

Delhi International Airport Private Limited

CIN. U63033DL2006PTC146936

Standalone Unaudited Condensed Interim Balance Sheet as at December 31, 2015

(All amounts in Rupees Crores, except otherwise stated)

	December 31, 2015 (Reviewed)	March 31, 2015 (Audited)
Equity and liabilities		
Shareholders' funds		
Share capital	2,450.00	2,450.00
Reserves and surplus:		
Deficit in statement of profit and loss	(369.20)	(741.95)
	2,080.80	1,708.05
Non-current liabilities		
Long-term borrowings (Secured)	5,375.24	5,436.94
Deferred tax liability (net)	-	-
Other long-term liabilities	1,939.65	1,998.95
Long-term provisions	39.25	52.50
	7,354.14	7,488.39
Current liabilities		
Short-term borrowings (Secured)	8.93	-
Trade Payables	397.80	425.64
Other current liabilities	1,498.35	1,456.63
Short-term provisions	121.33	42.44
	2,026.41	1,924.71
TOTAL	11,461.35	11,121.15
Assets		
Non-current assets		
Fixed assets		
Tangible assets	8,080.10	8,355.69
Intangible assets	426.59	433.50
Capital work-in-progress	94.55	50.65
Non-current investments	138.01	138.01
Loans and advances	99.70	89.53
Other non-current assets	57.08	170.01
	8,896.03	9,237.39
Current assets		
Current investments	994.99	287.27
Inventories	8.43	8.65
Trade receivables	538.82	652.22
Cash and bank balances	480.35	320.27
Loans and advances	73.66	62.34
Other current assets	469.07	553.01
	2,565.32	1,883.76
TOTAL	11,461.35	11,121.15

Explanatory notes annexed

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

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

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

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

per Yogesh Midha
 Partner
 Membership no: 94941
 Place of Signature : New Delhi
 Date : January 27, 2016

per G. Srinivas
 Partner
 Membership no: 86761
 Place of Signature : New Delhi
 Date : January 27, 2016

Srinivas Bommidala
 Managing Director
 DIN-00061464

K. Narayana Rao
 Whole Time Director
 DIN-00016262

Radhakrishna Babu G.
 Chief Financial Officer

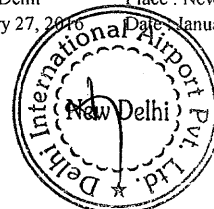
Saurabh Jain
 Company Secretary

Place : New Delhi

Date : January 27, 2016

Place : New Delhi

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Delhi International Airport Private Limited

CIN: U63033DL2006PTC146936

Standalone Unaudited Condensed Interim Statement of Profit and Loss for the nine months period ended December 31, 2015

(All amounts in Rupees Crores, except otherwise stated)

	For the Period ended December 31, 2015 (Reviewed)	For the Period ended December 31, 2014 (Reviewed)
Particulars		
Income		
Revenue from operations :		
Sale of services	3,469.00	3,027.90
Other operating income	71.70	74.01
Other income	126.97	48.99
Total revenue (i)	3,667.67	3,150.90
Expenses		
Annual fee to Airports Authority of India (AAI)	1,684.13	1,448.63
Employee benefits expense	92.43	102.58
Other expenses	510.87	520.84
Total Expenses (ii)	2,287.43	2,072.05
Earnings before interest, tax, depreciation and amortization (EBITDA) [(i) - (ii)]	1,380.24	1,078.85
Depreciation of tangible assets	468.46	460.41
Amortization of intangible assets	7.25	10.80
Finance costs	443.29	395.94
Profit before tax	461.24	211.70
Tax expenses		
Current tax (MAT expense)	85.56	-
MAT credit entitlement for earlier years/ periods written off	2.93	-
Total tax expense	88.49	-
Profit for the period	372.75	211.70
Earning per equity share [nominal value of share Rs. 10 (December 31, 2014: Rs. 10)]		
Basic and Diluted (In Rupees)	1.52	0.86
Computed on basis of total profit for the period		

Explanatory notes annexed

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Chartered Accountants

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For Brahmayya & Co.

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Chartered Accountants

For and on behalf of the Board of Directors of

Delhi International Airport Private Limited

per Yogesh Midha

Partner

Membership no: 94941

Place of Signature : New Delhi

Date : January 27, 2016

per G. Srinivas

Partner

Membership no: 86761

Place of Signature : New Delhi

Date : January 27, 2016

Srinivas Bommidala

Managing Director

DIN-00061464

K. Narayana Rao

Whole Time Director

DIN-00016262

Radhakrishnababu G.
Chief Financial Officer

Place : New Delhi
Date : January 27, 2016

Saurabh Jain
Company Secretary

Place : New Delhi
Date : January 27, 2016



	For the Period ended December 31, 2015 (Reviewed)	For the Period ended December 31, 2014 (Reviewed)
Cash flow from operating activities		
Profit before tax	461.24	211.70
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expenses	475.71	471.21
Provision/(Reversal of Provision) for Bad debts / Bad Debts Written off	(0.42)	9.68
Provision for Doubtful advances / Advances Written off	-	0.24
Interest income on deposits	(19.20)	(9.96)
Exchange differences unrealised (net)	0.47	-
Income from current investments	(35.92)	(14.07)
Profit on Sale of Fixed Assets	(0.02)	(0.12)
Dividend Income on long term investments	(30.73)	(18.39)
Other borrowing costs including amortisation	10.45	10.55
Provision for diminution in value of assets	-	2.18
Interest on Borrowings	365.28	382.03
Operating profit before working capital changes	1,226.86	1,045.05
Movements in working capital :		
Decrease in trade payables	(28.31)	(11.31)
Decrease in other long term liabilities	(58.18)	(34.10)
Increase in other current liabilities	172.31	73.47
Decrease in trade receivables	113.82	215.91
Decrease in inventories	0.22	1.34
Increase in other current assets	(168.97)	(176.45)
Decrease in long term loans and advances	0.14	4.04
(Increase) / Decrease in short term loans and advances	(11.32)	9.11
Increase in short-term provisions	0.25	3.84
Cash generated from operations	1,246.82	1,130.90
Direct taxes (paid) / refund received (net)	(9.68)	(6.05)
Net cash flow from operating activities (A)	1,237.14	1,124.85
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(147.26)	(231.04)
Development fee (DF) realised	363.49	289.47
Proceeds from sale of fixed assets	0.02	0.39
Purchase of Non-current investments	-	(2.60)
Purchase of current investments	(10,234.69)	(4,726.79)
Proceeds from sale/maturity of current investments	9,562.89	4,576.95
Income from current investment	-	14.07
Dividend Income	30.73	18.39
Interest received	15.62	8.66
Decrease in margin money deposit	0.39	-
Redemption / (Investments) in margin money deposits with original maturity of more than three months	119.73	(9.20)
Investments in other fixed deposits with original maturity of more than three months	-	(71.25)
Net cash flow used in investing activities (B)	(289.08)	(132.95)
Cash flows from financing activities		
Repayment of long-term borrowings	(333.79)	(441.53)
Proceeds from short-term borrowings	8.93	-
Repayment of short-term borrowings	-	(119.46)
Other borrowing costs paid	(4.52)	(7.86)
Collection of interest on DF loans from airlines	34.52	66.80
Interest paid	(373.00)	(423.63)
Net cash flow used in financing activities (C)	(667.86)	(925.68)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	280.20	66.22
Cash and cash equivalents at the beginning of the period	119.70	61.22
Cash and cash equivalents at the end of the period	399.90	127.44
Components of cash and cash equivalents		
Cash on hand	0.18	0.17
Cheques/ drafts on hand	1.07	3.41
With banks		
- on current account	79.15	52.30
- on deposit account	319.50	71.56
Total cash and cash equivalents	399.90	127.44

