

Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)
CIN: UG3033DL2006PLC146936
Standalone Unaudited Condensed Interim Balance Sheet as at June 30, 2019
(All amounts in Rupees Crore, except otherwise stated)

	June 30, 2019 (Reviewed)	March 31, 2019 (Audited)
ASSETS		
(1) Non-current assets		
Property, plant and equipment	6,350.90	6,484.51
Right of use asset	18.43	-
Capital work in progress	739.41	245.90
Intangible Assets	386.94	387.29
Investment in subsidiary, associates and joint ventures	288.07	289.37
Financial Assets		
(i) Investment	0.01	0.01
(ii) Loans	7.87	1.89
(ii) Other financial assets	485.41	329.24
Other non-current assets	861.17	950.49
Current Tax assets	69.37	63.79
	<u>9,207.58</u>	<u>8,752.49</u>
(2) Current assets		
Inventories	6.58	7.33
Financial Assets		
(i) Investments	1,611.35	1,455.41
(ii) Trade Receivables	182.59	117.71
(iii) Cash and cash equivalents	614.34	226.34
(iv) Bank balance other than cash and cash equivalents	2,123.38	398.94
(v) Loans	301.21	401.35
(vi) Other Financial assets	473.04	330.65
Other current assets	58.20	37.64
	<u>5,370.69</u>	<u>2,975.37</u>
Total Assets	<u>14,578.27</u>	<u>11,727.86</u>
EQUITY AND LIABILITIES		
(1) Equity		
Equity Share Capital	2,450.00	2,450.00
Other Equity		
(i) Retained earnings	294.83	282.48
(ii) Cash flow hedge reserve	100.06	(14.44)
	<u>2,844.89</u>	<u>2,718.04</u>
(2) Non-current liabilities		
Financial Liabilities		
(i) Borrowings	7,938.35	5,564.65
(ii) Lease liabilities	15.70	-
(iii) Other financial liabilities	387.49	337.51
Deferred revenue	1,897.44	1,901.00
Deferred tax liabilities (net)	182.15	101.60
Other non-current liabilities	54.04	61.10
	<u>10,475.17</u>	<u>7,965.86</u>
(3) Current liabilities		
Financial Liabilities		
(i) Trade Payables		
-Total outstanding dues of micro enterprises and small enterprises	2.08	5.19
-Total outstanding dues of creditors other than micro enterprises and small enterprises	297.01	296.68
(ii) Lease liabilities	2.25	-
(iii) Other financial liabilities	348.01	388.34
Deferred revenue	325.81	101.14
Other current liabilities	218.80	198.21
Short term provisions	46.66	45.13
Liabilities for current tax (net)	17.59	9.27
	<u>1,258.21</u>	<u>1,043.96</u>
Total Liabilities	<u>11,733.38</u>	<u>9,009.82</u>
Total equity and liabilities	<u>14,578.27</u>	<u>11,727.86</u>

Explanatory note 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 August 08, 2019.

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 K.S. Rao & Co.
ICAI Firm Registration No. : 003109S
Chartered Accountants

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

per Yogesh Midha
Partner
Membership no: 094941
Place: New Delhi
Date : August 8, 2019

per Hitesh Kumar P
Partner
Membership no: 233734
Place: New Delhi
Date : August 8, 2019

G.B.S Raju
Managing Director
DIN-00061686

K. Narayana Rao
Whole Time Director
DIN-00016262

Vidh Kumar Jalpuria
Chief Executive Officer

Barj Nagrani
Chief Financial Officer

Certified True Copy

Saurabh Jain
Saurabh Jain
Company Secretary
Place: New Delhi
Date : August 8, 2019



Particulars	For the period ended June 30, 2019 (Reviewed)	For the period ended June 30, 2018 (Reviewed)
I REVENUE		
Revenue from operations		
- Sale of services	788.77	730.05
- Other operating income	139.02	48.43
Other Income	151.55	87.67
Total Income (I)	1,079.34	866.15
II EXPENSES		
Annual fee to Airports Authority of India (AAI) [refer note 11(g)]	439.62	383.44
Employee Benefits Expense	49.69	43.71
Depreciation and Amortization Expense	154.58	163.33
Finance Costs	161.35	151.86
Other Expenses	234.07	317.46
Total Expense (II)	1,039.31	1,059.80
III Profit/ (Loss) before tax ((I)-(II))	40.03	(193.65)
Current Tax	8.33	-
Deferred Tax charge / (credit)	19.07	(65.85)
IV Total Tax expense/ (credit)	27.40	(65.85)
V Profit/ (Loss) for the period (III-IV)	12.63	(127.80)
Other Comprehensive Income		
A Items that will not be reclassified to profit or loss in subsequent periods		
Re-measurement (loss) / gain on defined benefit plans	(0.44)	0.73
Income tax effect	0.16	(0.26)
B Items that will be reclassified to profit or loss in subsequent periods		
Net movement of cash flow hedges	176.13	(114.43)
Income tax effect	(61.63)	40.04
VI Total Other Comprehensive Income/ (loss) for the period (net of tax) (A+B)	114.22	(73.92)
VII Total Comprehensive Income/ (loss) for the period (net of tax) (VII+VIII)	126.85	(201.72)
X Earnings per equity share: [nominal value of share Rs. 10 (June 30, 2018 : Rs. 10)]		
(1) Basic	0.05	(0.52)
(2) Diluted	0.05	(0.52)

Explanatory notes annexed

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K. Narayana Rao
Whole Time Director
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Vidh Kumar Jaipuria
Chief Executive Officer
Hari Nagrani
Chief Financial Officer

Saurabh Jain
Company Secretary
Place: New Delhi
Date : August 08, 2019



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

CIN. U63033DL2006PLC146936

Standalone Unaudited Condensed Interim Statement of Change in Equity as at June 30, 2019

(All amounts in Rupees Crore, except otherwise stated)

	Equity share capital	Reserves and Surplus	Item of OCI	Total equity
		Retained earnings	Cash flow hedge reserve*	
Balance as at March 31, 2018	2,450.00	422.57	(4.49)	2,868.08
Loss for the year	-	(111.77)	-	(111.77)
Other comprehensive loss (net of tax)	-	(0.18)	(9.95)	(10.13)
Depreciation charge to reserve	-	(23.12)	-	(23.12)
Adjustment in retained earning for change in accounting policy (net of tax)	-	(5.02)	-	(5.02)
Balance as at March 31, 2019	2,450.00	282.48	(14.44)	2,718.04
(Loss) for the period	-	12.63	-	12.63
Other comprehensive gain (net of tax)	-	(0.28)	114.50	114.22
Balance as at June 30, 2019	2,450.00	294.83	100.06	2,844.89

Explanatory notes annexed

* The Company had entered into "Call spread Option" with various banks for hedging the repayment of 6.125% Senior secured notes (2022) of USD 288.75 million and 6.125% Senior secured notes (2026) of USD 522.60 million, which are repayable in February 2022 and October 2026 respectively. Further, the Company had entered into "Call spread Option" with a bank for hedging the repayment of 6.45% Senior secured notes (2029) of USD 150 million which is repayable in June 2029. The Company has adopted the Cash Flow Hedge accounting for Call spread Options as per Ind AS 109. Accordingly, 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.

