</u>	32.09	55.01
Fraport AG Frankfurt Airport services Worldwide	65.94	50.42
Airports Authority of India		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/</u>		
<u>Intermediate holding company)</u>		
GMR Aviation Private Limited	0.00	0.45
Raxa Security Services Limited	0.41	0.47
GMR Airport Developers Limited	-	0.12
GMR Hyderabad International Airport Limited	0.02	0.02
<u>Long-term Provision</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>	48.04	52.50
Airports Authority of India		
<u>Short-term Provision</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>	18.11	18.26
Airports Authority of India		
<u>Current Liabilities</u>		
<u>Unearned Revenue</u>		
<u>Jointly Controlled Entities</u>	18.82	-
Celebi Delhi Cargo Terminal Management India Private Limited	11.98	-
Delhi Aviation Fuel Facility Private Limited	0.08	0.05
TIM Delhi Airport Advertising Private Limited		



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Balances on date	As At June 30, 2015	As At March 31, 2015
Other Long Term Liabilities		
Deposits from Trade Concessionaires		
Non-Current		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	234.72	234.72
Travel Food Services (Delhi Terminal 3) Private Limited	1.55	1.55
Delhi Airport Parking Services Private Limited	3.00	3.00
TIM Delhi Airport Advertising Private Limited	35.47	35.47
Deposits from Trade Concessionaires		
Current		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	137.56	127.93
Delhi Aviation Fuel Facility Private Limited	158.66	158.66
Delhi Airport Parking Services Private Limited	0.13	0.13
Delhi Duty Free Services Private Limited	0.14	0.33
Delhi Aviation Services Private Limited	15.03	15.03
Fellow subsidiaries (including subsidiary companies of the ultimate/ intermediate holding company)		
GMR Aviation Private Limited	0.11	0.11

3.7 (b) (ii) Summary of transaction with the above related parties is as follows:

Transactions during the period	For the Three month ended June 30, 2015	For the Three month ended June 30, 2014
Share Application Money Paid		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	-	2.60
Non-current investments		
Investment made in Equity Share		
Jointly Controlled Entities		
Celebi Delhi Cargo Terminal Management India Private Limited	-	2.60
Deposits from trade concessionaires		
Security Deposits Received		
Jointly Controlled Entities		
Delhi Aviation Fuel Facility Private Limited	-	2.28
Celebi Delhi Cargo Terminal Management India Private Limited	9.63	-
Delhi Duty Free Services Private Limited	-	0.03



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Transactions during the period	For the Three month ended June 30, 2015	For the Three month ended June 30, 2014
<u>Deposits from trade concessionaires</u>		
<u>Deposits Refunded</u>		
<u>Jointly Controlled Entities</u>		
Delhi Duty Free Services Private Limited	0.19	-
<u>Key Managerial Remuneration paid/ payable</u>		
<u>Employee Benefits for Key Management Personnel</u>		
Mr. Grandhi Kiran Kumar	0.56	0.53
Mr. Srinivas Bommidala	0.56	0.53
Mr. K. Narayana Rao	0.21	0.18
<u>Revenue share paid</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	538.58	462.41
<u>Interest Received</u>		
<u>Jointly Controlled Entities</u>		
Delhi Airport Parking Services Private Limited	0.40	-
Delhi Duty Free Services Private Limited	0.15	-
Delhi Aviation Fuel Facility Private Limited	-	0.82
<u>Manpower hire charges</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Airport Developers Limited	8.60	7.78
<u>Airport Operator fees</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Fraport AG Frankfurt Airport Services Worldwide	32.09	29.98
<u>Expenses incurred by the Company on behalf of related parties</u>		
<u>Intermediate Holding company</u>		
GMR Infrastructure Limited	0.01	0.01
<u>Holding company</u>		
GMR Airports Limited	0.04	0.39
<u>Jointly Controlled Entities</u>		
Devyani Food Street Private Limited	-	0.03
Celebi Delhi Cargo Terminal Management India Private Limited	0.08	0.07
TIM Delhi Airport Advertising Private Limited	0.12	0.05
Delhi Aviation Services Private Limited	0.09	0.08
Delhi Airport Parking Services Private Limited	0.11	0.10



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(All amounts in Rupees Crores, except otherwise stated)

Transactions during the period	For the Three month ended June 30, 2015	For the Three month ended June 30, 2014
Travel Food Services (Delhi Terminal 3) Private Limited	0.08	0.08
Delhi Duty Free Services Private Limited	0.06	0.09
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Airport Developers Limited	0.02	0.12
GMR Male International Airport Private Limited	-	0.03
GMR Hyderabad International Airport Limited	-	0.07
Raxa Security Services Limited	0.25	0.23
GMR Kamalanga Energy Limited	0.03	-
<u>Expenses incurred by related parties on behalf of Company</u>		
<u>Holding company</u>		
GMR Airports Limited	0.65	-
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Hyderabad International Airport Limited	-	0.03
GMR Krishnagiri SEZ Limited	-	0.01
GMR Kishangarh Udaipur Ahmedabad Expressways Limited	-	0.05
<u>Corporate Cost Allocation</u>		
<u>Intermediate Holding company</u>		
GMR Infrastructure Limited	7.85	6.84
<u>Holding company</u>		
GMR Airports Limited	3.42	2.58
<u>Services Received</u>		
<u>Chartering Cost :</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aviation Private Limited	1.27	0.30
<u>Security related expenses:</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
Raxa Security Services Limited	3.54	3.00
<u>Information technology and related expenses:</u>		
<u>Jointly Controlled Entities</u>		
Wipro Airport IT Services Limited	7.62	13.21
<u>Repair and Maintenance - IT System</u>		
<u>Jointly Controlled Entities</u>		
Wipro Airport IT Services Limited	0.09	0.53