Explanatory notes annexed

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements notified under section 133 of the Companies Act, 2013 read together with rule 7 of the Companies (Accounts) Rules, 2014).
- The above cash flow statement has been compiled from and is based on the Standalone Condensed Interim Balance Sheet as at December 31, 2015 and the related Standalone Condensed Interim Statement of Profit and Loss for the nine months period ended on that date.
- Cash and cash equivalents include Rs. 32.12 Crores (December 31, 2014: Rs. 22.76 Crores), pertaining to Marketing Fund, to be used for sales promotional activities.
- Previous period figures have been regrouped and reclassified to confirm to those of the current period.

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

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

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

per Yogesh Midha
Partner
Membership no: 9494
Place : New Delhi
Date : January 27, 2016

per G. Srinivas
Partner
Membership no: 86761
Place : New Delhi
Date : January 27, 2016

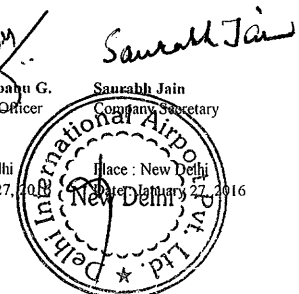
Srinivas Bommidala
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Place : New Delhi
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Delhi International Airport Private Limited

CIN. U63033DL2006PTC146936

Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015

(All amounts in Rupees Crores, except otherwise stated)

Corporate Information

Delhi International Airport Private Limited ('DIAL' or 'the Company') is a private limited Company domiciled in India and was incorporated on March 1, 2006 for managing the operations and modernization of the Indira Gandhi International Airport ('Delhi Airport'). GMR Airports Limited, a subsidiary of GMR Infrastructure Limited, holds majority shareholding in the Company. DIAL had entered into Operation, Management and Development Agreement ('OMDA') with Airports Authority of India ('AAI'), which gives DIAL an exclusive right to operate, maintain, develop, modernize and manage the Delhi Airport on a revenue sharing model for an initial term of 30 years, which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of the OMDA.

1. Basis of preparation

The Unaudited Condensed Interim Financial Statements of Delhi International Airport Private Limited ('the Company' or 'DIAL') for the nine months period ended December 31, 2015 have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 25 'Interim Financial Reporting' notified under section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules 2014, issued by the Ministry of Corporate Affairs and other recognized accounting practices and policies in India. The Unaudited Condensed Interim Financial Statements have been prepared under the historical cost convention on an accrual basis.

The Company has followed the same accounting policies in preparation of Unaudited Condensed Interim Financial Statements as those followed in preparation of the annual financial statements as at the year ended March 31, 2015, except that the Company has implemented component accounting as per Schedule II to the Companies Act, 2013 w.e.f. from April 01, 2015.

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

In view of above, the Company, based on technical review, has assessed the components except in case of Runways and Taxiways which is pending issuance of final notification by Airport Economic Regulatory Authority (AERA). The net impact of componentization based on the technical review has resulted in additional depreciation and accordingly an amount of Rs. 10.89 crores has been provided for in the books during the nine months ended December 31, 2015.

2. Explanatory Notes

3.1 Going concern

- a) The Company's accumulated losses as at December 31, 2015 of Rs. 369.20 crores (As at March 31, 2015: Rs. 741.95 crores) have resulted in part erosion in net worth of the Company as at December 31, 2015. However, the Company has earned a net profit of Rs. 372.75 crores during the nine months ended December 31, 2015 (December 31, 2014: Rs.211.70 crores) and has also met all its obligations as on December 31, 2015.



Delhi International Airport Private Limited

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015

(All amounts in Rupees Crores, except otherwise stated)

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

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

DIAL has also filed an appeal against the AERA order No. 40/2015-16 dated December 08, 2015 (issued on December 10, 2015), with AERAAT on January 11, 2016. In view of above legal surroundings around the implementation of AERA order for second control period, the said order cannot be implemented till the disposal of all legal issues associated with the order. The revenue so collected by DIAL during this interim period shall be adjusted from the aggregate revenue requirement for the Second control period w.e.f. April 1, 2014.

However, earlier DIAL had filed a writ petition before the Hon'ble High Court of Delhi seeking extension of existing tariff as allowed vide AERA order no. 03/2012-13 issued on April 24, 2012 till disposal of DIAL's appeal pending before AERAAT. Subsequently, Hon'ble High Court of Delhi vide its final order dated January 22, 2015 ordered that the tariff determined by AERA for the First Control Period vide Tariff Order No.03/2012-13 issued on April 24, 2012 shall continue till the disposal of the appeals pending against the said Tariff Order, by AERAAT. The tariff matters have been listed for hearing by AERAAT on February 04, 2016.

Further, AERA has filed a Special Leave Petition (SLP) dated April 24, 2015 in Hon'ble Supreme Court of India, seeking interim relief from the final order of Hon'ble High Court of Delhi dated January 22, 2015. The matter was listed before Registrar of the Supreme Court of India in lieu of the SLP filed in the Hon'ble Supreme Court closed the right of the Federation of Indian Airlines to file its Counter Affidavit and directed the matter to be listed before the Hon'ble Court in due course.

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

3.2 Depreciation

a) Tangible Assets

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



Delhi International Airport Private Limited**CIN. U63033DL2006PTC146936****Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015****(All amounts in Rupees Crores, except otherwise stated)**

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-Station	15 years	10 years
Electric Panels	15 years	10 years

- b) On June 12, 2014, the Airport Economic Regulatory Authority (“the Authority”) has issued a consultation paper viz.05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, 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, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector. The Authority has initiated the process to enable it to issue a notification as appropriate, pursuant to the provisions of Part B of Schedule II of the Companies Act, 2013 for this purpose. Pending issuance of final notification by AERA of the useful lives of airport specific assets i.e. Runways, Taxiways and Apron, the Company, in the absence of any specific mention of useful lives of these assets in Schedule II to the Companies Act, 2013, continues to depreciate these assets over their estimated useful lives of 30 years as determined by the management based on an internal technical evaluation. The impact, if any, based on the useful lives as may be notified by the Authority will be adjusted as and when notified.
- c) As per Schedule II to the Companies Act, 2013, the component accounting of fixed assets is applicable w.e.f. April 01, 2015 in respect of those assets where the cost of a part/ sub assembly of any asset is significant to total cost of those assets and useful life of their part/ sub assembly is different from the useful life of remaining asset, then the said part/sub assembly shall be recognized independently (refer note 1 to Notes to standalone Unaudited Condensed Interim Financial Statements).

d) Intangible Assets

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.