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 August 08, 2019

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Company Secretary
Place: New Delhi
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Delhi International Airport Limited (formerly known as Delhi International Airport Private Limited)

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Standalone Unaudited Condensed Interim Cash Flows Statement for the three months period ended June 30, 2019

(All amounts in Rupees Crore, except otherwise stated)

	For the period ended June 30, 2019 (Reviewed)	For the period ended June 30, 2018 (Reviewed)
Cash flow from operating activities		
Profit/ (Loss) before tax	40.03	(193.65)
<i>Adjustment to reconcile profit before tax to net cash flows</i>		
Depreciation and amortization expenses	154.58	163.33
Provision for Bad debts / Bad Debts Written off	(0.13)	-
Interest income on deposits/current investment	(51.63)	(18.81)
Exchange differences unrealised (net)	(8.98)	98.65
Gain on sale of current investments-Mutual fund	(14.37)	(32.14)
Income from Duty credit scrips	(23.78)	(0.02)
Dividend Income on non current investments carried at cost	(10.42)	-
Interest on Borrowings	93.40	91.09
Call spread option premium	48.46	48.65
Rent expenses on financial assets carried at amortised cost	-	0.07
Interest expenses on financial liability carried at amortised cost	16.18	11.49
Deferred income on financial liabilities carried at amortized cost	(58.09)	(20.24)
Fair value gain on financial instruments at fair value through profit or loss	(0.96)	(2.16)
Fair value gain on financial instruments (IRS) at fair value through profit or loss	(0.08)	-
	184.21	146.26
Working capital adjustment:		
Decrease in trade payables	(36.19)	(88.79)
Decrease in other non current liabilities	(6.28)	(24.48)
Increase in other current liabilities	20.61	37.34
Increase in non current deferred revenue	53.75	80.41
Increase in current deferred revenue	224.67	204.62
Increase in non current financial liabilities	34.27	13.63
Decrease in current financial liabilities	(30.20)	(104.26)
(Increase)/ Decrease in trade receivables	(64.75)	149.81
Decrease/ (Increase) in inventories	0.75	(0.04)
Decrease/ (Increase) in other non current assets	(31.72)	(4.49)
(Increase)/ Decrease in other current assets	(20.79)	2.32
Increase in other current financial assets	(118.51)	(154.49)
Decrease in other non current financial assets	5.07	0.96
(Increase)/ Decrease in non current loans	(5.98)	0.09
Decrease in current loans	0.14	-
Decrease in non current provisions	-	(1.45)
Increase/(Decrease) in current provisions	1.97	(0.48)
	211.02	256.96
Cash generated from operations		
Direct taxes paid (net)	(5.58)	(3.56)
Net cash flow from operating activities (A)	205.44	253.40
Cash flows from investing activities		
Purchase of property plant and equipments, including CWIP and capital advances	(392.13)	(57.17)
Proceeds from sale of property, plant and equipment	0.10	-
Inter corporate deposits given	-	(400.00)
Repayment of Inter corporate deposits received	100.00	-
Purchase of current investments	(4,418.48)	(4,209.22)
Sale/maturity of current investments	4,277.87	4,395.17
Sale of Investment in joint ventures	1.30	-
Dividend Income	10.42	-
Interest received	54.61	15.01
Investments in other fixed deposits with original maturity of more than three months (net)	(1,724.46)	(1.82)
Net cash flow used in investing activities (B)	(2,090.77)	(258.03)

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Standalone Unaudited Condensed Interim Cash Flows Statement for the three months period ended June 30, 2019

(All amounts in Rupees Crore, except otherwise stated)

Cash flows from financing activities		
Principal payment of lease liability	(0.64)	-
Interest payment of lease liability	(0.47)	-
Proceeds from borrowing	2,424.48	-
Option premium paid	(48.12)	(47.67)
Interest paid	(101.92)	(105.65)
Net cash flow from/ (used) in financing activities (C)	2,273.33	(153.32)
Net decrease in cash and cash equivalents (A + B + C)	388.00	(157.95)
Cash and cash equivalents at the beginning of the period	226.34	374.97
Cash and cash equivalents at the end of the period	614.34	217.02
Components of cash and cash equivalents		
Cash on hand	0.05	0.04
Cheques/ drafts on hand	2.86	-
With banks		
- on current account	10.47	14.48
- on deposit account	600.96	202.50
Total cash and cash equivalents	614.34	217.02

Summary of significant accounting policies

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Explanatory notes to statement of cashflows

1. The above cash flow statement has been compiled from and is based on the Standalone Unaudited Condensed Interim balance sheet as at June 30, 2019 and the related Standalone Unaudited Condensed Interim Statement of profit and loss for the three months period ended on that date.
2. Cash and cash equivalents include Rs. 0.07 Crore (June 30, 2018: Rs.4.82 Crore) pertaining to Marketing Fund, to be used for sales promotional activities.
3. 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 August 08, 2019.

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per **Yogesh Midha**

Partner

Membership no: 094941

Place: New Delhi

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Company Secretary

Place : New Delhi

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2019

(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 management, operation 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 August 8, 2019.

2. Basis of preparation

These Standalone Unaudited Condensed Interim Financial Statements of the Company for the three months period ended June 30, 2019 have been prepared by the Company solely for submission to the trustees and bond holders of 6.125% Senior Secured Notes (2026 and 2022) and 6.45% Senior Secured Notes(2029) issued by the Company and for internal use by management of 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.

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 [refer note 3].

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, 2019.

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.

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3. Significant Accounting Policies

a. Change in accounting policy

Ind AS 116 - Lease

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116 - Leases. The amendment rules are effective from reporting periods beginning on or after April 01, 2019. This standard replaces current guidance under Ind AS 17.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Company as a Lessor:

Lessor accounting under Ind AS 116 is substantially unchanged under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor, except for recording the lease rent on systematic basis or straightline basis as against Ind AS 17 wherein, there was an exemption for not providing straightlining in case the escalations are in line with inflation. The effect of adoption of Ind AS 116 on the Company as a lessor is as follows:

Particulars	(Rs. in crore)
Revenue from operations	31.90
Lease equalization reserve	31.90
Annual fee to Airports Authority of India (AAI)	14.67
Trade Payable	14.67

Company as a Lessee:

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adoption of Ind AS 116 as at April 1, 2019 is as follows:

The Company has recognised Right of use assets for Rs. 19.31 crores (including prepayments of Rs. 0.71 crores) and Lease liabilities of Rs. 18.60 crores as at April 1, 2019 i.e., transition date.

During the quarter, depreciation of Rs. 0.88 crores on Right of use assets and interest expense of Rs. 0.47 crores on Lease liabilities has been charged to statement of profit and loss.

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Nature and effect of adoption of Ind AS 116

The Company has lease contracts for various buildings. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as an operating lease.

Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis, (no straightlining was done in case escalations were considered to be in line with expected general inflation), over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases are recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company has applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

b. 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.



c. 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.

d. 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.

Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

Revenue from Operations

Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised service to the customer and when the customer pays for that service will be one year or less.



The Company also receives long-term advances from customers for rendering services. The transaction price for such contracts are discounted, using the rate that would be reflected in a separate financing transaction between the Company and its customers at contract inception, to take into consideration the significant financing component.

Contract balances

Contract assets

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

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Income from services

Revenue from airport operations i.e. Aeronautical and Non Aeronautical operations are recognised on accrual basis, net of service tax/Goods and Service Tax (GST), and applicable discounts when services are rendered. Aeronautical operations include user development fees (UDF), Passenger Service Fee (Facilitation Component) [PSF (FC)], Baggage X-ray Charges, Landing and Parking of aircraft, fuel farm and CUTE counter charges. The main streams of non –aeronautical revenue includes duty free, retail, advertisement, food & beverages, cargo, ground handling, car parking and land & space- rentals.

Land & Space- rentals pertains to granting right to use land and space primarily for catering to the need 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.

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 standalone 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.

e. Investments in associates, joint ventures and subsidiary

The Company has accounted for its investments in associate, joint ventures and subsidiary at cost.

f. 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 of continuing operations, 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.

g. 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.



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Assets under installation or under construction as at the balance sheet date are shown as "Capital work-in-progress (CWIP)". However, CWIP relating to the development fund are being net off from the Development fee accrued (to the extent not utilized) and are not included in CWIP. Expenditure including finance charges directly relating to construction activity is capitalized.

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 derecognition 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.

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.

h. 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 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 property, plant and equipment 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 property, plant and equipment 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 (included in Plant and Machinery)	15 years	10 years
Electric Panels (included in Electrical Installations and Equipment)	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 order no. 35/2017-18 on January 12, 2018 which is further amended on April 09, 2018, in the matter of Determination of Useful life of Airport Assets, which is effective from April 01, 2018.

Accordingly, the management is of the view that useful lives considered by the Company for most of the assets except passenger related Furniture and Fixtures are in line with the useful life proposed by AERA in its order dated January 12, 2018, which is further amended on April 09, 2018.

In order to align the useful life of passenger related Furniture and Fixtures as per AERA order. The Company has revised the useful life during financial year 2018-19.

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 or useful life whichever is less.

i. 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.

j. Amortisation of intangible assets

Intangible assets 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 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 is recognised in these financial statements.

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.



k. Inventories

Inventories are valued at the lower of cost or 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.

l. 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.

m. 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 realization 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.

n. 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

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (f) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- a) Financial assets at amortised cost
- b) Financial assets at fair value through profit or loss (FVTPL)
- c) Financial assets at fair value through other comprehensive income (FVTOCI)

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. For more information on receivables, refer to Note 12.