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Transactions during the period	For the Three month ended June 30, 2015	For the Three month ended June 30, 2014
Rent -- Office		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Hyderabad International Airport Limited	-	0.04
<u>Electricity charges recovered</u>		
<u>Jointly Controlled Entities</u>		
Delhi Aviation Services Private Limited	2.37	1.69
Delhi Airport Parking Services Private Limited	0.44	0.41
Delhi Cargo Service Center Private Limited	-	1.06
Celebi Delhi Cargo Terminal Management India Private Limited	4.08	3.86
TIM Delhi Airport Advertising Private Limited	0.74	0.68
Travel Food Services (Delhi Terminal 3) Private Limited	0.84	0.72
Delhi Duty Free Services Private Limited	0.68	0.57
Devyani Food Street Private Limited	-	0.59
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Energy Limited	0.34	-
GMR Badrinath Hydro Power Generation Private Limited	-	0.03
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	3.45	3.04
<u>Water charges recovered</u>		
<u>Jointly Controlled Entities</u>		
Delhi Aviation Services Private Limited	0.03	0.02
Delhi Airport Parking Services Private Limited	0.12	0.10
Devyani Food Street Private Limited	-	0.07
Travel Food Services (Delhi Terminal 3) Private Limited	0.11	0.09
Delhi Cargo Service Center Private Limited	-	0.15
Celebi Delhi Cargo Terminal Management India Private Limited	0.23	0.23
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Energy Limited	0.04	-
<u>Space Rental, Land Licence fee, Common area Maintenance (CAM)</u>		
<u>Jointly Controlled Entities</u>		
TIM Delhi Airport Advertising Private Limited	0.38	0.36
Delhi Cargo Service Center Private Limited	-	5.79
Delhi Aviation Fuel Facility Private Limited	3.98	3.73
Celebi Delhi Cargo Terminal Management India Private Limited	6.23	5.81
Delhi Duty Free Services Private Limited	0.45	0.24
Delhi Aviation Services Private Limited	0.02	0.02



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(All amounts in Rupees Crores, except otherwise stated)

Transactions during the period	For the Three month ended June 30, 2015	For the Three month ended June 30, 2014
<u>Fellow subsidiaries (including subsidiary companies of the ultimate Holding company)</u>		
GMR Badrinath Hydro Power Generation Private Limited	-	0.41
GMR Energy Limited	0.98	-
GMR Aviation Private Limited	0.01	0.04
GMR Chhattisgarh Energy Limited	0.16	-
GMR Consulting Services Pvt. Ltd.	0.16	-
EMCO Energy Limited	0.16	-
<u>Concession fees received</u>		
<u>Jointly Controlled Entities</u>		
Delhi Airport Parking Services Private Limited	3.32	2.33
TIM Delhi Airport Advertising Private Limited	24.41	19.65
Delhi Aviation Services Private Limited	1.46	1.17
Delhi Cargo Service Center Private Limited	-	5.62
Delhi Duty Free Services Private Limited	72.09	59.23
Devyani Food Street Private Limited	-	2.51
Celebi Delhi Cargo Terminal Management India Private Limited	26.54	27.12
Travel Food Services (Delhi Terminal 3) Private Limited	3.94	3.06
<u>Airport Service, Common Area Maintenance, Screening & Other Charges</u>		
<u>Jointly Controlled Entities</u>		
Travel Food Services (Delhi Terminal 3) Private Limited	0.63	0.27
Devyani Food Street Private Limited	-	0.25
Celebi Delhi Cargo Terminal Management India Private Limited	0.26	0.29
Delhi Duty Free Services Private Limited	1.06	0.89
Delhi Airport Parking Services Private Limited	0.01	0.02
Delhi Aviation Services Private Limited	-	0.01
<u>Aeronautical Income</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aviation Private Limited	0.05	0.09
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	0.02	0.01
<u>Income from Non current Investments-</u>		
<u>Dividend Income</u>		
<u>Jointly Controlled Entities</u>		
Delhi Duty Free Services Private Limited	-	3.99



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Transactions during the period	For the Three month ended June 30, 2015	For the Three month ended June 30, 2014
Marketing Fund Billed		
Jointly Controlled Entities		
Delhi Duty Free Services Private Limited	1.45	1.20
Travel Food Services (Delhi Terminal 3) Private Limited	0.12	-

(This space has been intentionally left blank)



3.8 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, April 24, 2012 and December 28, 2012 respectively

(a) The Company had accrued Development Fund (DF) amounting to Rs. 350 crores during the year 2012-13 earmarked for construction of Air Traffic Control (ATC) tower, currently which is under progress as at June 30, 2015. DF amounting to Rs. 311.84 crores (March 31, 2015: Rs. 308.83 crores) has been adjusted against the expenditure on construction of ATC tower incurred till June 30, 2015 and balance DF amounting to Rs. 38.16 crores (March 31, 2015 : Rs. 41.17 crores), pending utilization, has been disclosed under Other current liabilities.