The Company amortises, upfront fee and other costs paid to AAI referred to above over the initial and extended periods of OMDA.

Other intangible assets are amortised over the useful life of asset or six years whichever is lower.

3.3

The Company has a receivable [including unbilled revenue of Rs. 32.59 crores (March 31, 2015: Rs. 27.76 crores)] of Rs. 482.39 crores as at December 31, 2015 (March 31, 2015: Rs. 405.57 crores) from Air India Limited and its subsidiaries namely Indian Airlines Limited, Airline Allied Services Limited and Air India



Delhi International Airport Private Limited**CIN. U63033DL2006PTC146936****Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015****(All amounts in Rupees Crores, except otherwise stated)**

Charters Limited collectively referred as 'Air India'. In view of continuing "Airport Enhancement and Financing Service Agreement" with The International Air Transport Association for recovery of dues from Air India, the Company considers its dues from Air India as good and fully recoverable.

3.4 Contingent liabilities not provided for:

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

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

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

- a) As at March 31, 2014, the South Delhi Municipal Corporation (SDMC) [earlier known as Municipal Corporation of Delhi (MCD)] had demanded property tax of Rs. 105.18 crores on the land and properties at IGI Airport. DIAL filed a writ petition in the Hon'ble High Court of Delhi challenging the applicability of the Delhi Municipal Corporation (Amendment) Act, 1957 on the land and properties at the Indira Gandhi International Airport, New Delhi ('Delhi Airport') and deposited an amount of Rs. 30.66 crores under protest till December 31, 2015 (March 31, 2015: Rs. 30.66 crores). SDMC has brought the "Airports & Airports properties" within the purview of property tax with effect from the financial year 2013-14. Accordingly, from 2013-14 the Company has started paying property tax and the same has been charged to Statement of profit and loss of respective years/ periods.

The Hon'ble High Court of Delhi vide its order dated September 13, 2013, directed DIAL to make a proposal to the SDMC for settlement of property tax dispute. Consequently, SDMC vide its order dated February 10, 2015, revised its demand of property tax to Rs. 60.96 crores and also levied interest of Rs. 24.99 crores for assessment years 2006-07 to 2012-13.

The Company had provided Rs. 60.96 crores till December 31, 2015 (March 31, 2015: Rs. 60.96 crores). Further, interest of Rs 24.99 crores had also been provided till December 31, 2015 (March 31, 2015: Rs. 24.99 crores), making the total provision of Rs 81.87 crores (March 31, 2015: Rs. 81.87 crores) [net of self-assessment tax paid of Rs. 4.08 crores in earlier years]. The Company is still contesting on the tax and interest demand. The matter is pending with the Hon'ble High Court of Delhi and is now listed for hearing on March 10, 2016.

- b) The Airports Authority of India (AAI) had claimed service tax on the monthly annual fee (MAF) payable to them considering the same as rental from immovable property w.e.f. June 1, 2007. The Company has disputed the grounds of the levy under relevant provisions of the OMDA and based on a legal opinion obtained in this regard, is of the view that transaction between AAI and DIAL is neither a franchisee agreement nor a Renting of Immovable Property, which are specified taxable services under Section 65(105) of Service Tax Act. The Company has filed a writ petition with Hon'ble High Court of Delhi and was heard on November 17, 2015 and judgment has been reserved. Based on an internal



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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015

(All amounts in Rupees Crores, except otherwise stated)

assessment and legal opinion obtained, the management is of the view that no adjustments are required to be made to these Unaudited Condensed Interim Financial Statements.

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

The Company had challenged the said circulars issued by MoCA before the Hon'ble Delhi High Court by way of a Writ Petition. The Hon'ble Court, vide its order dated December 21, 2012, had restrained MoCA from taking any coercive measures in the form of initiation of criminal proceedings against the Company and the matter is now listed for hearing on March 31, 2016. Based on an internal assessment and aforesaid order of the Hon'ble High Court, the management is confident that no liability in this regard would be payable and as such no provision has been made in these Unaudited Condensed Interim Financial Statements.

- d) MoCA issued an order no. AV 13024 /03/2011-AS (Pt. I) dated February 18, 2014 requiring the Airport Operators to reverse the expenditure incurred, since inception to till date, towards procurement and maintenance of security systems/equipment and on creation of fixed assets out of PSF (SC) escrow account opened and maintained by DIAL (the Airport Operator) in a fiduciary capacity. The Company had incurred Rs. 296.90 crores towards capital expenditure (excluding related maintenance expense and interest thereon) till December 31, 2015 (March 31, 2015: Rs. 296.90 crores) out of PSF (SC) escrow account as per Standard Operating Procedure (SOPs), guidelines and clarification issued by MoCA from time to time on the subject of utilization of PSF (SC) funds.

In the opinion of the management of the Company, the above order is contrary to and inconsistent with SOPs, guidelines and clarification issued by MoCA from time to time in this regard and as such had challenged the said order before Hon'ble Delhi High court. The Hon'ble High Court, vide its order dated March 14, 2014, stayed recovery of amount already utilized by the Company from PSF (SC) Escrow Account till date. The matter is now listed for hearing on March 31, 2016.

Based on an internal assessment, the management of the Company is of the view that no adjustments are required to be made in the books of accounts. Further, as directed by the Hon'ble High Court and pending further orders, the Company has charged Rs. 32.63 crores from April 1, 2014 till December 31, 2015 towards the expenditure incurred on repair and maintenance of security equipment to the Statement of Profit and Loss which includes Rs. 17.65 crores during the nine months ended December 31, 2015 (nine months period ended December 31, 2014: Rs 10.70 crores).

- e) The Company was entitled to custom duty credit scrip under Served from India Scheme (SFIS) of Foreign Trade Policy issued by Government of India. Under the terms of SFIS, service providers are entitled to custom duty credit scrip as a percentage of foreign exchange earned by the Company that can be utilized for payment of import duty. As at December 31, 2015 the Company had cumulatively utilized



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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015

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custom duty credit scrip amounting to Rs. 89.60 crores (March 31, 2015 : Rs.89.60 crores) in lieu of payment of import duty in respect of import of fixed assets (including capital work in progress).