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:

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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 standalone statement of profit and loss. 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.

Loans and borrowings

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 standalone statement of 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 standalone 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.

o. Derivative financial instruments and hedge accounting

Initial Recognition and subsequent measurement

The Company uses derivative financial instruments, such as call spread options, to hedge its foreign currency risks.

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:

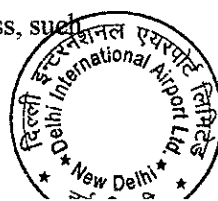
- a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised 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 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.

Presentation of derivative contracts in the financial statement

Derivative assets and liabilities recognized on the balance sheet are presented as current and non-current based on the classification of the underlying hedged item.

p. 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.

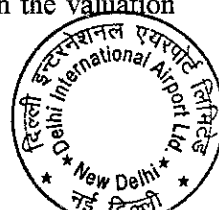
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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.



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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)

q. 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 subsidiary, 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.



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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.

Taxes, cess, duties such as sales tax/ value added tax/ service tax/GST etc. paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of taxes paid, except:

- When the tax incurred on a purchase of assets, goods or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included
The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

r. 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 Financial Statements. The liability to pay dividend is recognised when the declaration of dividend is approved by the shareholders.

s. 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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(All amounts in Rupees crore, except otherwise stated)

t. 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.

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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, 2019

(All amounts in Rupees crore, except otherwise stated)

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). DIAL vide appeal no 10/2012 had filed an appeal before Airport Economic Regulatory Authority Appellate Tribunal ("AERAAT") on certain disputed issues in the Tariff order of first control period No.03/2012-13. Subsequently, Hon'ble High Court of Delhi vide its final order dated January 22, 2015, against the writ petition filed by the Company in this matter, ordered that the tariff determined by AERA for the first control Period shall continue till the disposal of the appeals pending against the said Tariff Order, by AERAAT.

Subsequently, AERA also 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, DIAL filed an appeal with AERAAT against some of the matters of order No. 40/2015-16 on January 11, 2016.

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 off the appeals of DIAL in the next two months.

Accordingly, DIAL implemented the Tariff order No. 40/2015-16 dated December 08, 2015 with immediate effect i.e. from July 08, 2017 as per directions of Director General of Civil Aviation dated July 07, 2017.

DIAL's appeal no. 10/2012 with respect to first control period has been concluded along with the appeal of certain airlines. TDSAT vide its order dated April 23, 2018 has passed the order, which provides clarity on the issues, which were pending for last six years and has laid down the principles to be followed by AERA in the third control period starting from April 1, 2019. The Company expects the uplift impact of the TDSAT order to reflect in the tariff determination by AERA for the next control period i.e. 2019 -2024. DIAL's appeal against the second control period shall be heard in due course.

DIAL has filed an appeal in the Hon'ble Supreme Court of India on July 21, 2018 for few matters in respect of TDSAT order dated April 23, 2018 and same was listed on September 4, 2018 wherein, Hon'ble Supreme Court has issued notices in the matter. The matter was listed before Registrar of Hon'ble Supreme Court of India on February 22, 2019 wherein last opportunity has been granted to AERA and airlines to file their arguments. The matter was heard on July 12, 2019 and has been directed to be listed before Hon'ble Supreme Court of India after four weeks.

DIAL has filed tariff proposal for the third control period starting April 1, 2019 to March 31, 2024 with the regulator on November 27, 2018. Further, as the second control period completed on March 31, 2019, DIAL requested the AERA to extend the current tariff till the tariff for third control period is determined. Accordingly, AERA vide order no 48/2018-19 dated March 25, 2019 extended the prevailing tariff for DIAL till September 30, 2019 or determination of tariff for third control period, whichever is earlier.



During the previous year, AERA has issued tariff order with respect to Base Airport Charges for the second control period, which the airport operator is entitled to receive as minimum charges in accordance with Schedule 6 of State Support Agreement (SSA) read with Schedule 8 of the SSA. The order on the Base Airport Charges was issued on November 19, 2018 (except the order for baggage X-ray charges), and revised tariff made applicable from December 1, 2018. The order for baggage X-ray charges had been issued on January 10, 2019 and effective from February 1, 2019.

Basis the cash projections prepared by the management of the Company for the next one year, the management expects to have cash profit. Further, considering the Company's business plans and the availability of sufficient cash reserves as at June 30, 2019, the management do not foresee any uncertainty in continuing its business operations and meeting its liabilities for the foreseeable future and accordingly, these Financial Statements have continued 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. The incremental borrowing rate have been revised for period starting from April 1, 2019 for all the deposits taken/received post March 31, 2019. The impact has, accordingly, been duly accounted in the Financial Statements.

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 D of Ind AS 115 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 gross 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 11 (g)].

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.

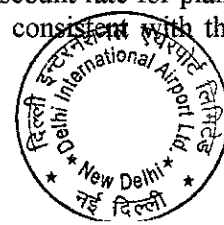
Taxes

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.



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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. 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. See note 8, 9 and 10 for further disclosures.

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6. Commitments and Contingencies

I. Contingent liabilities not provided for:

	Particulars	As at June 30, 2019	As at March 31, 2019
(i)	In respect of Income tax matters *	64.29	64.29
(ii)	In respect of Indirect tax matters*	4.21	4.21
(iii)	Claim against the Company not acknowledged as debt [refer (d) below and other matters*]	0.26	0.26
(iv)	In respect of other matters [refer (a) below]	38.41	23.61

*pertaining to various cases not included below

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) had 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 South Delhi Municipal Corporation (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.

Company has paid Rs.1.15 crore, Rs.1.12 crore and Rs. 1.10 crores each for financial year 2017-18, financial year 2018-19 and financial year 2019-20 respectively based on same computation as of financial year 2016-17.

DCB has raised provisional invoice on April 29, 2019 demanding property tax of Rs. 10.73 crore for the FY 2019-20 along with arrears of Rs.28.78 crore for FY 2016-17, FY 2017-18 and FY 2018-19. Accordingly, the Company has disclosed remaining amount of Rs.38.41 crore in respect of FY 2016-17, FY 2017-18, FY 2018-19 and FY 2019-20 as contingent liability.

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 has submitted its application for adopting the same computation method as considered by SDMC, while arriving at the demand for the financial year 2016-17, the amount of liability for earlier years is unascertainable, and therefore no provision has been considered.

- 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.



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The Company had challenged the said circulars issued by MoCA before the Hon'ble High Court of Delhi 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 September 25, 2019. Based on an internal assessment and aforesaid order of the Hon'ble High Court of Delhi, 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, 2019 (March 31, 2019: 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 High court of Delhi. The Hon'ble High Court of Delhi, 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 December 3, 2019.

Further, MoCA has issued an order dated September 18, 2017, which is supplementary to the order dated February 18, 2014 stating the approximate amount of reversal to be made by the Company towards capital expenditure and interest thereon amounting to Rs. 295.58 crores and Rs. 368.19 crores respectively, subject to the order of the Hon'ble High court of Delhi.

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 of Delhi and pending further orders, the Company has charged Rs. 97.64 crore from April 1, 2014 till June 30, 2019 (March 31, 2019: Rs. 96.39 crore) towards the expenditure incurred on repair and maintenance of security equipment to the Statement of profit and loss which includes Rs. 1.25 crore during the three months ended June 30, 2019 (June 30, 2018: Rs 7.34 crore).

However, during the financial year 2018-19, pursuant to AERA order No. 30/ 2018-19 dated November 19, 2018 with respect to Company's entitlement to collect X-ray baggage charges from airlines, the Company has remitted Rs. 119.66 crore to PSF (SC) account against the transfer of screening assets to the Company from PSF (SC) to the Company with an undertaking to MoCA by the Company that in case the matter pending before the Hon'ble High Court is decided in its DIAL's favour, DIAL will not claim this amount back from MoCA.

- 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.

The Company had 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. Hon'ble High Court has granted the interim relief and disposed the writ petition 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 the Company.

The matter was duly heard and arbitration award was pronounced in favour of the Company on December 27, 2018, mentioning that the income earned by way of SFIS Scrip does not fall under the definition of Revenue as per OMDA as it is not related with any Aeronautical or Non-Aeronautical activities and it is of the nature of capital receipt. Accordingly, no revenue share is payable to AAI by the Company on SFIS revenue and demand of AAI for revenue share stands rejected.