(b) While calculating such additional DF amount:

i) 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. 23.06 crores till June 30, 2015 (As on March 31, 2015 : Rs. 22.06 crores) from the DF grant.

ii) The Airport Economic Regulatory Authority of India (AERA) has passed an order vide Order No 03/2012-13 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.

3.9 The Company has received advance development costs of Rs. 653.13 crores (March 31, 2015: Rs. 653.13 crores) 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 30, 2015, the Company has incurred development expenditure of Rs. 399.85 crores (March 31, 2015: Rs. 383.87 crores) which has been adjusted against the aforesaid advance and balance amount is disclosed under other long term liabilities and current liabilities.



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Notes to the Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2015

(All amounts in Rupees Crores, except otherwise stated)

- 3.10** 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. The Company is collecting Marketing Fund since 2012-2013 and total billing till June 30, 2015 is Rs. 54.86 crores (March 31, 2015: Rs. 51.86 crores) towards such Marketing Fund and has incurred expenditure amounting to Rs. 26.91 crores (net of income on temporary investments) (March 31, 2015: Rs. 26.27 crores) from the amount so collected. The balance amount of Rs. 27.95 crores as at June 30, 2015 (March 31, 2015: Rs. 25.59 crores) pending utilization, against such sales promotion activities is included under "Other liabilities" as specific fund to be used for the purposes to be approved by the Marketing fund committee constituted for this purpose.
- 3.11** These Unaudited Condensed Interim Financial Statements do not include Accounts for Passenger Service Fee - Security Component [PSF- (SC)] of the Company 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.
- 3.12** These Unaudited Condensed Interim Financial Statements do not include billing to airlines for DF by the Company, as the management believes that the 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.
- 3.13** During the quarter ended June 30, 2015, GMR Airports Limited (Holding Company of DIAL) has bought an additional stake of 10% in DIAL from Malaysia Airports (Mauritius) Private Limited on May 25, 2015. Consequent to this, GMR Airports Limited shareholding in DIAL has increased to 64% and Malaysia Airports (Mauritius) Private Limited shareholding in DIAL has reduced to NIL.
- 3.14** 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 Unaudited Condensed Interim Financial Statements relate to the Company's single business segment, disclosures under Accounting Standard (AS) 17 – Segment Reporting are not reported upon separately.
- 3.15** As per the transfer pricing rules prescribed under the Income Tax Act, 1961, the Company is examining the domestic and international transactions and documentation in respect thereof to ensure compliance with the said rules. The management of the Company does not anticipate any material adjustment with regard to the transactions involved during the three months period June 30, 2015.
- 3.16** The Institute of Chartered Accountants of India (ICAI) has issued a Guidance Note on "Accounting for Rate Regulated Activities" which deals with the effects on an entity's financial statements that provides goods/services, whose prices are subject to cost-of-service regulation, for accounting periods beginning on or after April 01, 2015. The Company is prima facie of the view that, this Guidance Note is not applicable to the Company. However, the Company is in the process of evaluating its applicability. Accordingly, no adjustments have been made to these financial results on account of this Guidance Note.
- 3.17** 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 had presented its



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Notes to the Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2015

(All amounts in Rupees Crores, except otherwise stated)

report before Rajya Sabha on August 17, 2012, wherein they had 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 Lok Sabha vide its Thirty 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.

- 3.18** Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these Condensed Interim Financial Statements have been rounded off or truncated as deemed appropriate by the management of the Company.
- 3.19** Previous period / year figures have been regrouped and re-classified wherever necessary to conform to those of current period.

As per our report of even date

For S R BATLIBOI & ASSOCIATES LLP
ICAI Firm Reg. No.: 101049W
Chartered Accountants

s/d
Per Yogesh Midha
Partner
Membership No. 94941
Place: New Delhi
Date: July 23, 2015

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

s/d
Per G. Srinivas
Partner
Membership No. 86761
Place : New Delhi
Date: July 23, 2015

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

s/d
Srinivas Bommidala
Managing Director
DIN – 00061464

s/d
K. Narayana Rao
Whole Time Director
DIN – 00016262

s/d
Radhakrishnababu G.
Chief Financial Officer

s/d
Saurabh Jain
Company Secretary

Place: New Delhi
Date: July 23, 2015

For Delhi International Airport Pvt. Ltd.

Saurabh Jain

Company Secretary