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

Accordingly as allowed under para 15 of Accounting Standard, the Company had adjusted (netted off) Rs. 80.39 crores, [being the difference between the value of duty credit scrips amounting to Rs. 89.60 crores and the depreciation amounting to Rs. 9.21 crores that ought to have been charged on such assets] against certain expenditure, which in its view are related to obtaining such custom duty credit scrip entitlements and 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 crores is payable to AAI. Enforcing their view, AAI has written letter to ICICI bank on July 06, 2015 instructing bank to remit Rs. 41.21 crores from Receivable Escrow Account of the Company as revenue share to AAI's bank account as per terms of the escrow agreement. The company has disputed the contention of AAI and accordingly written to ICICI Bank not to remit the amount as per the provisions of the escrow agreement.

Further, the Company has also filed a writ petition against the AAI's letter in Hon'ble High Court of Delhi on July 10, 2015 disputing the demand and the letter unilaterally issued by AAI and prayed for quashing of demand by AAI. The matter was heard on July 20, 2015 and AAI has agreed in Hon'ble Court that it will not take any coercive action against the Company till the matter is adjudicated by the Court. The matter is now listed for hearing on March 21, 2016.

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

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

- f) The Director General of Central Excise Intelligence, New Delhi has issued a Show Cause Notice F. NO. 574/CE/41/2014/Inv./PT.II/11327 dated October 10, 2014 on the Company, proposing a demand of service tax of Rs. 59.91 crores (excluding interest and penalty) considering Advance Development Costs ('ADC') collected by Company from the Commercial Property Developers under the service tax category 'Renting of Immovable Property'. However, based on an internal assessment and legal opinions obtained by Company in this regard, the management is of the view that service tax is not



Delhi International Airport Private Limited

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015

(All amounts in Rupees Crores, except otherwise stated)

leviable on ADC as these are collected for development of certain infrastructure facilities for the common use and not for the exclusive use of any developer.

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

3.5 Capital and Other Commitments

Capital Commitments:

At December 31, 2015, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) Rs. 96.48 crores (March 31, 2015: Rs. 77.29 crores).

Other Commitments:

- i. As per the terms of OMDA, the Company is required to pay annual fees to AAI at 45.99% of the revenue (as defined in OMDA) of the Company for an initial term of 30 years starting from May 2006 and which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of OMDA.
- ii. As per the terms of Airport Operator Agreement, the Company is required to pay every year 3% of previous year's gross revenue as operator fee to Fraport AG Frankfurt Airport Services Worldwide.
- iii. The Company has taken Interest Rate Swap ('IRS') of USD 90.23 millions, fixing LIBOR at 1.94% p.a. (on notional amount payable semi-annually and receive USD 6 months LIBOR semi-annually), which are effective from June 30, 2015 and maturity date is June 29, 2018.

With respect to jointly controlled entities:

- iv. DIAL entered into a tripartite Master Service Agreement (MSA) with Wipro Airport IT Services Limited (WAISL) and WIPRO Limited by which DIAL is committed to pay annually to WAISL if the receivable of WAISL falls short of subsistence level (as defined in the said MSA). During the nine months ended December 31, 2015, the Company accounted for Rs. 15.85 crores (December 31, 2014: Rs. 40.98 crores) towards such short fall of subsistence level over receivables of WAISL and are included in "Other Expenses".

Also in case of delay in payment of dues from customers to WAISL, the Company would fund the deficit on a temporary basis till the time WAISL collects the dues from such customers. The Company has funded Rs. 10.03 crores till December 31, 2015 (March 31, 2015: Rs. 9.62 crores) towards shortfall in collection from customers.

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



Delhi International Airport Private Limited**CIN. U63033DL2006PTC146936****Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015****(All amounts in Rupees Crores, except otherwise stated)**

- vi. In respect of its equity investment in WAISL, the Company has to maintain minimum 26% of equity shareholding directly or indirectly until the expiry of next 5 years from January 2010 and thereafter minimum 20% of equity shareholding directly or indirectly until the expiry of next 5 years.
- vii. The Company has committed to provide financial support to Travel Food Services (Delhi Terminal 3) Private Limited (Jointly Controlled Entity) in proportion to its shareholding to meet the liabilities of Travel Food Services (Delhi Terminal 3) Private Limited, as and when required.
- viii. In respect of the Company's investment in Joint Venture ('JV') entities, other JV partners have the first right of refusal in case any of the JV partners intend to sell its stake subject to other terms and conditions of respective joint venture agreements.

With respect to Associate Company:

- ix. In respect of its equity investment in East Delhi Waste Processing Company Limited, the Company along with SELCO International Limited has to maintain minimum 51% shareholding for a period of 2 years from the commissioning of the project and thereafter minimum 26% shareholding for next 10 years. The project is not yet commissioned.

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

(Rs. in crores)

Particulars	Nine months period ended December 31, 2015	Nine months period ended December 31, 2014
Lease payment for the nine months period (excluding taxes)	7.23	4.99
	7.23	4.99
	As at December 31, 2015	As at March 31, 2015
Minimum Lease Payments:		
Not later than one year	4.11	4.12
Later than one year but not later than five years	7.25	1.61
Later than five years	-	-
Total	11.36	5.73

The Company has taken office and residential space, information technology equipment under operating lease arrangements. Office premises are obtained on operating lease for terms ranging from 1-5 years and are renewable upon agreement of both the Company and the lessor. There are no sub leases.

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Delhi International Airport Private Limited**CIN. U63033DL2006PTC146936****Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015****(All amounts in Rupees Crores, except otherwise stated)****3.7 Related party transactions:**

a) Names of related parties and description of relationship:

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



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		Celebi Delhi Cargo Terminal Management India Private Limited
		Delhi Cargo Service Center Private Limited ²
		TIM Delhi Airport Advertising Private Limited
VI	Enterprises in respect of which the company is a joint venture	Airports Authority of India
		Fraport AG Frankfurt Airport Services Worldwide
VIII	Key Management personnel	Mr. Srinivas Bommidala - Managing Director
		Mr. Grandhi Kiran Kumar - Executive Director
		Mr. K. Narayana Rao - Whole Time Director

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

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Delhi International Airport Private Limited**CIN. U63033DL2006PTC146936****Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015****(All amounts in Rupees Crores, except otherwise stated)****3.7 (b) (i) Summary of balances with the related parties is as follows:**