However AAI has filed an appeal u/s 34 of Arbitration act before Hon'ble Delhi high court on April 25, 2019 challenging the said award and for setting aside the arbitration award dated December 27, 2018. The next hearing is scheduled on September 19, 2019.

- e) There are numerous interpretative issues till now relating to the Hon'ble Supreme Court (SC) judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

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

III. Capital and Other Commitments:

(a) Capital Commitments:

At June 30, 2019, the Company has estimated amount of contracts remaining to be executed on capital account not provided for [net of advances of Rs. 777.72 crore (March 31, 2019: Rs. 897.92 crore)] Rs 9,043.94 crore (March 31, 2019: Rs. 9,326.05 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 years, the Company had entered into "Call spread Option" with various banks for hedging the repayment of 6.125% Senior secured notes (2022) of USD 288.75 million and 6.125% Senior secured notes (2026) of USD 522.60 million which are repayable in February 2022 and October 2026 respectively.

Further, during the current quarter, the Company has entered into "Call spread Option" with bank for hedging the repayment of 6.45% Senior secured notes (2029) for USD 150 million out of total borrowings USD 350 Million which is repayable in June 2029.

The terms of above agreements is as below:

Option Value (in USD Mn)	Period		Call spread range (INR/USD)	Total Premium Payable	Premium paid till	Premium outstanding as at	
	From	To			June 30, 2019	June 30, 2019	March 31, 2019
522.60	December 6, 2016	October 22, 2026	66.85 - 101.86	1,241.30	297.51	943.79	974.81
80.00	February 6, 2017	January 27, 2022	68.00 - 85.00	94.33	42.12	52.21	56.94
208.75	January 23, 2018	January 27, 2022	63.80 - 85.00	198.34	62.13	136.21	148.59
150.00	June 24, 2019	May 30, 2029	69.25 - 102.25	315.25	-	315.25	-

- v. In terms of Section 115JB of Income Tax Act, 1961, certain Ind AS adjustments at the Ind AS transition date to be included in book profits equally over a period of five years starting from the year of first time adoption of Ind AS i.e. Financial Year 2016-17. Pursuant to above, the Company had made Ind AS adjustments amounting to Rs. 184.79 crore as on March 31, 2016 and included 1/5th of the same i.e. Rs. 36.96 crore while computing book profit for Financial Year 2016-17, 2017-18, 2018-19 and 2019-20 and paid/ provided MAT accordingly. The remaining amount of Rs 36.96 crore will be adjusted in the next year while computing book profit for MAT.



With respect to Subsidiary, Joint ventures and associates:

- vi. DIAL entered into a tripartite Master Service Agreement (MSA) with WAISL Limited (Formerly known as Wipro Airport IT Services Limited) [WAISL] and WIPRO Limited. This agreement was further amended vide addendum number 17, dated April 5, 2018, in which Antariksh Softtech Private Limited has also become the party to the agreement. As per the agreement, DIAL is committed to pay annual premium fees to WAISL or receive from WAISL a concession fee, determined and mutually agreed on the basis of estimated receivable and subsistence level (as defined in the said MSA further amended vide addendum number 19 dated October 01, 2018). During the Quarter ended June 30, 2019, the Company accounted for Rs. 20.62 crore towards such concession fee from WAISL and this is included in revenue from operations (June 30, 2018: Rs. 30.87 crore).

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, 2019, the Company has funded Rs. 11.23 crore (March 31, 2019: Rs. 11.17 crore) towards shortfall in collection from customers.

- vii. 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.
- viii. The following investments have been pledged by the Company towards borrowings by these companies:

Company Name	As at June 30, 2019		As at March 31, 2019	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
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

- ix. 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.
- x. In respect of its equity investment in GMR Bajoli Holi Hydropower Private Limited ('Bajoli Holi'), the Company has to maintain minimum 17.33% of equity shareholding until the expiry of or early termination of power purchase agreement dated September 11, 2017 entered between the Company and the Bajoli Holi, expiring on May 03, 2036. The Company had invested Rs. 108.33 crore as equity share capital.
- xi. The Company had invested in DIGI Yatra foundation, a Special Purpose Vehicle (SPV) formed as central platform for identity management of passengers, as Joint Venture (JV) of private airport operators and AAI under Section 8 of the Companies Act, 2013 (Not for Profit Organization). Further, it has been decided by AAI that initially for incorporation AAI, DIAL and Bangalore International Airport Limited (BIAL) will form this company with shareholding of 26:37:37 respectively. Currently DIGI Yatra foundation is having paid up capital of Rs. 10,000 and DIAL has invested Rs. 3,700 only. In future, the equity share of Joint Venture Company (JVC) will be 26% of AAI and remaining 74% will be equally divided amongst the Private Airport Operators viz. BIAL, Calcutta International Airport Limited, DIAL, GMR Hyderabad International Airport Limited (GHIAL), Mumbai International Airport Limited (MIAL) i.e. 14.8% each.



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7. Related Party Transactions

a) Names of related parties and description of relationship:

Description of relationship	Name of the related parties
Ultimate holding company	GMR Enterprises Private Limited
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)	DIGI Yatra Foundation ¹
	GMR Hyderabad International Airport Limited
	GMR Male International Airport Private Limited
	GMR Airport Developers Limited
	GMR Aviation Private Limited
	Raxa Security Services Limited
	GMR Krishnagiri SEZ Limited
	GMR Chhattisgarh Energy Limited
	GMR Kamalanga Energy Limited
	Kakinada SEZ Limited (formerly known as Kakinada SEZ Private Limited)
	GMR Warora Energy Limited
	GMR Pochampalli Expressways Limited
	GMR Tambaram Tindivanam Expressways Limited
	GMR Consulting Services Private Limited
	GMR Energy Trading Limited
	GMR Vemagiri Power Generation Limited
	GMR Goa International Airport Limited
	GMR Power Corporation
	GMR Aero Technic Limited
	GMR Tuni Anakapalli Expressways Limited
Joint ventures	Delhi Aviation Services Private Limited
	Delhi Aviation Fuel Facility Private Limited
	WAISL Limited (Formerly known as Wipro Airport IT Services Limited) ²
Enterprises in respect of which the company is a joint venture	GMR Bajoli Holi Hydropower Private Limited
	Airports Authority of India
Associate of member of a Group of which DIAL is a member	Fraport AG Frankfurt Airport Services Worldwide
Enterprises where significant influence of Key management Personnel or their relatives exists	GMR Megawide Cebu Airport Corporation
Key Management personnel	GMR Varalakshmi Foundation
	Mr. G.M. Rao - Executive Chairman
	Mr. G.B.S.Raju- Managing Director
	Mr. Grandhi Kiran Kumar ³ - Non Executive Director
	Mr. K. Narayana Rao - Whole Time Director
	Mr. Indana Prabhakara Rao- Executive Director
	Mr. G. Subba Rao - Director
	Mr. R.S.S.L.N. Bhaskarudu - Independent Director
	Mr. M. Ramachandran - Independent Director
	Ms. Siva Kameswari Vissa - Independent Director
	Mr. N.C. Sarabeswaran - Independent Director
	Mr. Anuj Aggarwal- Director (AAI Nominee)
	Mr. Rubina Ali - Director (AAI Nominee)
	Mr. Anil Kumar Pathak - Director (AAI Nominee)

1. The Company has invested in DIGI Yatra foundation, a Special Purpose Vehicle (SPV) formed as central platform for identity management of passengers, as Joint Venture (JV) of private airport operators and AAI under Section 8 of the Companies Act, 2013 (Not for Profit Organization). Further, it has been decided by AAI that initially for incorporation AAI, DIAL and Bangalore International Airport Limited (BIAL) will form this company with shareholding of 26:37:37 respectively. Currently this company is having paid up capital of Rs. 10,000 (INR) and DIAL has invested Rs. 3,700 (INR) only. In future, the equity share of JVC will be 26% of AAI and remaining 74% will be equally divided amongst the Private Airport Operators viz. BIAL, Calcutta International Airport Limited, DIAL, Hyderabad International Airport Limited (HIAL), Mumbai International Airport Limited (MIAL) i.e. 14.8% each.

2. The Company has sold its entire investment in WAISL Limited of Rs 1.30 cr. (1,300,000 shares of Rs. 10 each) at face to Antariksh Softtech Private Limited on June 26, 2019.

3. Mr. Grandhi Kiran Kumar ceased to be Executive Director of the Company from May 31, 2018. He was appointed as an Non - Executive director w.e.f June 01, 2018.



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

CIN. U63033DL2006PLC146936

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(All amounts in Rupees Crore, except otherwise stated)

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

Balances as at Date	June 30, 2019	March 31, 2019
<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
Digi Yatra Foundation	0.00	0.00
<u>Joint Ventures</u>		
Delhi Aviation Services Private Limited	12.50	12.50
Delhi Aviation Fuel Facility Private Limited	42.64	42.64
WAISL Limited	-	1.30
GMR Bajoli Holi Hydropower Private Limited	108.33	108.33
<u>Trade Receivables (including marketing fund)</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	0.59	0.74
<u>Holding Company</u>		
GMR Airports Limited	0.09	0.20
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	0.01	0.01
<u>Associate Companies</u>		
TIM Delhi Airport Advertising Private Limited	0.21	0.67
Travel Food Services (Delhi Terminal 3) Private Limited	-	0.60
<u>Joint Ventures</u>		
GMR Bajoli Holi Hydropower Private Limited	0.93	2.48
WAISL Limited	-	5.74
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aviation Private Limited	0.04	0.02
GMR Warora Energy Limited	2.89	2.31
GMR Vemagiri Power Generation Limited	2.84	2.81
GMR Kamalanga Energy Limited	2.03	1.95
GMR Aero Technic Limited	0.11	-
GMR Tambaram Tindivanam Expressways Limited	2.26	1.37
GMR Energy Trading Limited	0.58	-
<u>Other Financial Assets - Current</u>		
<u>Unbilled receivables</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	0.01	0.01
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	1.64	1.18
<u>Associate Companies</u>		
Delhi Airport Parking Services Private Limited	2.90	3.24
TIM Delhi Airport Advertising Private Limited	23.44	27.67
Delhi Duty Free Services Private Limited	23.76	16.50
Celebi Delhi Cargo Terminal Management India Private Limited	14.53	14.43
Travel Food Services (Delhi Terminal 3) Private Limited	0.65	1.40
<u>Joint Ventures</u>		
WAISL Limited	-	21.06
Delhi Aviation Services Private Limited	1.99	1.54
GMR Bajoli Holi Hydropower Private Limited	0.02	-
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aviation Private Limited	0.01	0.01
GMR Warora Energy Limited	0.03	0.01
GMR Vemagiri Power Generation Limited	-	0.02
GMR Kamalanga Energy Limited	0.03	-
GMR Energy Trading Limited	0.02	-



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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2019

(All amounts in Rupees Crore, except otherwise stated)

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

Balances as at Date	June 30, 2019	March 31, 2019
<u>Inter corporate loan</u>		
<u>Current</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	300.00	400.00
<u>Other recoverables</u>		
<u>Subsidiary Company</u>		
Delhi Aerotropolis Private Limited	0.06	0.06
<u>Joint Ventures</u>		
Delhi Aviation Services Private Limited	0.06	0.19
Delhi Aviation Fuel Facility Private Limited	0.15	0.15
WAISL Limited	-	11.17
GMR Bajoli Holi Hydropower Private Limited	-	0.01
<u>Associate Companies</u>		
Delhi Airport Parking Services Private Limited	0.05	0.20
Travel Food Services (Delhi Terminal 3) Private Limited	0.01	0.09
Celebi Delhi Cargo Terminal Management India Private Limited	0.10	0.15
Delhi Duty Free Services Private Limited	0.04	0.12
TIM Delhi Airport Advertising Private Limited	0.09	-
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	1.30	6.80
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Consulting Services Private Limited	-	0.01
GMR Warora Energy Limited	0.02	0.02
Kakinada SEZ Limited	0.09	0.09
GMR Hyderabad International Airport Limited	0.08	-
GMR Tuni Anakapalli Expressways Limited	-	0.01
GMR GOA International Airport Limited	0.25	0.25
GMR Pochanpalli Expressways Limited	-	0.03
GMR Krishnagiri SEZ Limited	0.03	0.01
<u>Associate of a member of a group of which DIAL is a member</u>		
GMR Megawide CEBU Airport Corporation	0.01	-
<u>Non- Trade Receivables (including marketing fund)</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	0.02	0.01
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	7.31	2.12
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Chhattisgarh Energy Limited	0.02	0.02
GMR Warora Energy Limited	0.40	0.34
GMR Kamalanga Energy Limited	0.35	0.30
GMR Vemagiri Power Generation Limited	0.57	0.52
GMR Energy Trading Limited	0.02	-
<u>Associate Companies</u>		
Travel Food Services (Delhi Terminal 3) Private Limited	-	0.03
<u>Joint Ventures</u>		
GMR Bajoli Holi Hydropower Private Limited	0.05	0.26
<u>Loans - Advances- Non-Current</u>		
<u>Joint Ventures</u>		
WAISL Limited	-	2.82
<u>Provision for Doubtful Advances</u>		
<u>Joint Ventures</u>		
WAISL Limited	-	2.82



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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2019

(All amounts in Rupees Crore, except otherwise stated)

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

Balances as at Date	June 30, 2019	March 31, 2019
<u>Trade payable (including marketing fund)</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	4.26	0.43
<u>Holding company</u>		
GMR Airports Limited	16.49	15.17
<u>Associate Companies</u>		
TIM Delhi Airport Advertising Private Limited	-	0.17
<u>Enterprises in respect of which the company is a joint venture</u>		
Fraport AG Frankfurt Airport Services Worldwide	25.95	0.40
Airports Authority of India	-	59.16
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
Raxa Security Services Limited	3.79	3.08
GMR Aviation Private limited	-	1.57
GMR Energy Trading Limited	6.49	2.52
GMR Airport Developers Limited	0.57	0.64
GMR Vemagiri Power Generation Limited	0.01	0.01
<u>Other Financial Liabilities at amortised cost- Current</u>		
<u>Liability for voluntary retirement scheme</u>		
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	-	1.35
<u>Other Financial Liabilities at amortised cost- Current</u>		
<u>Security Deposits from trade concessionaires</u>		
<u>Associate Companies</u>		
Delhi Duty Free Services Private Limited	1.74	1.00
Celebi Delhi Cargo Terminal Management India Private Limited	0.01	0.01
Delhi Airport Parking Services Private Limited	0.42	0.42
TIM Delhi Airport Advertising Private Limited	0.76	0.73
<u>Joint Ventures</u>		
Delhi Aviation Services Private Limited	0.09	0.09
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aviation Private Limited	0.11	0.11
GMR Aero Technic Limited	0.23	0.22
<u>Other Financial Liabilities at amortised cost- Non Current</u>		
<u>Security Deposits from trade concessionaires</u>		
<u>Joint Ventures</u>		
Delhi Aviation Fuel Facility Private Limited	35.06	34.10
Delhi Aviation Services Private Limited	13.30	12.92
<u>Associate Companies</u>		
Celebi Delhi Cargo Terminal Management India Private Limited	35.66	29.01
Delhi Airport Parking Services Private Limited	0.47	0.46
Delhi Duty Free Services Private Limited	116.55	113.94
TIM Delhi Airport Advertising Private Limited	9.72	9.45
Travel Food Services (Delhi Terminal 3) Private Limited	3.24	3.14
<u>Unearned Revenue</u>		
<u>Current</u>		
<u>Associate Companies</u>		
TIM Delhi Airport Advertising Private Limited	0.63	0.54
Travel Food Services (Delhi Terminal 3) Private Limited	0.33	0.29
Delhi Duty Free Services Private Limited	0.28	0.14
Celebi Delhi Cargo Terminal Management India Private Limited	26.89	0.47
<u>Joint Ventures</u>		
Delhi Aviation Fuel Facility Private Limited	16.00	-
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Tambaram Tindivanam Expressways Limited	0.01	0.01



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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2019

(All amounts in Rupees Crore, except otherwise stated)