Balances as on date	As At December 31, 2015	As At March 31, 2015
<u>Non-Current Investments</u>		
<u>Investments in Equity Share</u>		
<u>Subsidiary companies</u>		
Delhi Aerotropolis Private Limited	0.10	0.10
<u>Associate companies</u>		
East Delhi Waste Processing Company Limited	0.01	0.01
<u>Jointly Controlled Entities</u>		
Delhi Aviation Services Private Limited	12.50	12.50
Celebi Delhi Cargo Terminal Management India Private Limited	29.12	29.12
Delhi Aviation Fuel Facility Private Limited	42.64	42.64
Wipro Airport IT Services Limited	1.30	1.30
Travel Food services (Delhi Terminal 3) Private Limited	3.20	3.20
TIM Delhi Airport Advertising Private Limited	9.22	9.22
<u>Current Investment</u>		
<u>Investments in Equity Share</u>		
<u>Jointly Controlled Entities</u>		
Delhi Airport Parking Services Private Limited	40.64	40.64
<u>Trade Receivables</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	0.86	-
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	0.08	0.04
<u>Jointly Controlled Entities</u>		
Delhi Duty Free Services Private Limited	-	12.31
TIM Delhi Airport Advertising Private Limited	-	0.04
Delhi Aviation Services Private Limited	-	0.41
Delhi Airport Parking Services Private Limited	-	1.02
Travel Food Services (Delhi Terminal 3) Private Limited	5.37	6.64
Celebi Delhi Cargo Terminal Management India Private Limited	-	9.71
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aviation Private Limited	0.07	0.03
GMR Energy Limited	-	1.02
GMR Badrinath Hydro Power Generation Private Limited	-	0.61
GMR Consulting Services Private Limited	0.93	-
GMR Warora Energy Limited (formerly known as EMCO Energy Limited)	0.53	-



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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015**(All amounts in Rupees Crores, except otherwise stated)**

Balances as on date	As At December 31, 2015	As At March 31, 2015
<u>Other Current Assets</u>		
Unbilled revenue including Utility recovery not billed		
Intermediate holding company		
GMR Infrastructure Limited	0.01	-
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	1.06	0.66
Delhi Airport Parking Services Private Limited	1.72	0.04
TIM Delhi Airport Advertising Private Limited	22.23	18.18
Travel Food Services (Delhi Terminal 3) Private Limited	0.61	-
Delhi Duty Free Services Private Limited	11.46	2.17
Delhi Aviation Services Private Limited	1.29	0.01
Celebi Delhi Cargo Terminal Management India Private Limited	10.65	0.08
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aviation Private Limited	0.03	-
GMR Chhattisgarh Energy Limited	0.02	-
GMR Tambaram Tinidivanam Expressways Private Limited	0.01	-
GMR Consulting Services Private Limited	0.03	-
<u>Other Current Assets</u>		
Reversal of Unbilled revenue		
<u>Jointly Controlled Entities</u>		
Travel Food Services (Delhi Terminal 3) Private Limited	-	0.84
<u>Other Current Assets</u>		
Non- Trade Receivables		
Intermediate holding company		
GMR Infrastructure Limited	0.03	-
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	1.22	2.03
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Energy Limited	-	0.65
GMR Consulting Services Private Limited	0.25	-
GMR Warora Energy Limited (formerly known as EMCO Energy Limited)	0.12	-
<u>Jointly Controlled Entities</u>		
Travel Food Services (Delhi Terminal 3) Private Limited	0.13	0.33
Celebi Delhi Cargo Terminal Management India Private Limited	-	0.98
Delhi Airport Parking Services Private Limited	0.06	0.16
TIM Delhi Airport Advertising Private Limited	-	2.14
Delhi Duty Free Services Private Limited	-	4.87



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Balances as on date	As At December 31, 2015	As At March 31, 2015
<u>Subsidiary companies</u>		
Delhi Aerotropolis Private Limited	0.07	0.07
<u>Jointly Controlled Entities</u>		
Delhi Aviation Services Private Limited	0.13	0.07
Delhi Airport Parking Services Private Limited	0.32	0.17
Travel Food Services (Delhi Terminal 3) Private Limited	0.16	0.06
Delhi Aviation Fuel Facility Private Limited	0.15	0.15
Celebi Delhi Cargo Terminal Management India Private Limited	0.16	0.06
Delhi Duty Free Services Private Limited	0.09	0.05
TIM Delhi Airport Advertising Private Limited	0.41	0.09
Wipro Airport IT Services Limited	5.78	0.70
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	6.80	7.80
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Kamalanga Energy Limited	0.05	0.01
Kakinada SEZ Private Limited	0.02	0.07
GMR Hyderabad International Airport Limited	0.25	-
GMR Male International Airport Private Limited	1.16	1.14
GMR Aerospace Engineering Limited	0.13	0.16
GMR Power Corporation Limited	-	0.01
GMR Krishnagiri SEZ Limited	0.04	-
GMR Infrastructure (Singapore) Pte Limited	1.23	2.33
<u>Advances recoverable in cash or in kind</u>		
<u>Non-Current</u>		
<u>Jointly Controlled Entities</u>		
Wipro Airport IT Services Limited	2.82	2.82
<u>Trade payable</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	9.22	3.98
<u>Holding company</u>		
GMR Airports Limited	4.14	7.20
<u>Enterprises in respect of which the company is a joint venture</u>		
Fraport AG Frankfurt Airport services Worldwide	32.25	55.01
Airports Authority of India	86.18	50.42
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aviation Private Limited	0.88	0.45
Raxa Security Services Limited	0.56	0.47
GMR Airport Developers Limited	-	0.12
GMR Hyderabad International Airport Limited	-	0.02



Delhi International Airport Private Limited**CIN. U63033DL2006PTC146936****Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015****(All amounts in Rupees Crores, except otherwise stated)**

Balances as on date	As At December 31, 2015	As At March 31, 2015
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	39.25	52.50
<u>Short-term Provision</u>		
<u>Enterprises in respect of which the company is a joint venture</u>		
Airports Authority of India	17.77	18.26
<u>Current Liabilities</u>		
<u>Unearned Revenue</u>		
<u>Jointly Controlled Entities</u>		
Celebi Delhi Cargo Terminal Management India Private Limited	6.23	-
Delhi Aviation Fuel Facility Private Limited	3.97	-
TIM Delhi Airport Advertising Private Limited	0.23	0.05
<u>Other Long Term Liabilities</u>		
<u>Deposits from Trade Concessionaires</u>		
<u>Non-Current</u>		
<u>Jointly Controlled Entities</u>		
Delhi Duty Free Services Private Limited	234.86	234.72
Travel Food Services (Delhi Terminal 3) Private Limited	2.19	1.55
Delhi Airport Parking Services Private Limited	3.14	3.00
TIM Delhi Airport Advertising Private Limited	35.47	35.47
<u>Deposits from Trade Concessionaires</u>		
<u>Current</u>		
<u>Jointly Controlled Entities</u>		
Celebi Delhi Cargo Terminal Management India Private Limited	137.55	127.93
Delhi Aviation Fuel Facility Private Limited	158.66	158.66
Delhi Airport Parking Services Private Limited	-	0.13
Delhi Duty Free Services Private Limited	-	0.33
Delhi Aviation Services Private Limited	15.10	15.03
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aviation Private Limited	0.11	0.11