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

Balances as at Date	June 30, 2019	March 31, 2019
Unearned Revenue		
Non-Current		
Associate Companies		
TIM Delhi Airport Advertising Private Limited	0.02	0.04
Travel Food Services (Delhi Terminal 3) Private Limited	0.01	-
Delhi Duty Free Services Private Limited	0.05	0.05
Deferred Revenue		
Deferred Income on financial liabilities carried at amortised cost - Current		
Associate Companies		
Delhi Airport Parking Services Private Limited	0.11	0.12
Delhi Duty Free Services Private Limited	12.91	12.94
Celebi Delhi Cargo Terminal Management India Private Limited	7.32	6.64
TIM Delhi Airport Advertising Private Limited	1.59	1.60
Travel Food Services (Delhi Terminal 3) Private Limited	0.47	0.47
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	8.25	8.25
Delhi Aviation Services Private Limited	1.02	1.02
Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)		
GMR Aero Technic Limited	0.02	0.03
Deferred Revenue		
Deferred Income on financial liabilities carried at amortised cost - Non-Current		
Associate Companies		
Delhi Airport Parking Services Private Limited	1.71	1.74
Delhi Duty Free Services Private Limited	66.30	69.54
Celebi Delhi Cargo Terminal Management India Private Limited	97.71	98.80
TIM Delhi Airport Advertising Private Limited	15.71	16.10
Travel Food Services (Delhi Terminal 3) Private Limited	2.45	2.57
Joint Ventures		
Delhi Aviation Fuel Facility Private Limited	125.73	127.81
Delhi Aviation Services Private Limited	0.10	0.36
Other liabilities-Current		
Advances from customer		
Associate Companies		
Celebi Delhi Cargo Terminal Management India Private Limited	0.38	-
Delhi Duty Free Services Private Limited	-	0.03

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2019

(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	June 30, 2019	June 30, 2018
<u>Non-current investments</u>		
<u>Sale of Investment made in Equity Share</u>		
Associate Company		
WAISL Limited	1.30	-
<u>Repayment of Inter corporate loan</u>		
Intermediate holding company		
GMR Infrastructure Limited	100.00	-
<u>Inter corporate loan given</u>		
Intermediate holding company		
GMR Infrastructure Limited	-	400.00
<u>Security Deposits from trade concessionaires</u>		
<u>Security Deposits Received</u>		
<u>Associate Companies</u>		
Celebi Delhi Cargo Terminal Management India Private Limited	7.10	23.73
<u>Joint Ventures</u>		
Delhi Aviation Fuel Facility Private Limited	-	39.96
<u>Security Deposits from trade concessionaires</u>		
<u>Security Deposits Refunded</u>		
<u>Associate Companies</u>		
Delhi Duty Free Services Private Limited	-	1.51
<u>Marketing Fund Billed</u>		
<u>Associate Companies</u>		
Delhi Duty Free Services Private Limited	3.33	1.97
Travel Food Services (Delhi Terminal 3) Private Limited	0.32	0.17
<u>Marketing Fund Utilised</u>		
<u>Associate Companies</u>		
TIM Delhi Airport Advertising Private Limited	0.09	0.38
Travel Food Services (Delhi Terminal 3) Private Limited	0.01	0.01
<u>Utilization of advance from commercial property developers</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Airport Developers Limited	0.23	0.36
<u>Capital Work in Progress</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Airport Developers Limited	1.62	-
<u>Non-aeronautical revenue</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	0.50	0.70
<u>Holding company</u>		
GMR Airports Limited	0.49	-
<u>Joint Venture</u>		
Delhi Aviation Fuel Facility Private Limited	9.64	4.94
Delhi Aviation Services Private Limited	1.99	2.32
WAISL Limited	21.64	30.87
GMR Bajoli Holi Hydropower Private Limited	0.49	0.45
<u>Associate Companies</u>		
TIM Delhi Airport Advertising Private Limited	39.11	39.36
Celebi Delhi Cargo Terminal Management India Private Limited	58.76	49.51
Travel Food Services (Delhi Terminal 3) Private Limited	7.61	6.99
Delhi Duty Free Services Private Limited	116.06	106.83
Delhi Airport Parking Services Private Limited	7.83	6.65
<u>Fellow subsidiaries (including subsidiary companies of the ultimate Holding company)</u>		
GMR Aviation Private Limited	0.02	0.02
GMR Energy Trading Limited	0.49	-
GMR Tambaram Tindivanam Expressways Limited	0.75	-
GMR Warora Energy Limited	0.49	-
GMR Vemagiri Power Generation Limited	-	-
GMR Kamalanga Energy Limited	0.49	-
GMR Aero Technic Limited	0.16	0.13



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CIN. U63033DL2006PLC146936

Notes to the Standalone Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2019

(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	June 30, 2019	June 30, 2018
<u>Aeronautical Revenue</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aviation Private Limited	0.02	0.05
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	-	0.01
<u>Other Income</u>		
<u>Dividend Income on Non-current Investments</u>		
<u>Associate Companies</u>		
Delhi Duty Free Services Private Limited	7.98	-
Delhi Airport Parking Services Private Limited	2.44	-
<u>Non-Aeronautical - Income on Security deposits</u>		
<u>Associate Companies</u>		
Delhi Airport Parking Services Private Limited	0.03	0.04
TIM Delhi Airport Advertising Private Limited	0.41	0.41
Delhi Duty Free Services Private Limited	3.27	3.27
Celebi Delhi Cargo Terminal Management India Private Limited	1.79	1.58
Travel Food Services (Delhi Terminal 3) Private Limited	0.12	0.12
<u>Joint Ventures</u>		
Delhi Aviation Fuel Facility Private Limited	2.09	2.03
Delhi Aviation Services Private Limited	0.26	0.26
<u>Fellow subsidiaries (including subsidiary companies of the ultimate Holding company)</u>		
GMR Aero Technic Limited	0.01	0.01
<u>Other Revenue</u>		
<u>Interest on Inter Company Deposits</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	9.45	6.01
<u>Key managerial Remuneration paid/payable</u>		
<u>Short-term employee benefits*</u>		
Mr. G.M. Rao	1.02	0.83
Mr. Grandhi Kiran Kumar	-	0.65
Mr. K. Narayana Rao	0.41	0.29
Mr. G.B.S. Raju	1.13	0.97
Mr. Indana Prabhakara Rao	0.52	0.48
<u>Annual Fee</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	439.62	383.44
<u>Excess provision written back</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	15.36	-

*Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company as a whole.



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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2019

(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	June 30, 2019	June 30, 2018
<u>Finance Cost- Interest expense on financial liability carried at amortised cost</u>		
<u>Associate Companies</u>		
Delhi Airport Parking Services Private Limited	0.02	0.02
TIM Delhi Airport Advertising Private Limited	0.30	0.26
Delhi Duty Free Services Private Limited	3.35	2.99
Celebi Delhi Cargo Terminal Management India Private Limited	0.93	0.70
Travel Food Services (Delhi Terminal 3) Private Limited	0.09	0.08
<u>Joint Ventures</u>		
Delhi Aviation Fuel Facility Private Limited	0.96	0.84
Delhi Aviation Services Private Limited	0.38	0.34
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aero Technic Limited	0.01	0.01
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	-	0.41
<u>CSR Expenditure</u>		
<u>Enterprises where significant influence of key Management personnel or their relative exists</u>		
GMR Varalakshmi Foundation	0.98	1.15
<u>Manpower hire charges</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Airport Developers Limited	12.19	11.98
<u>Airport Operator fees</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Fraport AG Frankfurt Airport Services Worldwide	25.95	28.73
<u>Corporate Cost Allocation</u>		
<u>Intermediate Holding company</u>		
GMR Infrastructure Limited	3.82	3.46
<u>Holding company</u>		
GMR Airports Limited	16.72	20.28
<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	3.75	2.39
<u>Security related expenses</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
Raxa Security Services Limited	6.37	6.70
<u>Utility Expenses</u>		
<u>Electricity Charges</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Energy Trading Limited	6.47	6.42



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(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	June 30, 2019	June 30, 2018
<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	3.65	4.45
GMR Bajoli Holi Hydropower Private Limited	0.05	0.06
<u>Associate Companies</u>		
Delhi Airport Parking Services Private Limited	0.61	0.48
Celebi Delhi Cargo Terminal Management India Private Limited	3.20	3.22
TIM Delhi Airport Advertising Private Limited	0.72	0.99
Travel Food Services (Delhi Terminal 3) Private Limited	1.33	1.15
Delhi Duty Free Services Private Limited	0.76	0.53
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Warora Energy Limited	0.07	0.08
GMR Tambaram Tindivanam Expressways Limited	0.02	0.03
GMR Vemagiri Power Generation Limited	0.02	0.06
GMR Kamalanga Energy Limited	0.07	0.07
GMR Energy Trading Limited	0.04	-
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	4.17	4.29
<u>Water charges recovered</u>		
<u>Joint Ventures</u>		
Delhi Aviation Services Private Limited	0.05	0.04
GMR Bajoli Holi Hydropower Private Limited	0.01	-
<u>Associate Companies</u>		
Delhi Airport Parking Services Private Limited	0.27	0.09
Travel Food Services (Delhi Terminal 3) Private Limited	0.28	0.17
Celebi Delhi Cargo Terminal Management India Private Limited	0.91	0.35
Delhi Duty Free Services Private Limited	0.01	-
<u>Recovery of Collection Charges</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	0.77	0.78
<u>Directors' sitting fees</u>		
<u>Key management personnel</u>		
Mr. R.S.S.L.N. Bhaskarudu	0.01	0.01
Ms. Siva Kameswari Vissa	0.01	0.01
Mr. N.C. Sarabeswaran	0.01	0.01
Mr. G. Subba Rao	0.01	0.01
Mr. M. Ramachandran	0.01	0.01

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2019

(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	June 30, 2019	June 30, 2018
<u>Foreign Travel - Others</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Male International Airport Private Limited	-	0.03
<u>Expenses incurred by Company on behalf of related parties</u>		
<u>Holding company</u>		
GMR Airports Limited	1.34	1.29
<u>Joint Ventures</u>		
Delhi Aviation Services Private Limited	0.17	0.14
WAISL Limited	0.39	1.02
<u>Associate Companies</u>		
Celebi Delhi Cargo Terminal Management India Private Limited	0.17	0.13
TIM Delhi Airport Advertising Private Limited	0.18	0.14
Delhi Airport Parking Services Private Limited	0.13	0.13
Travel Food Services (Delhi Terminal 3) Private Limited	0.12	0.10
Delhi Duty Free Services Private Limited	0.11	0.08
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Hyderabad International Airport Limited	0.11	-
GMR Megawide CEBU Airport Corporation	0.07	-
<u>Expenses incurred by related parties on behalf of Company</u>		
<u>Associate Companies</u>		
Travel Food Services (Delhi Terminal 3) Private Limited	0.06	0.02
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Hyderabad International Airport Limited	0.04	-
GMR Power Corporation	0.01	-

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2019

(All amounts in Rupees crore, except otherwise stated)

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

Name	Relationship	Ownership interest	Date of incorporation/ investments	Country of incorporation
Delhi Aerotropolis Private Limited	Subsidiary	100.00%	May 22, 2007	India
Celebi Delhi Cargo Terminal Management India Private Limited	Associate	26.00%	June 18, 2009	India
Delhi Duty Free Services Private Limited	Associate	49.90%	July 07, 2009	India
Delhi Airport Parking Services Private Limited	Associate	49.90%	February 11, 2010	India
Travel Food Services (Delhi Terminal 3) Private Limited	Associate	40.00%	December 04, 2009	India
TIM Delhi Airport Advertising Private Limited	Associate	49.90%	June 01, 2010	India
GMR Bajoli Holi Hydropower Private Limited	Joint Venture	20.85%	September 11, 2017	India
Delhi Aviation Fuel Facility Private Limited	Joint Venture	26.00%	August 11, 2009	India
Delhi Aviation Services Private Limited	Joint Venture	50.00%	June 28, 2007	India
Digi Yatra Foundation	Associate	37.00%	February 20, 2019	India
WAISL Limited (formerly known as Wipro Airport IT Services Limited)*	Joint Venture	26.00%	October 22, 2009	India

* DIAL has sold its entire stake in WAISL to Antariksh Softtech Private Limited on June 26, 2019.

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, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: 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(IV) (b) 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)
CIN. U63033DL2006PLC146936

Notes to the Standalone Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2019

(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, 2019	As at March 31, 2019	As at June 30, 2019	As at March 31, 2019
Financial assets				
Investment in mutual fund	958.61	795.20	958.61	795.20
Cash flow hedges-Call spread option	358.95	194.63	358.95	194.63
Total	1317.56	989.83	1317.56	989.83
Financial Liabilities (carried at amortised cost)				
Security deposit from trade concessionaires	551.87	534.42	564.12	577.32
Security deposit from commercial property developers	13.36	13.02	14.57	22.57
Total	565.23	547.44	578.69	599.89

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. Derivatives 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, 2019, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

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9. Fair Value 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, 2019:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Investment in mutual fund	June 30, 2019	958.61	958.61	-	-
Cash flow hedges- Call spread option	June 30, 2019	358.95	-	358.95	-
Total		1,317.56	958.61	358.95	-

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, 2019:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Investment in mutual fund	March 31, 2019	795.20	795.20	-	-
Cash flow hedges- Call spread option	March 31, 2019	194.63	-	194.63	-
Total		989.83	795.20	194.63	-

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

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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, 2019		March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Cash Flow Hedge- Call Spread option	358.95	-	194.63	-

As at June 30, 2019 the USD spot rate is above the USD call option strike price for call spread options of USD 811.35 million. In case of call spread options of USD 150.00 million for the new 6.45% Senior secured Bonds, the USD spot rate is below the USD call option strike price. Accordingly, an amount of Rs. 10.95 crore has been credited to Cash flow hedge reserve from Statement of Profit and Loss to neutralize the impact of Foreign exchange gain included in Statement of Profit and Loss.

As at March 31, 2019, the USD spot rate is above the USD call option strike price for all call spread options of USD 811.35 million. Accordingly, an amount of Rs. 209.34 crore has been released from Cash flow hedge reserve to Standalone Statement of Profit and Loss to neutralize the impact of Foreign exchange loss included in Standalone Statement of Profit and Loss.

11. 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. During the financial year 2018-19, ATC construction work had been completed. DF amounting to Rs. 350 crore had been adjusted against the expenditure on construction of ATC.

The total expenditure incurred on construction of ATC tower is Rs.398.69 crore 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 had written a letter to AAI for reimbursement of additional expense. However, AAI vide its letter dated November 29, 2018 has mentioned that there was no approval of additional cost incurred by DIAL on ATC and therefore the additional cost would not be met out of DF. Accordingly, during the financial year 2018-19, the Company had capitalized the ATC tower at net cost of Rs. 48.69 crore after adjusting DF of Rs. 350 crore in its standalone financial statements.



- (ii) 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 cut-off date for collection of ADF upto April 30, 2016. As per the order, AERA has granted AAI, six months' time after cut-off 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) The Company has a receivable of Rs. 273.82 crore as at June 30, 2019 (March 31, 2019: Rs. 257.36 crores) (including unbilled receivables) from Air India Limited and its subsidiaries namely Indian Airlines Limited, Airline Allied Services Limited and Air India Express Limited collectively referred as 'Air India'. During the quarter ended June 30, 2019, the Company has recognized receivable of Rs. 19.82 crore (Year ended March 31, 2019: Rs. 165.85 crore) (including GST) towards interest agreed to be paid by Air India Limited. In view of payment and continuous reduction in the overdue quarter on quarter backed by continuing "Airport Enhancement and Financing Service Agreement" with International Air Transport Association ('IATA') for recovery of dues from Air India and considering the fact that Air India being a government enterprise/ undertaking, the Company considers its due from Air India as good and fully recoverable. As agreed in 13th OMDA Implementation Oversight Committee (OIOC) meeting, the Company has not paid revenue share on Rs. 18.89 crore (Year ended March 31, 2019: Rs. 135.76 crores) recognised as interest income on delayed payment by Air India.
- c) 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.
- d) The Company has received Advance Development Costs (ADC) of Rs. 680.14 crore, including Rs. 6.93 crore related to Phase II development (March 31, 2019: Rs. 680.14 crore, including Rs. 6.93 crore related to Phase II development) 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, 2019, the Company has incurred development expenditure of Rs. 556.92 crore (March 31, 2019: Rs. 552.38 crore), which has been adjusted against the aforesaid ADC. Further, in case of Silver Resort Hotel India Private Limited, the Company has transferred Rs. 32.61 crore as unspent ADC in its proportion refundable to Silver Resort Hotel India Private Limited to 'Advances from customer', basis the arbitration order [refer note 11 (j) below]. Remaining ADC of amount Rs. 90.61 crore including Rs. 6.93 crore related to Phase II development (March 31, 2019: Rs. 95.15 crore, including Rs. 6.93 crore related to Phase II development) is disclosed under other liabilities.