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015**(All amounts in Rupees Crores, except otherwise stated)****3.7(b) (ii) Summary of transaction with the related parties is as follows:**

Transactions during the period	For the nine month period ended December 31, 2015	For the nine month period ended Dec. 31, 2014
Share Application Money Paid		
<u>Jointly Controlled Entities</u>		
Celebi Delhi Cargo Terminal Management India Private Limited	-	2.60
<u>Non-current investments</u>		
Investment made in Equity Share		
<u>Jointly Controlled Entities</u>		
Celebi Delhi Cargo Terminal Management India Private Limited	-	10.40
<u>Deposits from trade concessionaires</u>		
Security Deposits Received		
<u>Jointly Controlled Entities</u>		
Delhi Aviation Fuel Facility Private Limited	-	2.28
Delhi Airport Parking Services Private Limited	0.01	-
Delhi Cargo Service Center Private Limited	-	0.03
Delhi Aviation Services Private Limited	0.07	-
Celebi Delhi Cargo Terminal Management India Private Limited	9.62	-
Travel Food Services (Delhi Terminal 3) Private Limited	0.64	-
Delhi Duty Free Services Private Limited	-	0.04
<u>Deposits from trade concessionaires</u>		
Deposits Refunded		
<u>Jointly Controlled Entities</u>		
Delhi Duty Free Services Private Limited	0.19	0.65
<u>Transfer of Assets/CWIP</u>		
<u>Jointly Controlled Entities</u>		
Wipro Airport IT Services Limited	-	0.43
<u>Sale of Assets</u>		
<u>Jointly Controlled Entities</u>		
Wipro Airport IT Services Limited	-	0.39
<u>Key Managerial Remuneration Paid/ Payable</u>		
Employee Benefits for Key Management Personnel		
Mr. Grandhi Kiran Kumar	1.85	1.60
Mr. Srinivas Bommidala	1.85	1.60
Mr. K. Narayana Rao	0.67	0.91
<u>Revenue share paid</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	1,684.13	1,448.63



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Transactions during the period	For the nine month period ended December 31, 2015	For the nine month period ended Dec. 31, 2014
<u>Interest on Revenue Share</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	1.96	-
<u>Operational support cost paid</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	-	2.77
<u>CSR activities</u>		
<u>Enterprises where significant influence of key Management personnel or their relative exists</u>		
GMR Varalakshmi Foundation	1.45	-
<u>Interest Received</u>		
<u>Jointly Controlled Entities</u>		
Delhi Airport Parking Services Private Limited	1.26	-
Delhi Duty Free Services Private Limited	0.15	-
Celebi Delhi Cargo Terminal Management India Private Limited	0.81	-
Delhi Aviation Services Private Limited	2.75	-
Delhi Aviation Fuel Facility Private Limited	-	0.82
<u>Consultancy fees paid</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Fraport AG Frankfurt Airport Services Worldwide		0.26
<u>Holding company</u>		
GMR Airports Limited	0.03	0.12
<u>Jointly Controlled Entities</u>		
Wipro Airport IT Services Limited	-	0.01
<u>Manpower hire charges</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ intermediate holding company)</u>		
GMR Airport Developers Limited	27.21	24.64
<u>Airport Operator fees</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Fraport AG Frankfurt Airport Services Worldwide	96.27	89.93
<u>Expenses incurred by Company on behalf of related parties</u>		
<u>Intermediate Holding company</u>		
GMR Infrastructure Limited	0.02	0.02
<u>Holding company</u>		
GMR Airports Limited	4.24	1.42
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	0.60	-



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Transactions during the period	For the nine month period ended December 31, 2015	For the nine month period ended Dec. 31, 2014
<u>Jointly Controlled Entities</u>		
Devyani Food Street Private Limited	-	0.12
Celebi Delhi Cargo Terminal Management India Private Limited	0.30	0.29
TIM Delhi Airport Advertising Private Limited	0.42	0.27
Delhi Aviation Services Private Limited	0.31	0.31
Delhi Airport Parking Services Private Limited	0.54	0.45
Travel Food Services (Delhi Terminal 3) Private Limited	0.29	0.29
Delhi Duty Free Services Private Limited	0.21	0.33
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ intermediate holding company)</u>		
GMR Airport Developers Limited	0.05	0.15
GMR Hyderabad International Airport Limited	0.22	0.12
Raxa Security Services Limited	0.65	0.72
GMR Krishnagiri SEZ Limited	0.04	0.01
GMR Tambaram Tinidivanam Expressways Private Limited	-	0.01
Kakinada SEZ Private Limited	0.08	0.01
GMR Kamalanga Energy Limited	0.04	0.01
GMR Infrastructure (Singapore) Pte Limited	0.31	-
GMR Bajoli Holi Hydropower Private Limited	-	0.01
<u>Expenses incurred by related parties on behalf of Company</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	-	0.06
<u>Holding company</u>		
GMR Airports Limited	0.65	0.01
<u>Jointly Controlled Entities</u>		
Travel Food Services (Delhi Terminal 3) Private Limited	0.02	-
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ intermediate holding company)</u>		
GMR Hyderabad International Airport Limited	-	0.04
GMR Krishnagiri SEZ Limited	-	0.01
GMR Kamalanga Energy Limited	-	0.08
GMR Corporate Affairs Private Limited	0.26	-
GMR Kishangarh Udaipur Ahmedabad Expressways Limited	-	0.05
GMR Aviation Private Limited	-	0.21
Raxa Security Services Limited	-	0.02
<u>Corporate Cost Allocation</u>		
<u>Intermediate Holding company</u>		
GMR Infrastructure Limited	26.12	25.58
<u>Holding company</u>		
GMR Airports Limited	11.04	10.44



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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015

(All amounts in Rupees Crores, except otherwise stated)

Transactions during the period	For the nine month period ended December 31, 2015	For the nine month period ended Dec. 31, 2014
<u>Provision for Doubtful debts/ Bad debt written off</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	-	0.09
<u>Services Received</u>		
<u>Chartering Cost :</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
GMR Aviation Private Limited	4.35	2.89
<u>Security related expenses:</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ Intermediate holding company)</u>		
Raxa Security Services Limited	10.92	10.02
<u>Information technology and related expenses:</u>		
<u>Jointly Controlled Entities</u>		
Wipro Airport IT Services Limited	15.85	40.98
<u>Repair and Maintenance - IT System</u>		
<u>Jointly Controlled Entities</u>		
Wipro Airport IT Services Limited	1.02	1.42
<u>Fellow subsidiaries (including subsidiary companies of the ultimate holding company)</u>		
GMR Hyderabad International Airport Limited	-	0.04
Raxa Security Services Limited	-	0.02
<u>Rent (including lease rentals)</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	0.03	-
<u>Director sitting fees</u>		
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	0.01	0.01
<u>Electricity charges recovered</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	0.04	-
<u>Jointly Controlled Entities</u>		
Delhi Aviation Services Private Limited	7.79	5.02
Delhi Airport Parking Services Private Limited	1.31	1.19
Delhi Cargo Service Center Private Limited	-	2.70
Celebi Delhi Cargo Terminal Management India Private Limited	11.49	11.05
TIM Delhi Airport Advertising Private Limited	2.43	2.26
Travel Food Services (Delhi Terminal 3) Private Limited	2.69	2.36
Delhi Duty Free Services Private Limited	2.03	1.90



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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015**(All amounts in Rupees Crores, except otherwise stated)**

Transactions during the period	For the nine month period ended December 31, 2015	For the nine month period ended Dec. 31, 2014
Devyani Food Street Private Limited		1.93
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ intermediate holding company)</u>		
GMR Aviation Private Limited	0.01	0.01
GMR Energy Limited	0.21	0.48
GMR Chhattisgarh Energy Limited	0.17	-
GMR Warora Energy Limited (formerly known as EMCO Energy Limited)	0.18	-
GMR Tambaram Tinidivanam Expressways Private Limited	0.04	-
GMR Consulting Services Pvt. Ltd.	0.37	-
GMR Badrinath Hydro Power Generation Private Limited	-	0.09
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	11.01	8.47
<u>Water charges recovered</u>		
<u>Jointly Controlled Entities</u>		
Delhi Aviation Services Private Limited	0.08	0.06
Delhi Airport Parking Services Private Limited	0.30	0.26
Devyani Food Street Private Limited	-	0.18
Travel Food Services (Delhi Terminal 3) Private Limited	0.32	0.23
TIM Delhi Airport Advertising Private Limited	0.00	-
Delhi Cargo Service Center Private Limited	-	0.39
Celebi Delhi Cargo Terminal Management India Private Limited	0.69	0.69
Delhi Duty Free Services Private Limited	0.01	-
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/ intermediate holding company)</u>		
GMR Energy Limited	0.01	-
GMR Chhattisgarh Energy Limited	0.01	-
GMR Warora Energy Limited (formerly known as EMCO Energy Limited)	0.01	-
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	0.31	-
<u>Space Rental & Land Licence fee.</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	0.65	-
<u>Jointly Controlled Entities</u>		
TIM Delhi Airport Advertising Private Limited	1.04	1.07
Delhi Cargo Service Center Private Limited	-	12.41
Delhi Aviation Fuel Facility Private Limited	12.00	11.27
Celebi Delhi Cargo Terminal Management India Private Limited	18.83	17.57
Delhi Duty Free Services Private Limited	1.17	0.84
Delhi Aviation Services Private Limited	0.05	0.05



Delhi International Airport Private Limited**CIN. U63033DL2006PTC146936****Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015****(All amounts in Rupees Crores, except otherwise stated)**

Transactions during the period	For the nine month period ended December 31, 2015	For the nine month period ended Dec. 31, 2014
GMR Badrinath Hydro Power Generation Private Limited	-	0.95
GMR Energy Limited	0.88	1.59
GMR Aviation Private Limited	0.06	0.09
GMR Chhattisgarh Energy Limited	1.03	-
GMR Consulting Services Pvt. Ltd.	1.03	-
GMR Tambaram Tinidivanam Expressways Private Limited	0.65	-
GMR Warora Energy Limited (formerly known as EMCO Energy Limited)	1.03	-
<u>Concession fees received</u>		
<u>Jointly Controlled Entities</u>		
Delhi Airport Parking Services Private Limited	11.25	7.45
TIM Delhi Airport Advertising Private Limited	86.50	72.89
Delhi Aviation Services Private Limited	4.76	3.42
Delhi Cargo Service Center Private Limited	-	17.47
Delhi Duty Free Services Private Limited	224.31	190.41
Devyani Food Street Private Limited	-	8.46
Celebi Delhi Cargo Terminal Management India Private Limited	82.98	88.70
Travel Food Services (Delhi Terminal 3) Private Limited	11.09	9.93
<u>Airport Service, Common Area Maintenance, Screening & Other Charges</u>		
<u>Intermediate holding company</u>		
GMR Infrastructure Limited	0.10	-
<u>Jointly Controlled Entities</u>		
Travel Food Services (Delhi Terminal 3) Private Limited	1.88	0.81
Devyani Food Street Private Limited	-	0.76
Celebi Delhi Cargo Terminal Management India Private Limited	0.77	0.81
TIM Delhi Airport Advertising Private Limited	0.11	-
Delhi Duty Free Services Private Limited	3.37	2.98
Delhi Airport Parking Services Private Limited	0.02	0.03
Delhi Aviation Services Private Limited	0.01	0.01
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/Intermediate holding company)</u>		
GMR Energy Limited	0.09	-
GMR Consulting Services Pvt. Ltd.	0.11	-
GMR Chhattisgarh Energy Limited	0.11	-
GMR Tambaram Tinidivanam Expressways Private Limited	0.10	-
GMR Warora Energy Limited (formerly known as EMCO Energy Limited)	0.11	-
<u>Aeronautical Income</u>		
<u>Fellow subsidiaries (including subsidiary companies of the ultimate/Intermediate holding company)</u>		
GMR Aviation Private Limited	0.17	0.24
<u>Enterprises in respect of which the Company is a joint venture</u>		
Airports Authority of India	0.06	0.04



Delhi International Airport Private Limited

CIN. U63033DL2006PTC146936

Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015**(All amounts in Rupees Crores, except otherwise stated)**

Transactions during the period	For the nine month period ended December 31, 2015	For the nine month period ended Dec. 31, 2014
<u>Management Fees</u>		
<u>Jointly Controlled Entities</u>		
TIM Delhi Airport Advertising Private Limited	-	1.65
Delhi Duty Free Services Private Limited	-	4.13
<u>Income from Non current Investments- Dividend Income</u>		
<u>Jointly Controlled Entities</u>		
Delhi Duty Free Services Private Limited	17.56	7.98
TIM Delhi Airport Advertising Private Limited	7.84	5.07
Delhi Aviation Fuel Facility Private Limited	5.33	5.33
<u>Marketing Fund Billed</u>		
<u>Jointly Controlled Entities</u>		
Delhi Duty Free Services Private Limited	7.23	5.25
Delhi Airport Parking Services Private Limited	0.01	0.01
Travel Food Services (Delhi Terminal 3) Private Limited	0.49	-
<u>Marketing Fund Utilised</u>		
<u>Jointly Controlled Entities</u>		
Delhi Duty Free Services Private Limited	1.69	-
TIM Delhi Airport Advertising Private Limited	0.30	-

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Delhi International Airport Private Limited

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015

(All amounts in Rupees Crores, except otherwise stated)