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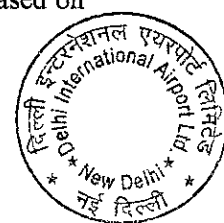
Notes to the Standalone Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2019**(All amounts in Rupees crore, except otherwise stated)**

- e) The Company made an internal assessment on computation of Annual Fee payable to AAI and is of the view that the Annual Fee has been paid to AAI on Gross Receipts credited to the statement of profit and loss (with certain exclusions) instead of on the "Revenue" as defined under OMDA. The legal opinion obtained in this regard made it clear that there were excess payments of Annual Fee by DIAL by mistake from time to time to AAI. Accordingly, as per the decision taken by the Board of Directors of the Company a claim for return of excess Annual Fee paid to the AAI was raised on 26.12.2016. AAI has not agreed to the claim and insisted DIAL to continue to pay Annual Fee on the same basis, which DIAL is paying under protest. Accordingly, the dispute arose under OMDA but same could not be resolved amicably leading to the initiation of arbitration proceedings, which have commenced from December, 2018. DIAL has submitted its statement of claim in respect of which, AAI has filled its Statement of Defence (SOD). Next date of hearing before arbitration tribunal is August 28, 2019 for filing of evidence by way of affidavit on behalf of claimant witnesses.
- f) 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. As at June 30, 2019, the Company has accounted for Rs. 152.16 crore (March 31, 2019: Rs. 145.32 crore) towards such Marketing Fund and has incurred expenditure amounting to Rs. 88.49 crore (March 31, 2019: Rs. 88.10 crore) (net of income on temporary investments) till June 30, 2019 from the amount so collected. The balance amount of Rs. 63.67 crore pending utilization as at June 30, 2019 (March 31, 2019: Rs. 57.22 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 as per Marketing Fund Policy.
- g) The Company is of the view that certain incomes/credits arising on adoption of Ind-AS were not in contemplation of parties in April 2006 when this Concession Agreement i.e. OMDA was signed/entered. Further, these income/credits in Financial Statements 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 three period ended June 30, 2019	For three period ended June 30, 2018
Construction income from Commercial property developers	Other operating income	4.54	12.15
Discounting on fair valuation of deposits taken from commercial property developers	Other operating income	7.99	6.05
Discounting on fair valuation of deposits taken from concessionaires and security deposit given	Sale of services – Non Aeronautical	17.09	14.19
Unrealized Foreign Exchange difference on borrowings	Other income	8.43	-
Significant financing component on revenue from contract with customer	Sale of services- Non Aeronautical	1.20	-

The Company has accrued revenue of Rs. 31.90 crores basis straight lining revenue, in accordance with Ind AS 116. Revenue share of Rs. 14.67 crore on this revenue is also provided and payable to AAI in future years on actual realization of revenue (Refer note 3 a).

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



- h) 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.

- i) 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 does not anticipate any material adjustment with regard to the transactions during period ended June 30, 2019.

j) The Company had entered into 'Development Agreement' and the 'Infrastructure Development and Service Agreement' with Silver Resort Hotel India Private Limited (hereinafter referred as 'Developer') on February 26, 2010 for development and operation of commercial property area located in Aerocity for a period of 30 years; further extendable to another 30 years. As per term of agreements, Developer was required to pay the License fee and other charges to the Company on annual basis. On July 16, 2015, the Company has issued termination notice on account of failure by the Developer to pay the License Fees and other charges, required to be paid under the agreements executed between the Company and the Developer. Consequently, the Developer has invoked the arbitration process as per Infrastructure Development and Service Agreement.

The Arbitral Award was passed by the Hon'ble Arbitral Tribunal which was received by the Company on September 08, 2017. The favorable award passed in majority by Tribunal granting Rs.115.89 crore award to DIAL and directing it to settle the award against security deposits of Rs. 192.88 crores lying with the Company and pay the balance Rs. 76.99 crores to the Developer. However, one of the arbitrators has passed the dissenting order granting award in favor of Developer amounting to Rs. 416.86 crores. Dissenting award granted by one of the arbitrators is not enforceable / binding on the parties, being the minority order / dissenting opinion. Accordingly, DIAL has deposited payment of Rs.76.13 crore (net of recovery of arbitration cost of Rs.0.86 crore) in the Hon'ble High Court of Delhi as per arbitration award.

Further, Silver resort has filed an appeal against the arbitration award before the Hon'ble High court. The matter was heard for arguments on April 26, 2018 and the judgment was pronounced on May 8, 2018 in favour of DIAL.

Pursuant to the above order, the Developer has preferred an appeal before Double Bench of Delhi High Court which was heard on July 4, 2018 and the matter is now restricted only to the question of non- payment of interest on the security deposit by DIAL to Developer; the next hearing is scheduled on October 22, 2019. Accordingly, the Company has appropriated and accounted for the remaining amount of deposit i.e. Rs. 116.75 crore, as per the arbitration award.

However, the Developer has filed an application for revision of order dated July 4, 2018 seeking refund of licenses fees for the remaining part of financial year from the date of termination of agreement, the application was heard on October 8, 2018 by Hon'ble Delhi High Court and was dismissed. As a matter of caution, the Company has filed a Caveat before Hon'ble Supreme Court in case Developer challenges the order dated October 8, 2018.



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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2019

(All amounts in Rupees crore, except otherwise stated)

- k) 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 all the information as asked by 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.
- l) The Government of India announced Services Export from India Scheme (SEIS) under Foreign Trade Policy (FTP) 2015-20 under which the service provider of notified services is entitled to Duty Credit Scrips as a percentage of net foreign exchange (NFE) earned. These Scrips either can be used for payment of basic custom duty on imports or can be transferred/traded in the market.

Pursuant to above, during the previous year ended March 31, 2018, the Company has received SEIS scrips of Rs. 31.19 crores for financial year 2015-16, having validity till September 30, 2019. During the previous year ended March 31, 2019, the Company has received SEIS scrips of Rs. 55.82 crores for financial year 2016-17, having validity till October 21, 2020. During the quarter ended June 30, 2019, the Company has also received SEIS scrips of Rs. 24.32 crores for financial year 2017-18, having validity till June 20, 2021.

The Company has so far utilized / sold Rs. 31.67 crore (March 31, 2019: Rs. 14.52 crore) out of these scrips and considering the major expansion plans at IGI airport, the company is evaluating various options for utilization of remaining scrips. The Company has accounted the remaining scrips of Rs. 79.66 crore (March 31, 2019: 72.48 crore) at fair value of Rs. 77.99 crore (March 31, 2019: Rs. 71.03 crore) (97.90% of face value of the scrips) and accounted any change in fair value as "Other Incomes" in these financial statements.

The Scrips received under SEIS are in nature of Government Grant and is similar to the Scrips received earlier under Served from India Scheme (SFIS) of Foreign Trade Policy 2010-15. The company is of the view that as per the latest Arbitral Order dated December 27, 2018 in case of SFIS Scrip, the Income from SEIS Scrip is out of the purview of revenue definition as per OMDA. Accordingly, management believes that, no Annual Fee is payable as per the provisions of OMDA, and has not been provided in these financial statements.

- m) 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.

Major customers: Revenue from one customer of the company is approximately Rs. 116.06 crore out of total revenue of the Company (June 30, 2018 : Revenue from one customer of the Company is approximately Rs. 106.83 crore out of total revenue of the Company).

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the three months period ended June 30, 2019

(All amounts in Rupees crore, except otherwise stated)

- n) 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 K.S. Rao & Co.
ICAI Firm Reg. No.: 003109S
Chartered Accountants

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

Per Yogesh Midha
Partner
Membership No. 094941
Place: New Delhi
Date: August 08, 2019

Per Hitesh Kumar P
Partner
Membership No. 233734
Place : New Delhi
Date: August 08, 2019

G.B.S. Raju
Managing Director
DIN-00061686

K. Narayana Rao
Whole Time Director
DIN-00016262

Videh Kumar Jaipuriar
Chief Executive Officer

Hari Nagrani
Chief Financial Officer

Saurabh Jain
Company Secretary
Place : New Delhi
Date: August 08, 2019