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

- (a) The Company had accrued Development Fund (DF) amounting to Rs. 350 crores during the year 2012-13 earmarked for construction of Air Traffic Control (ATC) tower, which is under progress as at December 31, 2015. DF amounting to Rs. 324.47 crores (March 31, 2015: Rs. 308.83 crores) has been adjusted against the expenditure on construction of ATC tower incurred till December 31, 2015 and balance DF amounting to Rs. 25.53 crores (March 31, 2015: Rs. 41.17 crores), pending utilization, has been disclosed under other current liabilities.
- (b) While calculating such additional DF amount:
- i) In accordance with the earlier Standard Operating Procedure (SOP) approved and issued by the AAI dated February 19, 2009 read with the MoCA order dated February 9, 2009, the Company was adjusting collection charges against DF receipts. However, AERA vide its subsequent order no. 28/2011-12 issued on November 14, 2011 has observed that in terms of Section 22A of the AAI Act, 1994 (amended from time to time) as well as Section 13(1)(b) of the AERA Act, 2008, the function of AERA is limited only to determining the rate/amount of DF and manner of collection and administration cost incurred thereupon is an issue, which had already been prescribed by way of rules by the Central Government. In view of the fact that DF rules notified by the MoCA dated August 2, 2011 do not prescribe adjustment of collection charges from the DF receipts; the Company has capitalized DF collection charges aggregating to Rs. 25.47 crores till December 31, 2015 (As on March 31, 2015 : Rs. 22.06 crores) from the DF grant.
- ii) The Airport Economic Regulatory Authority of India (AERA) has passed an order vide Order No 03/2012-13 dated December 28, 2012 in respect of levy of Development fee at Delhi Airport. As per the said order, the rate of Airport Development Fee (ADF) has been reduced from Rs. 200 to Rs. 100 and from Rs. 1,300 to Rs. 600 per embarking domestic and international passenger respectively. Further, as per the said order, such revised rates have come into force with effect from January 1, 2013 and estimated DF collection period has been extended up to April 2016.

3.9 The Company has received advance development costs of Rs. 653.13 crores (March 31, 2015: Rs. 653.13 crores) from various Developers at Commercial Property District towards facilitating the development of common infrastructure there in. As per the term of the agreement, the Company will facilitate the development of common infrastructure upon receipt of advance towards development cost in accordance with the instructions and specifications in the agreement. Further, the Company has no right to escalate the development cost and in case any portion of the advance development cost is not utilized by the Company towards development of any infrastructure facility, the same shall be returned to the Developers upon earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As at December 31, 2015, the Company has incurred development expenditure of Rs. 424.14 crores (March 31, 2015: Rs. 383.87 crores) which has been adjusted against the aforesaid advance and balance amount is disclosed under other long term liabilities and current liabilities.



Delhi International Airport Private Limited

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Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015

(All amounts in Rupees Crores, except otherwise stated)

- 3.10** The Company is collecting "Marketing Fund" at a specified percentage from various concessionaires as per the agreement with respective concessionaires and to be utilized towards sales promotional activities as defined in such agreements in accordance with the Marketing Fund policy adopted by the Company. The financial statements of such Marketing Fund are being audited by one of the joint statutory auditors. The Company is collecting Marketing Fund since 2012-2013 and total billing (including accrual) till December 31, 2015 is Rs. 66.05 crores (March 31, 2015: Rs. 51.86 crores) towards such Marketing Fund and has incurred expenditure amounting to Rs. 31.48 crores (net of income on temporary investments) (March 31, 2015: Rs. 26.27 crores) from the amount so collected. The balance amount of Rs. 34.57 crores as at December 31, 2015 (March 31, 2015: Rs. 25.59 crores) pending utilization, against such sales promotion activities is included under "Other liabilities" as specific fund to be used for the purposes to be approved by the Marketing fund committee constituted for this purpose.
- 3.11** GMR Airports Limited (Holding Company of DIAL) has bought an additional stake of 10% in DIAL from Malaysia Airports (Mauritius) Private Limited on May 25, 2015. Consequent to this, GMR Airports Limited shareholding in DIAL has increased to 64% and Malaysia Airports (Mauritius) Private Limited shareholding in DIAL has reduced to NIL.
- 3.12** The Company has only one business segment, which is operation of airport and providing allied services and operates in a single business segment. Accordingly, the amounts appearing in these Unaudited Condensed Interim Financial Statements relate to the Company's single business segment, disclosures under Accounting Standard (AS) 17 – Segment Reporting are not reported upon separately.
- 3.13** The Comptroller and Auditor General of India (CAG) had conducted the performance audit of PPP (Public Private Partnership) project of AAI at Delhi Airport for the period 2006 to 2012. CAG had presented its report before Rajya Sabha on August 17, 2012, wherein they had made certain observations on the Company. The Public Accounts Committee (PAC), constituted by the Parliament of India, has examined the CAG report and submitted its observations and recommendations to Lok Sabha vide its 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.
- 3.14** Airport Economic Regulatory Authority ("AERA") has passed the tariff order No. 40/2015-16 dated December 8, 2015 (issued on December 10, 2015) wherein Authority has decided to adjust DF of Rs. 3,241.37 crore out of allowed DF of Rs. 3,415.35 crore based on the actual expenditure spent towards project. The authority had decided to adjust the balance amount of DF of Rs. 173.98 crore as on March 31, 2014 on utilization basis as and when it is incurred. However, the Company availed Rs.3,415.35 crores of Loan based on the DF Orders and DF collected from passengers is used for payment of Interest and Principal till December 31, 2015. Accordingly, the differential interest i.e. paid by the Company on DF Loans and considered on actual spent amounting to Rs. 46.48 crores is required to be absorbed by DIAL. Accordingly, during the nine months period ended December 31, 2015 (December 31, 2014: NIL) provision of Rs. 46.48 crores has been provided in the books of accounts.



Delhi International Airport Private Limited

CIN. U63033DL2006PTC146936

Notes to the Standalone Unaudited Condensed Interim Financial Statements for the nine months period ended December 31, 2015

(All amounts in Rupees Crores, except otherwise stated)

Further, the Company has incurred a sum of Rs. 17.29 crores towards interest from December 2011 to February 2012 which is not allowed by AERA and accordingly provision of Rs. 17.29 crores (December 31, 2014: NIL) has been made in the books of accounts.

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

As per our report of even date

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

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

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

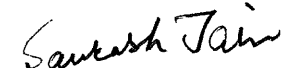
Per Yogesh Midha
Partner
Membership No. 94941
Place: New Delhi
Date: January 27, 2016

Per G. Srinivas
Partner
Membership No. 86761
Place : New Delhi
Date: January 27, 2016

Srinivas Bommidala
Managing Director
DIN – 00061464

K. Narayana Rao
Whole Time Director
DIN – 00016262


Radhakrishna Babu G.
Chief Financial Officer


Saurabh Jain
Company Secretary

Place: New Delhi
Date: January 27, 2016

